Ref: MHL/Sec&Legal/2019/18 **Date: July 15, 2019**

To,

Head, Listing Compliance Department
BSE Limited
Phiroze Jeejeebhoy Towers,
Dalal Street,
Mumbai - 400 001

Head, Listing Compliance Department
National Stock Exchange of India Limited
Exchange Plaza,
Plot No. C/1. G Block,
Bandra -Kurla Complex,
Bandra (East),
Mumbai – 400051

Scrip Code:**542650**

Script Symbol: **METROPOLIS**

Dear Sir/Madam,

Sub: Annual Report, Notice of 19th Annual General Meeting, Remote e-voting facility, Scrutinizer and Cut-off date.

Pursuant to Regulation 34 of the Securities Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 ("Listing Regulations"), the Annual Report of the Company along with the Notice of Annual General Meeting for the financial year 2018-19, is attached herewith, which is being dispatched / sent to the members by the permitted mode(s).

The 19th Annual General Meeting of the members of the Company will be held on Tuesday, August 06, 2019 at Hall of Culture, Nehru Centre, Worli, Mumbai – 400 018 at 9.00 a.m.

Further, pursuant to Section 108 of the Companies Act, 2013, read with Rule 20 of the Companies (Management and Administration) Rules, 2014, as amended from time to time and Regulation 44 of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, the Company is providing to its members the facility to cast their votes by electronic means ("E-voting") on all resolutions set forth in the Notice. The instructions for E-voting are mentioned in the Notice. The E-voting period would commence on Friday, August 02, 2019 and would end on Monday, August 05, 2019 (from 10.00 a.m. to 5.00 p.m. each day). During this period, the eligible members may cast their votes through electronic means in the manner specified in the Notice. The voting rights of Members shall be in proportion to the Equity Shares held by them, as on the cut-off date i.e. Tuesday, July 30, 2019.

Further, Manish Ghia and Associates, Company Secretaries, Mumbai has been appointed as a Scrutinizer by the Company to Scrutinize the entire voting process in a fair and transparent manner.

This is for your information and record purpose.

Yours faithfully,

For Metropolis Healthcare Limited

Jayant Prakash

Metropolis Healthcare Limited Mumbai

Jayant Prakash
Head Legal, Company Secretary & Compliance Officer
Membership No.: F6742
Address: Metropolis Healthcare Limited,
250 D, Udyog Bhavan, Hind Cycle Lane,
Worli, Mumbai - 400 030

METROPOLIS
The Pathology Specialist

Annual Report 2018-19

Reaching out
RESPONSIBLY

Across the pages

Corporate Overview

Statutory Reports

Financial Section

Please find our online version at https://www.metropolisindia.com/about-metropolis/investors

Or simply scan to download

Investor information

Listed on NSE/BSE since	: April 15, 2019	BSE Code	: 542650
NSE Symbol	: METROPOLIS	Bloomberg Code	: METROHL:IN
AGM Date	: August 6, 2019	AGM Venue	: Hall of Culture, Nehru Centre, Worli, Mumbai

Disclaimer

This document contains statements about expected future events and financials of Metropolis Healthcare Limited, which are forward-looking. By their nature, forward-looking statements require the Company to make assumptions and are subject to inherent risks and uncertainties. There is significant risk that the assumptions, predictions and other forward-looking statements may not prove to be accurate. Readers are cautioned not to place undue reliance on forward-looking statements as a number of factors could cause assumptions, actual future results and events to differ materially from those expressed in the forward-looking statements. Accordingly, this document is subject to the disclaimer and qualified in its entirety by the assumptions, qualifications and risk factors referred to in the Management's Discussion and Analysis of this Annual Report.

Reaching out responsibly

A successful business is the right combination of right things at the right time.

Every venture reaches that stage where channelling through new doors of newer opportunities become the way forward. It is imperative to feed a business's curiosity by way of constant branching and expansion.

We, at Metropolis, identified our expansionary stage. We evaluated where we stood and knew it was time to penetrate deeper into markets with tremendous potential. Diagnostic services demand responsible execution. Our promise of reliability, quality assurance and wide range of best-in-class services make us one of the preffered choices of our customers. Having been in the diagnostics industry for over 35 years, we are now ready to notch our business higher and explore growth avenues with better and wider range of services.

So we prepared, we took the plunge and we decided to reach out responsibly.

Revenue grew by

18.1%

₹ 76,005.59 lakhs

#EBIDTA grew by

16.4%

₹ 20,734.11 lakhs

***PAT grew by**

16.2%

₹ 13,083.40 lakhs

All figures are on consolidated basis and pertain to FY 2018-19

EBIDTA is before CSR,one time share based and other expenses

* PAT is before CSR, one-time share based and other expenses

Know us
Leading to leverage

One of the leading Indian diagnostics company, suitably-positioned to leverage the expected growth in the Indian diagnostics industry.

Metropolis Healthcare Limited ('Metropolis' or 'MHL' or 'the Company') is one of leading and renowned Indian diagnostics companies. The Company owns a chain of diagnostic centers across India, South Asia, Africa and the Middle East. Over the years, Metropolis has carved a niche for itself. The Company enjoys a loyal customer base, reflecting its strength as a brand offering superior diagnostic tests and services.

With its widespread operational network, Metropolis offers a comprehensive range of clinical laboratory tests and profiles. These tests and profiles are used for prediction, early detection, diagnostic screening, confirmation and/or monitoring of the disease. Metropolis plays a pivotal role in raising the bar of diagnostic accuracy, technological equipment, customer experience and research-driven empathetic service in the industry.

The Company's broad spectrum of services offer around 3,487 clinical laboratory tests and 530 profiles. Various test combinations, specific to a disease or disorder and wellness profiles used for health and fitness screening form a part of the Company's service profile.

MHL categorises tests into

Routine tests:

Blood chemistry analyses, blood cell counts and urine examination

Semi-specialized:

Thyroid function tests, viral and bacterial cultures, histology, cytology and infectious disease tests

Specialized tests:

Coagulation studies, autoimmunity tests, cytogenetics and molecular diagnostics.

Metropolis has invested in a variety of specialized tests and also adopted several advanced tests and technologies introduced in the global market. As on date, the Company offers 2,799 specialized tests. One of the prime reasons behind the Company's leading position in the diagnostics industry is its track record of introducing specialized tests.

Brand Values that Guide Us

Vision

To be a respected healthcare brand trusted by clinicians, patients and stakeholders. Positively impact lives of patients in their most anxious times and turn their anxiety in to assurance.

Mission Statement

Helping people stay healthy, by accurately revealing their inner health

INTEGRITY IS IN OUR VEINS.
EMPATHY IS IN OUR BLOOD.
ACCURACY IS IN OUR DNA.
WE ARE METROPOLIS.

The Metropolis Brand Manifesto

We are the pathology specialists. We believe in truths. We are convinced that every human being deserves to know truths, especially if they are about inner health. And our aim is to present these truths in the most human way possible.

We are focused. We apply ourselves through processes and innovation to ensure that we get it right the first time, every time. We conduct millions of medical tests every minute globally and each of the tests are focused to deliver precision and accuracy. We employ our global expertise in research to provide the latest in pathology services. We make sure that inner health status is easy to understand for both patients and care givers. We are transparent in communication and in the way we conduct our business.

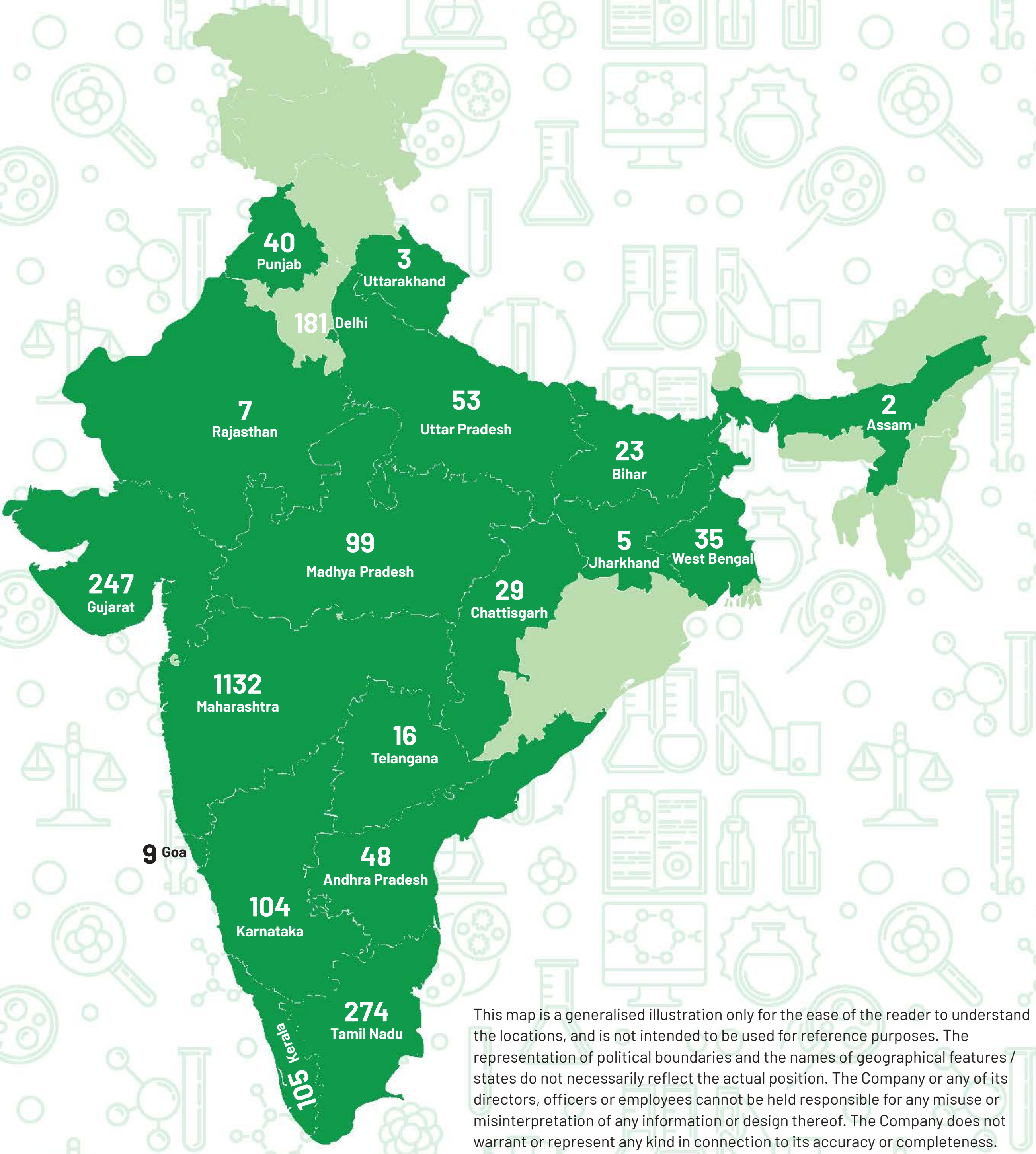
We look at our customers as human beings and not sample numbers. We recognize that our work will go a long way in ensuring right health outcomes for them. We are warm to our patrons and flexible to their needs. We replace our patients' anxiety with assurance.

We foster growth and support a culture that is open, synergistic, progressive and scientific. We encourage accountability and empower teams to take decisions.

We are honest. We are committed. We are compassionate. We are willing to go the extra mile. We are Metropolis, the most trusted pathology chain in India.

EMPOWERING PEOPLE WITH KNOWLEDGE OF THEIR INNER HEALTH

Reaching out for a reliable cause



This map is a generalised illustration only for the ease of the reader to understand the locations, and is not intended to be used for reference purposes. The representation of political boundaries and the names of geographical features / states do not necessarily reflect the actual position. The Company or any of its directors, officers or employees cannot be held responsible for any misuse or misinterpretation of any information or design thereof. The Company does not warrant or represent any kind in connection to its accuracy or completeness.

Our evolution

Foundation: 1980-2001

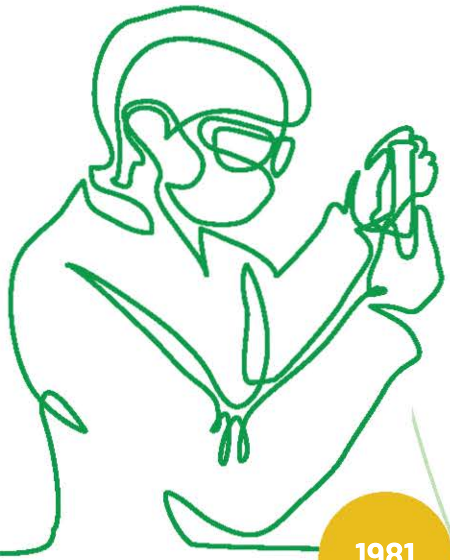
Established by Dr. Sushil Kanubhai Shah

- Commenced pathology business in 1980 as a partnership firm
- Set up the medical base

Building pillars of the business: 2001-2015

Ameera Shah takes charge (only 36% shareholding)

- Expanded foot print: Regional => Pan India => International
- Engineered several successful partnerships to expand presence
- PE investments in 2006, 2010 & 2015



1981
First Referral Laboratory Set up by Founder and Chairman Dr. Sushil Shah

1992
Commenced Clinical Research Services

2003
- First major Acquisition Sudharma (Kerala)
- Introduced Home Service Vertical

2006
Capital infusion by ICICI Ventures

2010
Investment by Foxcreek Investment Limited

Transformation and expansion: 2015 onwards

Renewed focus on individual patients

- Promoters' stake increased to approx. 68%
- Professional management team with diversified experience hired to drive growth plan
- Widespread presence with strong brand value
- Robust Information Technology Infrastructure
- Introduction of digital initiatives
- Foray into PPP segment

2013
Expansion towards developing African countries

2015
Exit of Foxcreek Investment Limited, management control by promoters and entry of Carlyle

2016
New professional management team Rollout of Metropolis retail strategy

2019
- Successful IPO with 5.8 times oversubscription and listing
- Strong thrust on retail frontend expansion
- First PPP in NACO

Notable Recent Awards & Accolades

The Global Reference Laboratory of Metropolis holds accreditation from the College of American Pathologists (CAP) since 2005 which is the gold standard in accreditations in our industry, globally.

Our clinical laboratories hold one or more of CAP, NABL, KENAS, ILAC or APLAC* accreditations.

Our Company was awarded Iconic Pathology Lab Award by Mid-Day Health & Wellness Awards in September 2018

Metropolis received the 'Best Diagnostic Laboratory' in India award at the Women's Health Conference 2019

supported by the Ministry of AYUSH & Ministry of Health & Family Welfare.

Our Company was awarded special jury mention for "Service Excellence (Diagnostic Centre)" by FICCI at the Healthcare Excellence Awards 2018

Our Company was awarded for "Excellence in Customer Service & Delivery" by Biotrains, 2018

Metropolis Healthcare won the Best Temperature Controlled Project of the year at the Cold Chain Summit Awards held in Mumbai, 2018

Metropolis Healthcare honored for Excellence in Customer Service & Delivery at the Home Healthcare Summit & Awards 2018

Our Company was awarded for "Best in Health and Fitness" in the Digital Campaign Awards by LH Insights 2018.

ACCOLADES WON BY OUR KEY MANAGEMENT TEAM

Our Chairman, Dr Suhsil Shah was presented with

Lifetime Achievement Award at Six Sigma Healthcare Excellence Awards

Dr Sushil Shah awarded the Maharashtra Gaurav Award for Distinguished service to the state and outstanding individual achievements.

Our Managing Director, Ms Ameera Shah was featured in

- Listed amongst Tycoons of Tomorrow feature by Forbes India
- Fortune India's Most Powerful Women in Business feature 2018 & 2017
- Business Today 'Most Powerful Women in Business' feature 2018
- India Today's 8 most powerful change-makers of business world 2018
- The company's academic team published 11 scientific papers in National and International Indexed Journals.

MHL group of doctors have done 180 CME/RTM programs in FY19 there by sensitizing 6000 plus doctors.

MHL Doctors have presented 14 papers and won 12 poster competition run by prestigious healthcare institutions and hospitals across the country

Corporate Profile

Leadership in Indian Diagnostics: Trusted Pathology Brand

- 2nd largest diagnostics player in India (1)
- Leadership position in 7 large and high growth Indian cities
- Widespread presence in 19 states and 210 Cities

Hub & Spoke model for geographical coverage: Diversified network across various formats and business models

Our network comprises of 119 clinical laboratories, 1,761 Individual Patient Touch Points & 9,575 Institutional Touch Points. Our comprehensive network is well positioned to service our patients efficiently in the markets we operate. We will continue to expand diligently in a bid to go closer to the patient and establish our presence in newer markets.

Bringing the latest in tests and technology

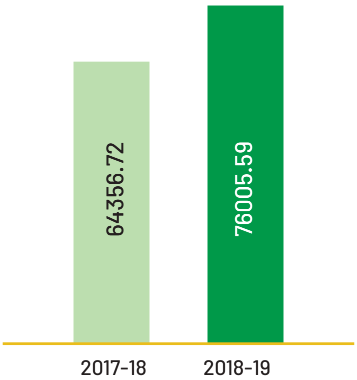
Our test menu encompassing over 3,487 tests and 530 test profiles, including highly specialized and esoteric assays. We offer comprehensive testing in the areas of genetics, biochemistry, molecular oncology, anatomic pathology, microbiology, haematology, immunochemistry and others.

Empowering people with knowledge of their inner health

In FY 19 we conducted 17 million tests from 8.9 million patient visits marking a 15.5% patient volume growth. Our scientific vision has remained constant and each day is a new step ahead in delivering the utmost customer experience; whether it is growing our test menu, growing our network or just being there for the patient at their most anxious times. Our Net Promoter Score has been on an average at 85 which means 85% of our customers are willing to strongly recommend Metropolis to their family and friends. This is a true testament to our brand loyalty, trust and affinity.

(1) Among the four leading Pan India diagnostic chains
Source: Frost & Sullivan (Based on FY 2018 EBIDTA)

Diagnosing financial numbers

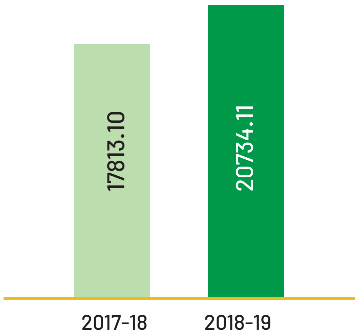


Revenue (₹ lakhs)

Up from last year 18.1%

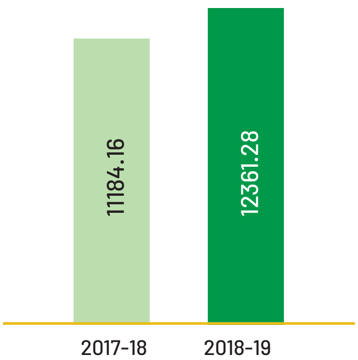
EBIDTA (₹ lakhs)

Up from last year 15.5%



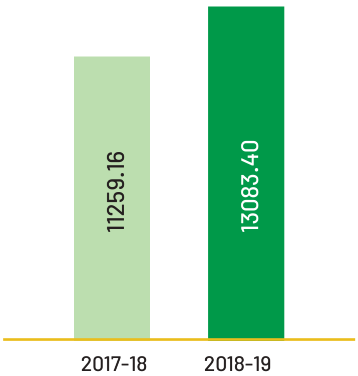
EBIDTA before CSR and one time share based and other expenses (₹ lakhs)

Up from last year 16.4%



PAT (₹ lakhs)

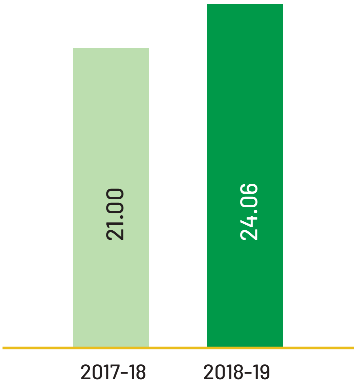
Up from last year 10.5%



PAT before CSR, one time share based and other expenses (₹ lakhs)

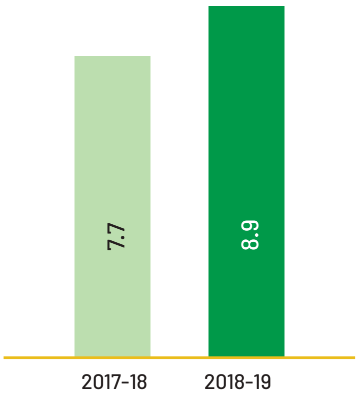
Up from last year 16.2%

*EBIDTA : Earnings Before Interest Depreciation Tax and Amortisation
*PAT : Profit After Tax
*EPS : Earnings Per Share



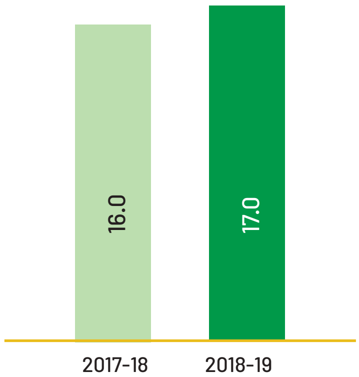
Basic EPS

Up from last year 14.5%



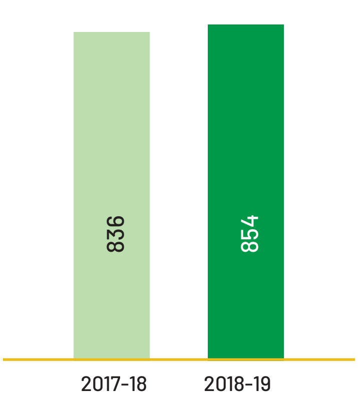
Patient (mn)

Up from last year 15.5%



# of Test (mn)

Up from last year 6.2%



Revenue per Patient (₹)

Up from last year 2.1%

Revenue per Test (₹)

Up from last year 11.2%

Chairman's Message

Metropolis has always been at the forefront in bringing new tests and technologies to the people. As of March 2019, our test menu comprised of 3,487 clinical laboratory tests and over 530 test profiles.

Dear Shareholders,

Putting our patients first: Delivering reliable pathology reports

It gives me immense satisfaction to pen down this message as the Chairman of Metropolis Healthcare Ltd. It has been a long and humbling journey for me personally to see Metropolis grow as a reputed and trusted pathology brand all across India and markets in Africa. I started out with a single minded focus on putting our patients first and a relentless pursuit in delivering accurate results and quality reports. Our scientific vision has remained constant and each day is a new step ahead in delivering the utmost customer experience; whether it is growing our test menu, growing our network or just being there for the patient at their most anxious times. Metropolis has also adopted reflex testing policy for certain tests which require re-testing with a different technology. Our promise to the patient is very simple; reliable pathology reports and for that we walk the extra mile for recheck and reflex at no additional cost to our patients.

Working in tandem with doctors because pathology matters

More than 70% of medical decisions today are based on diagnostic reports. My team of doctors is constantly in touch with clinicians, work in tandem and help them diagnose and make treatment decisions for their patients. Be it a simple blood sugar test or a complicated molecular genetic test, we have built in all the capabilities to deliver the absolute best.

Building our test menu

Metropolis has always been at the forefront in bringing new tests and technologies to the people. As of March 2019, our test menu comprised of 3,487 clinical laboratory tests and over 530 test profiles. The profile comprises of a variety of test combinations which are specific to a disease or disorder as well as wellness profiles that are used for health and fitness screening. This is a true testament to the scientific core of the company.

Quality: A way of functioning at Metropolis

Metropolis has a dedicated quality assurance team that works on accreditations for our various centers. Our Global Reference Laboratory in Mumbai is accredited by CAP (College of American Pathologists), a reputed global accreditation board and NABL (National Accreditation Board for Testing & Calibration Laboratories). To give a perspective to the benefit of our shareholders, our CAP Proficiency Testing Scores are above 98% indicating consistently good proficiency. Proficiency Testing score is indicative of quality results delivered by laboratory thereby insuring quality patient care. I am proud that our PT (Proficiency Testing) score puts Metropolis amongst the top 2% of laboratories worldwide.

Metropolis is the only private laboratory to have in-house developed and NABL accredited EQAS program. This program is used to monitor analytical quality of our group labs and 115 group labs is covered currently and is ready for commercial launch for customers.

Gearing up for Sustainable Goals and Reporting

Our CSR activities are focused in areas of Education, Health, Gender Equality and Empowerment. One of our core CSR programmes, Medengage is exclusively focused on nurturing the medical talent in the country by way of certificate courses, observership programmes, enabling them to pursue academic papers and also scholarship benefits for deserving students. Our goal from hereon will be to align to sustainable goals, integrate these in to our core business function.

On a closing note FY19 has been an exhilarating year for us and in FY20, our only hope as always is to impact patient lives positively by way of accurate pathology reports, empathetic patient-centric approach and being there for our patients.

On behalf of the Board of Directors of Metropolis, I thank all our shareholders, employees, bankers and various stakeholders for the trust and confidence shown in us and we look forward to your continued support.

Warm regards,

Dr Sushil Shah
Founder & Chairman

MD's Message

As one of the country's leading diagnostic companies, MHL continues building and nurturing its talent. Several employee training and development initiatives are often undertaken. This helps incorporate integrity as a core ingredient of the Company's work culture.

Dear Shareholders,

I am delighted to be writing to you at the end of what has been a satisfying financial year for Metropolis Healthcare Limited. Amidst an uncertain global environment and challenging industry dynamics, we have continued to grow well. This encouraging performance has been supported by our commitment to quality, adherence to accuracy and integrating capabilities.

To begin with, I would like to bring your attention to an Indicator that I have been passionate and relentless about. I am happy to share with you that in FY19, our Net Promoter Score has been on average at 85, which means that 85% of our customers are willing to recommend Metropolis to their family and network. Our Chairman in his note has emphasized on Metropolis' core vision of putting the patients first and our customer loyalty score is an outcome of this vision.

Moving on to our performance review, we continue to maintain our position in the leaders' quadrant and are ranked amongst the Top 2 companies in the fast growing Indian diagnostic industry. For the next two years, India's diagnostic industry is expected to grow at a healthy pace. Within the diagnostics market, the pathology segment is estimated to contribute approximately 58% of total market. FY19 has ended on a positive note for us as the company delivered a faster than industry topline and our listed peers. We are positive about short and midterm future growth owing to fast paced network expansion and execution.

Going closer to the patient

FY19 has ended on a positive note for us as the company delivered faster than industry growth. We are positive on the short and medium term growth for Metropolis owing to fast paced network expansion, relentless execution, strong brand and customer first philosophy. We are happy to report a 15.5% growth in number of patient visits with increase in revenue per patient (2.1%) and revenue per test (11.2%), which are better than current industry standards.

Bolstering our growth in the wellness space

Our wellness initiative 'TruHealth' was launched across 36 cities in FY19 and we are confident that this will help us bolster our position in the fast growing wellness segment. It is heartening to see a positive trend of customers choosing to safeguard their health by undergoing preventive screening and diagnose conditions before they turn in to complications. This segment of the industry is termed as wellness as opposed to the illness wherein the patient has to undergo tests basis a prescription when they are sick. The overall market for wellness and preventive diagnostics was 7 to 9% of the overall market in the financial year 2018. It is expected that this segment will grow at a CAGR of approximately 20% over the next three financial years. (*Frost & Sullivan)

The Metropolis Family

Our people are at the core of everything we do. Our highly experienced leadership team leads day to day business and operations. Metropolis' strong scientific and technical team of over 2000 members is led by a team of 200 doctors and pathologists. Our phlebotomists and home service technicians are best in class, highly skilled and trained to collect samples in a single prick and are efficient in drawing samples from infants, small children and the elderly. We will make continuous efforts to progress on diversity and inclusion as we move forward.

Our relentless commitment to our patients and clinicians has brought us this far over four decades and we will continue to build our business on the tenets of integrity, empathy and compassion.

On a closing note, I would like to add that we will focus on increasing our retail contribution and impact the lives of our patients and customers while assisting them with quality results for routine and specialized tests. We will walk the extra mile for our patients who trust us during their most anxious illnesses of life. In addition, our efforts towards differentiating our customer experience, delivering quality results and strengthening our technological capabilities is a given.

My team and I are excited for FY20 and committed to create significant value for all stakeholders. Thank you for putting your trust in us and we look forward to your continued support.

Yours truly,

Ameera Shah
Managing Director

Decoding the Pathology Industry

Glaring Lack of Regulatory & Minimum Standards: Fragmented, unregulated and unorganised

Did you know that 70% of medical decisions are based on pathology reports? And that is why pathology matters.

The regulatory framework in pathology across developed countries is way ahead of that in developing nations. In the UK, the regulatory framework is led by The Royal College of Pathologists and CLIA (Clinical Laboratory Improvement Amendments) and in the US, by The College of American Pathologists. If one looks at the US, the entire healthcare industry is regulated by a host of bodies, including the Joint Commission and Food and Drug Administration. The scenario in India is an absolute contrast. India today has over 1,00,000 laboratories and only about 20 per cent of these are part of the organised sector. The rest of the industry is highly fragmented, unregulated and unfortunately, do not adhere to minimum standard requirements. Incorrect sample collection procedures, inaccurate testing protocol and non-adherence to guidelines are rampant in the industry. Additionally, many citizens are ignorant about accreditation and do not take enough care in choosing the right laboratory.

The National Accreditation Board for Testing and Calibration Laboratories (NABL) is the nodal agency for accreditation of laboratories, but it is not mandatory. According to details on the NABL website, 783 medical laboratories have been accredited as of January 31, 2018. It means less than 1 per cent of the total laboratories in the country got accreditation.

The road to accreditation is a long process and begins with the ability to achieve analytical quality. None of the other qualities will matter unless analytical quality is achieved. Internal quality control and external quality assessment schemes (also called proficiency testing) are used to evaluate and continuously improve analytical quality. While achieving accreditation is the best available solution for the industry, it is not easy and may not be feasible for smaller laboratories. Lack of resources, training and readily available reference materials pose serious impediments to the accreditation process.

Fragmented Industry owing to Low Entry Barriers

The diagnostics industry is highly fragmented with large chains, stand-alone centres, and Hospital based laboratories. Owing to low entry barriers the industry is fragmented and is witnessing a lot of small and medium sized players; however very few are able to scale in a profitable manner. Regional Stand Alone Laboratories have a limited test menu and hence lack the capacity to expand in terms of their service offering and in addition, in terms of the perceived quality of testing, it may not be as good as that of an established chain. Hospital based laboratories are limited to the hospital inpatients, has a limited test menu and charge higher than diagnostic chains.

Diagnostic chains like Metropolis have an advantage of years of experience, brand trust and recall, global quality standards and accreditations, brand experience, expansive test menu, patient touch points to service patients locally, value added offerings for patients and the ability to sustainably grow in new markets.

Diagnostic chains to continue to acquire market share of standalone centers

Diagnostic chains have grown rapidly with the emergence of pan-India players. Diagnostic chains have been able to maintain rapid growth by opening more collection centers, which has helped them improve their asset utilization. Moreover, large chains have higher bargaining power that allows them to keep their input costs (bulk purchase of reagents) lower than standalone centers. Standalone centers also tend to lose out on some business on account of the unavailability of complex tests and the perception that the quality of services may not match that provided by branded chains. In last few years there have been quite a few acquisitions in this space with larger players buying smaller players in order to gain market share. All these will lead to diagnostic chains continuing to acquire market share of standalone centers.

A rising trend of a conscious customer: Seeking Best in Class Customer Experience

Today, more and more customers are aware of the quality parameters of a lab and are making conscious decisions to choose a reputed lab for their testing needs. Pathology needs for a patient is limited to when he is sick and is prescribed tests by a doctor and hence no compromise is made in choosing the best in class.

What does the customer want from a pathology center?

1. Assurance of an accurate report
2. Comfort and Convenience – Home service, painless sample collection, reports on email, SMS Alerts
3. A pleasant and hygienic experience
4. Quick turnaround time to receive report

Over the past 4 decades, Metropolis has diligently built a superior customer experience right from ensuring painless and safe sample collection, comfort and convenience of home collection and reliable and accurate test reports in best turnaround times. In addition, our team of doctors are available to solve patient queries in a timely manner.

Prescribing Doctor's Play in Pathology

What does the doctor want from a pathology center?

70% of medical decisions are based on pathology reports and hence quality and accuracy matters. Clinicians depend on pathology reports to make diagnosis, monitor conditions and make treatment decisions for their patients

1. Assurance of an accurate report
2. Consultation with in-house MD Pathologist
3. Quick turnaround time
4. Valued added services like recheck reflex testing

A pathologist is called as the Doctor's Doctor because of the constant interaction between the treating clinician and the laboratory. We are proud to state that over the years, we are not only a trusted name amongst clinicians but also a respected healthcare brand in their minds.

Frost & Sullivan estimates that there will be a shift from the unorganized providers to organized providers in the diagnostics market due to increasing trend of patients' reliance on organized diagnostic providers for quality services and unavailability of complex tests with standalone centers (Source: Frost & Sullivan). Our brand and reputation, economies of scale and wide geographic coverage well positions us to leverage from the underlying opportunities in the Indian diagnostics space.

Our commitment to patients

A seamless hassle free experience every single time. We are acutely aware that patients turn to us during their most anxious times and we are constantly looking to reassure them and put them at ease with an empathetic approach. We have further delved in to details of Customer Centricity in the story board later in this report.

Our commitment to clinicians

Clinicians are looking at brands that will provide the extra support. Our team of 200 doctors are constantly in touch with clinicians to solve all their queries and help them diagnose their patients and make treatment decisions. We have bolstered our long-standing relationship with clinicians simply by delivering quality reports at quick around times and just being there for them at all times.

Our Commitment to the Metropolis Family

The Metropolis Family comprises of 4500+ members. We foster growth and harness a culture that is open, synergistic, progressive and scientific in nature. We empower our team members to take decisions and be accountable to them. To our employees, we promise and deliver a culture of learning and recognition. Our executive and leadership team, doctors, phlebotomists, technicians, home service associates, logistics associates and the entire spectrum of support function teams work in tandem to deliver the absolute best to our customers.

Our results of operations are affected by the patient mix serviced by us. In general, a higher percentage of individual patients/walk-ins/customers who avail service from home will have a positive impact on our revenues as services rendered to such patients tend to have higher profit margins than services rendered to institutional customers. Our revenue from our individual patients has increased at a much faster pace compared with institutional customers between the financial years 2016 (38%) and 2018 (42%). The goal is to gradually take this percentage to 60%. We will continue to focus on increasing the number of our individual patients through various initiatives such as expanding our service network and setting up Third Party PSCs to create visibility and increase our presence in the market by incurring limited capital expenditure. Today we have a focused sales and support team to increase our institutional customer base as well as by customizing our marketing initiatives based on the market dynamics and using multiple channels including local activities, digital marketing, radio integrations and several marketing initiatives.

Customer Centricity: A warm patient centric approach

At Metropolis, it is always the customer first. This is driven by our Founding-Chairman Dr Sushil Shah who meets key National Managers on a fortnightly basis to review progress in how we improve our overall customer experience. Today, we can boast of a superior customer experience owing to this core vision from when we started back in 1980

Patient Convenience: Not just walking the extra mile but going all the way: Painless and Pain-free Sample Collection

Metropolis adopts use of vein detectors and a spray that helps reduce the anxiety of patients while blood collection. Our team of phlebotomists are highly trained and skilled in collecting samples from infants and kids. We stand testimony to multiple testimonials that we receive from our loving customers.

Trained Home Service Team: Sample collection from Door Step

Our home service team collects samples from homes and hospitals in case of in-patients. Our patients can avail pathology services of global standards from the comfort of their residence. Samples are collected from home and reports delivered online and support extended through call center; ensuring a seamless experience for our patients.

Doctor Support: During your most anxious times

Each Metropolitan is acutely aware of the fact that patients turn to us during their most anxious times and our team of doctors are always keen to support patient queries and also at times speak with patient's clinician to help with treatment decisions. This single most differentiator sets us apart and has placed us on a higher pedestal today.

Reflex and Recheck

When a sample is received at any of the Metropolis Laborortories, the only goal for each one of us it to deliver a report that is reliable and accurate and sometimes this means, rechecking and also reflexing. Reflex testing is a policy wherein abnormal results sometimes need to be tested with another methodology. We do recheck and we do reflex because our patients deserve reliable diagnosis even if it means incurring additional costs to the company.

Driven by Science and Innovation

Research and Development

At the very heart of the company is science. Pathology matters because 70% of medical decisions is based on diagnostic reports. It is important for us to keep aligning to global standards. Our scientific team and team of doctors are always in pursuit of knowledge and key developments in pathology all across the world. Our Research and Development team customises each test before introducing in to the Test Menu. Our team undertakes rigorous validation and also takes important feedback from clinicians and incorporates it diligently.

A comprehensive Test Menu and Intelligently bundled Test Profiles

We offer a comprehensive range of approximately 3,487 clinical laboratory tests and 530 profiles to our patient. Our test menu includes pathology tests ranging from basic biochemistry and surgical pathology to cytogenetics and high-end molecular diagnostic tests. Besides pathology tests, some of our centers also offer non-pathology tests such as ECG, X-ray, ultrasound and stress tests. We have invested in a wide range of specialized tests and have adopted several advanced tests and technologies introduced in the global market, particularly in case of specialized tests. We offer 2,799 specialized tests, as of March 31, 2019.

MEDENGAGE: Nurturing Young Medical Talent in the Country

In our pursuit of science and academics, we launched Medengage, the first of its kind Medical Talent Outreach Programme that aims to nurture upcoming medical talent across India. The all-encompassing programme includes observership, short term certificate courses, scholarship benefits and also utilising the laboratory services to pursue academic interests and publish papers. We are happy to report that we conducted out first MEDENGAGE Scholarship Summit in Dec 2018 and 50 deserving medical students from across the country won scholarship benefits.

Publications and Journals: Strong Academic Pursuits

Our Company's academic team published 11 scientific papers in National and International Indexed Journals and our team of doctors have done 180 CME/RTM programs in FY19 there by sensitizing 10,000 plus clinicians. In addition, our Doctors have presented 14 papers and won 12 poster competition run by prestigious healthcare institutions and hospitals across the country

Asset light model to realise more

Using asset light approach to expand our reach

Besides setting up owned Patient Service Centres (PSCs) we have also widened our patient's service network by associating with Third Party PSCs. These include Associate Patient Service Centres (APSCs) and standalone independent laboratories converted into Metropolis-branded Patient Service Centres (D-APSCs). Going ahead, we are keen on focusing on the Third Party PSC model. Due to high scalability and limited capital expenditure involved, MHL utilises this model to expand the geographical reach of its service network.

Third Party PSCs

117
FY16

1,506
FY19

Laboratory on Lease Model

This model enables us to lease out the space of other standalone private laboratories and also use the diagnostic equipment already present at the laboratory. However, the laboratory is operated as per Metropolis' standard of quality with even upgradation executed where needed. The revenue, thereon, is shared by both the parties involved while daily operations costs are borne by Metropolis. Depending on the agreement, these laboratories are operated on either an exclusive or co-branded or branded basis and the agreement term ranges between two to five years.

D-APSC conversion

D-APSCs are standalone private laboratories converted and branded into 'Metropolis' patient service centres. These laboratories are privately operated by the original laboratory owner while the operations are carried under the guidance and in accordance to Metropolis' quality standards. Metropolis provides personnel, technical and marketing support to these and the agreement is generally for a term of five years. As of March 31, 2019, we have a network of 68 DAPSCs.

Lab in Hospitals

Metropolis has been successfully running the operations of laboratories within Hospitals. Private healthcare sector is focused on expansion of super specialty hospitals such as heart hospitals and breast cancer hospitals with advanced technologies. There is a big surge in the healthcare infrastructure investments in this segment in India that spurs the growth of diagnostic sector.

Gearing up for ESG Indicators

Metropolis' approach to Corporate Social Responsibility is based on the principle that ***knowledge leads to empowerment***. Awareness in its myriad compositions seeks to make us better equipped, empowered individuals. We believe in education that comes from awareness and the one that leads to empowerment. As we provide the highest quality of pathology service to our customers with a sense of integrity and empathy, we also actively seek opportunities to contribute to the well-being of the communities in which we do business. For the past 3 decades, Metropolis has been at the forefront in conducting impactful camps and driving numerous workshops for different sections of the society. We partner with societies, corporate groups, educational institutions, government bodies, NGOs, wellness foundations and a host of other organizations to make a difference to the lives we touch.

A brief overview of our core CSR programs in FY19

Conquer PCOS is an extensive awareness program that is specifically targeted at adolescents and young women in the reproductive stage. PCOS is a debilitating syndrome that affects 1 in 10 women in the reproductive stage. Awareness and early intervention goes a long way in avoiding life-long complications that are associated with PCOS. Over a period of two years, we have enabled 20,000 young women and girls to take informed medical decision with respect to PCOS and have helped them make positive changes in their lifestyle.

Too Shy To Ask

Often young girls and boys have many a questions during their growing up years. They resort to either internet or their friends for information which leads to incorrect notions. Too Shy To Ask is an app that helps solve these problems. This serious gender awareness app gives accurate information on sexual health, reproductive health, nutrition, vaccinations, gender equity and equality. We have responded to 15,0000 anonymous queries from children aged between 12 and 18 years with respect to their reproductive health and gender awareness.

Medengage is a full-fledged academic program that is designed exclusively for medical students across specialties. Under Medengage, students can avail scholarship benefits, observership courses and also avail expert assistance on their research papers. 50 students won Medengage scholarships in its first inaugural year.

EMPOWERESS

Small Businesses owned and run by women in India face many unique challenges. Empoweress helps these business owners through networking and mentoring sessions. Empoweress is a peer to peer networking and learning platform and a sisterhood community for young micro entrepreneurs who are trying to run a sustainable business.

Moving forward, our goal is to align with sustainable goals and widen the scope of our CSR programmes and our core business functions to positively impact the people around us.

Board of Directors

DR. SUSHIL SHAH

Dr. Sushil Kanubhai Shah is the Chairman and Executive Director of our Company. He holds a bachelor's degree in Medicine and Surgery and a degree of Doctor of Medicine in Pathology and Bacteriology from University of Bombay. He was one of the partners of Metropolis Healthcare Services and Metropolis Lab. He was awarded the "Maharashtra Gaurav Award" by the Government of India and the "Lifetime Achievement Award" at the Six Sigma Healthcare Excellence Awards. He was also awarded the "Rajiv Gandhi Excellence Award" by the Indian Solidarity Council and the "Rashtriya Chikitsak Ratna" Award by the National Education & Human Development Organisation. He has more than three decades of experience in pathology business. He has been a Director on our Board since 2005.

MS. AMEERA SHAH

Ameera Sushil Shah is the Managing Director of our Company. She holds a bachelor's degree in Business Administration from the University of Texas at Austin. She has also completed the Owner-President Management Programme from Harvard Business School, Harvard University. She was one of the partners of Metropolis Healthcare Services and Metropolis Lab. She was featured by Forbes Asia as one among "Asia's Women to Watch" in 2015 and has also been recognized by Fortune India as one of the "Most Powerful Women" in 2017. She was also awarded the "Women in Leadership Award" by Bloomberg and UTV and was recognized as one of the "Inspiring Business Leaders of India" and "40 under forty-India's Hottest Business Leaders" by the Economic Times. Additionally, she was also awarded the "Corporate Championship Award" by the US India Business Council. She has more than two decades of experience in pathology business. She has been a Director on our Board since 2008.

MR. VIVEK GAMBHIR

Vivek Gambhir is an Independent Director of our Company. He holds a bachelor's degree in Science from Lafayette College, Pennsylvania and a bachelor's degree in Arts from Lafayette College, Pennsylvania. He also holds a master's degree in Business Administration from Harvard University. Prior to joining our Company, he has worked with Bain & Company India Private Limited and Godrej Industries Limited & Associated Companies. He currently serves as managing director and chief executive officer of Godrej Consumer Products Limited. He has more than ten years of experience in operations and strategy. He has been a Director on our Board since 2018.

MR. SANJAY BHATNAGAR

Sanjay Bhatnagar is an Independent Director of our Company. He holds a master's degree in Engineering from Stanford University. He also holds a master's degree in business administration from Harvard University. Prior to joining our Company, he has worked with Enron India Private Limited, WaterHealth International Inc. and the THOT Capital Group LLC. He has also served as the chairman of the American Chamber of Commerce in India and as a board member of the US India Strategic Partnership Forum. He has over 15 years of experience in project development, marketing and operations management. He has been a Director on our Board since 2018.

MR. MIHIR DOSHI

Mihir Jagdish Doshi is an Independent Director of our Company. He is the Managing Director and Country CEO, India of Credit Sussie, a global financial player. He is also associated with prestigious Asia Pacific Management Committee and the Emerging Markets Council. He also served as a Member on the Managing Director Evaluation Committee (MDEC) from 2009 – 11.

MR. MILIND SARWATE

Milind Shripad Sarwate is an Independent Director of our Company. He holds a bachelor's degree in Commerce from the University of Bombay and is an associate of the ICAI, the Institute of Company Secretaries of India and the Institute of Costs and Works Accountants of India. Prior to joining our Company, he has worked with Godrej Soaps Limited and Marico Limited. He was also a participant at the Fulbright -CII fellowship for leadership in management programme at the Carnegie Mellon Graduate School of Industrial Administration, U.SA. He was a recipient of the "Best Performing CFO" award by CNBC TV18 and was also inducted into the CFO India Hall of Fame by the CFO India magazine. He was also awarded the ICAI Award 2011 in CFO – FMCG Sector category. He is also a designated partner of Increate Value Advisors LLP. He has over three decades of experience in consumer products and services. He has been a Director on our Board since 2018.

Management Team

Dr Sushil Shah – Chairman and Executive Director

Ms Ameera Shah - Promoter & Managing Director

Mr. Vijender Singh – Chief Executive Officer

Dr Nilesh Shah - Group President & Head of Science & Innovation

Mr Tushar Karnik – Chief Financial Officer

Mr Jayant Prakash - Head of Legal, Company Secretary & Compliance Officer

Mr Amit Goel – Chief Technology Officer

Mr Piyush Kumar – Chief Marketing Officer

Corporate Information

Board of Directors

Dr. Sushil Kanubhai Shah
Chairman & Executive Director

Ms. Ameera Sushil Shah
Managing Director

Mr. Vivek Gambhir
Independent Director

Mr. Milind Shripad Sarwate
Independent Director

Mr. Sanjay Bhatnagar
Independent Director

Mr. Mihir Jagdish Doshi
Non Executive & Non Independent Director

Committees of Board

Audit Committee

Mr. Milind Shripad Sarwate
Chairman

Mr. Vivek Gambhir
Member

Mr. Sanjay Bhatnagar
Member

Mr. Mihir Jagdish Doshi
Member

Nomination and Remuneration Committee

Mr. Vivek Gambhir
Chairman

Mr. Milind Shripad Sarwate
Member

Mr. Mihir Jagdish Doshi
Member

Stakeholders' Relationship Committee

Mr. Vivek Gambhir
Chairman

Ms. Ameera Sushil Shah
Member

Dr. Sushil Kanubhai Shah
Member

Risk Management Committee

Ms. Ameera Sushil Shah
Chairman

Dr. Sushil Kanubhai Shah
Member

Mr. Vijender Singh
Member

CSR Committee

Mr. Vivek Gambhir
Chairman

Ms. Ameera Sushil Shah
Member

Mr. Milind Shripad Sarwate
Member

Key Managerial Personnel

Mr. Vijender Singh
Chief Executive Officer

Mr. Tushar Manohar Karnik
Chief Financial Officer

Mr. Jayant Prakash
Head Legal, Company Secretary & Compliance Officer

Auditors

Statutory Auditors

B S R & Co. LLP
Chartered Accountants

Internal Auditors

Suresh Surana & Associates LLP
Chartered Accountants

Secretarial Auditors

Messrs. Manish Ghia & Associates
Company Secretaries

Cost Auditors

Messrs. Joshi Apte & Associates
Cost Accountants

Corporate Identity Number (CIN)

U73100MH2000PLC192798

Registered Office

250 D, Udyog Bhavan, Hind Cycle Marg, Worli, Mumbai – 400 030, Maharashtra, India
Tel. No.: 91 22 6258 2810
Email address:
secretarial@metropolisindia.com
Website:
www.metropolisindia.com

Registrar and Transfer Agent

Link Intime India Pvt. Ltd
C-101, 1st Floor, 247 Park, LBS Marg, Vikhroli West, Mumbai 400 083
Tel. No.: 91 22 4918 6200
Fax No.: 91 22 4918 6195
Website:
www.linkintime.co.in

Bankers

HDFC Bank Limited

Axis Bank Limited

ICICI Bank Limited

Yes Bank Limited

MANAGEMENT DISCUSSION AND ANALYSIS

Economic Environment:

The global economy recorded a 3.6% growth in 2018 and a 3.3% decline is projected in 2019. Such anticipation can be accredited to restrained economic activity, softened sentiments of international trade and investment, elevated trade tension and an on-going pressure on financial market. The global economy, in the year 2020, is expected to grow at 3.6%.

Indian Overview:

India's GDP for the fiscal year 2018-19 stood at 6.8% compared to 6.7% in the previous year (Source: The Economic Times). The growth momentum in the first half of the year was remarkable with steady investments and robust private consumption along with important structural reforms.

On the other hand, the rate of development gradually declined in the second half owing to reducing private consumption, tepid increase in fixed investment, muted exports and weak global and domestic demand. Further, slowdown across major economies globally also affected the growth. A reform-focused government and a stable policy regime may help India realize its economic growth potential.

Outlook

India's growth prospects look brighter from the second half of FY2020, the GDP for FY2020 is estimated to be at 7%. This estimation is underpinned by robust private consumption, a moderately supportive fiscal stance and benefits from the previous reforms *(Source: The Economic Times)*. However, a slow-moving demand, volatile crude oil prices and weaker currency may together dampen the future growth expectations.

Indian Healthcare Market

The Indian Healthcare market components are broadly divided into hospitals (Government and Private), pharmaceuticals, diagnostics (imaging and pathology), medical equipment and supplies, medical insurance and telemedicine. Recently, the healthcare industry has been growing swiftly. This rapid pace can be mainly credited to the strengthened coverage services and increased investment as well as expenditure from the public and private investors. The other factors driving this growth are a steep growth of lifestyle diseases, the growing demand for affordable healthcare services, the emergence of technologies like telemedicine and the increased role of Government in healthcare investment space.

The Indian healthcare market is poised for a threefold jump in terms of value, to reach US$ 372 bn by 2022 *(Source: Invest India)*. Further, in terms of incremental growth, the Indian healthcare market is also anticipated to be amongst the top three global healthcare markets by FY 2020. Despite this growth, India's per capita healthcare expenditure stands substantially lower than its South Asian peers like Indonesia and China with their per capita healthcare expenditures at US$ 112 and US$ 426 in 2015, respectively.

Indian Diagnostic Industry

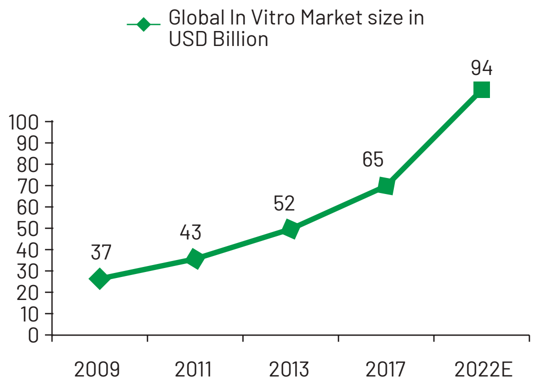
When it comes to the diagnostic market, it is the fastest growing segment of the Indian healthcare industry. The diagnostic and laboratory industry has progressed manifolds right from testing urine to microscopy to molecular testing and it continues growing at a rapid pace. The growing numbers of hospitals and the increased awareness and requirement for healthcare facilities are the major reasons behind the boost of the Indian diagnostic market. Together these factors have created a need for sophisticated devices and equipment for accurate treatment to individuals. Globally, this sector is moving from being a profit-focused domain to a more customer-centric stream. It is gradually aiming and moving towards being an integral part of the healthcare sector like never before. Some Industry Reports peg FY 2015 to FY 2018, CAGR growth rate at 16.5%, however unofficially the large players have reason to believe that the overall industry growth to be close to 12%.

The Indian diagnostic industry can be broadly segregated into pathology testing and imaging diagnostic services. The Pathology testing (in-vitro diagnosis) includes sample collection in the form of blood, urine and stool. This is followed by the sample's analyzation using laboratory equipment and technology to derive useful clinical information for assisting patients' disease treatment. The imaging diagnostic segment, on the other hand, involves more complex tests like Computed Tomography (CT) scans and Magnetic Resonance Imaging (MRI) and other highly specialised tests like Positron Emission Tomography (PET)-CT scans. As per estimation, the pathology segment itself is said contribute around 58% of the total market revenue in the FY 2018. The radiology segment, on the other hand, is estimated to have contributed the remaining 42%.

Penetration comparison with other countries

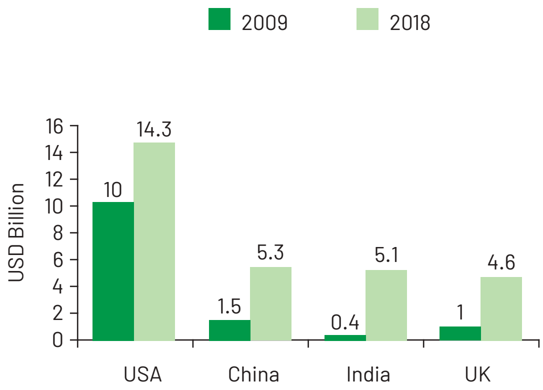
The global in vitro diagnostic market (tests done on samples such as blood or tissue) is estimated to be worth USD 65 billion in 2017 and is expected to reach USD 100 billion mark by 2025 (as per Allied Market Research data). Historically, the global in vitro diagnostics market has been consistently growing at 6%-7% with USD 37billion in 2009 to USD to 43 billion by 2011 and an estimated USD 52 billion by the end of 2013. The market though is unevenly distributed with dominance by the developed nations. However, the growth trends globally in the last 15 years are fueled primarily by increased expenditure on healthcare in the emerging countries including China, India and Brazil and increased demand for healthcare from aging populations of the world. According to the 2010 World Health Organization report, the estimated revenues were USD 1.5billion, 0.6billion and 0.4 billion for China, Brazil and India respectively in 2009.

Global In Vitro Market Growing at ~6% CAGR; to reach ~94bn by 2022



Source: WHO, Allied Market Research, Goldman Sachs Global Investment Research

Growth in In-Vitro Diagnostics Markets across different countries over 2009-2018

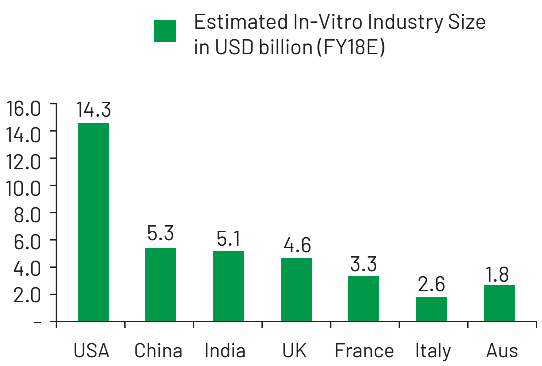


Source: WHO, Goldman Sachs Global Investment Research

Indian In-Vitro diagnostics market is estimated to be USD 5.6 billion, standing after the USA and China. The Indian diagnostics market has been historically smaller in comparison to developed markets such as the US, with an estimated size of ~US$9bn, per our estimates. Due to improved standards of living driven by increasing per capita income, globalization and preventive healthcare awareness, spend on diagnostic services is increasing over the time. India's diagnostics industry has, at the same time, been witnessing various challenges such as a lack of qualified professionals, accredited labs, infrastructure especially in the rural parts of the country.

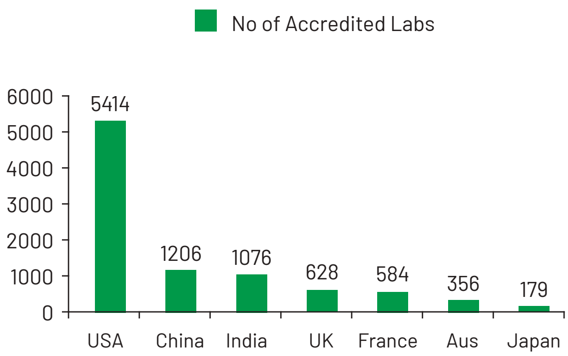
All the developing nations are facing a severe dearth of qualified professions who can perform diagnostic tests. Although there are 1,076 NABL accredited diagnostics labs in India, they come down to less than 1 lab per million given the high population of the country. However, the numbers of accredited labs in India have been growing from 576 in 2015 to 1076 in 2019 at a CAGR of 17%, there is still a long way to reach the numbers of peer nations such as UK, USA and Australia which have more than 10 labs per million.

In-Vitro Diagnostic Markets across the world FY18E



Source: data compiled by Goldman Sachs Global Investment Research

1,076 NABL Accredited labs in India as in CY18



Source: data compiled by Goldman Sachs Global Investment Research

Key Drivers of the Indian Diagnostic Industry

Aging population: The population cohort above 65 years old is growing at 4%-4.5% p.a in India (according to the World bank) and majority of healthcare spend comes from people above the age of 60. The healthcare and diagnostic services' consumption of India will be primarily driven by its huge and ageing population base.

Rising income: Increasing income levels have created a large middleclass population: The rising income levels of Indians are directly adding to their affordability which is expected to multiply 1.4 times in the next five years. An increase of 36.82% from US$ 6,538 per annum in 2017 to US$ 8,945 per annum in 2022 is estimated. Together, this increase in affordability and disposable personal incomes will succor the healthcare services' demand. This is expected to propel a healthy growth in the diagnostic services industry. An industry report estimates 3%-3.5% of private healthcare revenue growth to come from the rural population moving up to the c. US$1500-US$2000 income bracket every year (not accounting for inflation)

Price increases: While healthcare price hikes are coming under increasing scrutiny from the regulators and government, we still see price increase of 0.3% to 0.5% p.a at the minimum to cover medical cost inflation. The easing PE deal momentum may provide relief on price competition.

Faster than anticipated pickup in preventive testing: Industry estimates that the current preventive testing account for <10% of the overall market and is growing at 20% CAGR. In a scenario where the government increases incentives (including tax breaks) towards preventative testing, reports indicate growth at 27% CAGR (FY19E-23E).

Insurance coverage for diagnostics services including outpatients:

India is still mostly an out of pocket market for diagnostic testing services. Outpatient diagnostic testing is not covered by the majority of private, public and employer health insurance schemes. That said, this exercise indicates that if outpatient diagnostic tests are to be included in more health insurance schemes, there is a high probability of growth inflection in the industry, from the present 10%-11% levels.

Improving health insurance coverage is a phenomenon that continues to see good traction driven by rising income, higher awareness on retail side and higher onset of group insurance schemes. As per IRDA data, the number of lives covered stood at 482mn or 37% of India's population in FY18 and given the underlying growth in private market, industry reports estimates that this ratio has moved significantly higher than 40% in FY19. Large Diagnostic chains will set to benefit from this increasing insurance penetration.

Building Test Menu and Capabilities: Diagnostics players continue to add complex tests (semi specialized and specialized) and assessments in a bid to differentiate.

Government Policy Impact

Rationale behind the Draft NEDL proposal - Accessibility, Affordability and Quality

India has had an Essential Medicine List for more than 40 years and the government brought in price control after 20 years of regulation which only affects a segment of their business, pegged at about 20%. In an attempt to improve accessibility, affordability and appropriate use of good quality diagnostic testing in India, the Indian Council for Medical Research (ICMR) which is run by the Government of India released a draft of the National Essential Diagnostics List (NEDL) in December 2018. A handful of disease tests (Hepatitis A, Hepatitis B, Hepatitis C, HBC, Tuberculosis, Chikunguniya, Dengue, Filariasis, Maliaria etc.) are included in the list.

Price control if any in diagnostics will be limited to endemic diseases and is a welcome move as government will also bring in quality checks and puts minimum standards in place. This will ultimately benefit the large established players who already have the best in technology and accreditations in place.

Another concern has been governments imposing price caps during endemic seasons for tests like Dengue and other vector borne diseases. In a recent judgment, the court halted Maharashtra government's two year order for capping Dengue testing prices at Rs600, on the ground that prima facie due procedures were not followed. This has been supportive for Diagnostics labs who have been arguing that states have no jurisdiction in fixing prices.

Large players to be hurt less than small players: Price control goes hand in hand with putting minimum standards in place. Regulation coming in to play means that diagnostic chains who invest in quality, compliance and accreditations will finally have a level playing field with smaller run of the mill laboratories that conduct operations with no standards in place.

Metropolis Healthcare Ltd: The Year Under Review

Our key competitive strengths include (i) being one of the leading diagnostics companies in India well positioned to leverage the expected industry growth; (ii) widespread operational network, young patient touch point network and asset-light growth of service network; (iii) comprehensive test menu with wide range of clinical laboratory tests and profiles; (iv) strong and established brand with focus on quality and customer service; (v) robust information technology structure with focus on improving efficiency; (vi) established track record of successful acquisition and integration in India and overseas; and (vii) experienced senior management team and qualified operational personnel.

A Trusted Name in Pathology

Metropolis Healthcare Ltd is a trusted pathology chain in India. It is a professionally managed, patient centric, compliance driven organization guided by a strong team led by Ms Ameera Shah. . Our extensive presence across 19 states and 210 cities has enabled us to achieve leadership position in the Southern and Western India (Source: Frost & Sullivan). MHL offers a gamut of clinical laboratory tests and profiles which helps in prediction, early detection, diagnostic screening, confirmation and/or monitoring of diseases.

Test Menu Capabilities:

A wide range of ~3,487 clinical laboratory tests and 530 profiles were offered by Metropolis as of March 2019. The profiles, comprise various test combinations specific to a disease or disorder. It also encompasses wellness profiles used for health and fitness screening. The tests are divided into

(i) **'Routine'** tests like blood chemistry analyses, blood cell counts and urine examination

(ii) **'Semi-specialised'** tests such as thyroid function tests, viral and bacterial cultures, histology, cytology and infectious disease tests and

(iii) **'Specialised'** tests like tests for coagulation studies, autoimmunity tests, cytogenetics and molecular diagnostics.

Touching lives through reliable test reports

As of March 2019, we conducted a total of 17 Mn tests/8.9 Mn patient visits. Our doctors assist clinicians on an day to day basis to help them make correct diagnosis and treatment decisions for their patients.

Going closer to the patient

Through a network of 119 laboratories, 1,761 Individual Patient Touch Points and 9,575 Institutional Touch Points, we have ensured a fast pace of execution in a bid to move closer to the patient. In addition, Metropolis also offers sample collection at doorstep, a seamless experience for a patient where samples are collected from home and reports are delivered online.

Patient First Approach

Customer service is a critical differentiator across all stages of our operations. For instance, we have increased scope of our home collection service to 210 cities in India, as of March 2019. For the convenience of our patients, we have developed a mobile application for scheduling house calls, accessing test reports, receiving test reminders as well as making online requests for billing information. We offer our patients a detailed test report which covers result trend analysis and patient specific interpretations and comments by our doctors in some cases. We also have a policy of ensuring conclusive diagnosis to our patients, even if it involves incurring additional costs for us, by way of re-checks and repeat specimen analysis.

Relentless focus on quality

Our GRL holds accreditation from the College of American Pathologists ("CAP") Laboratory Accreditation Program, which is one of the main accreditations in our industry. As of December 31, 2018, 25 of our clinical laboratories hold one or more of CAP, Kenya Accreditation Service, International Laboratory Accreditation Cooperation, Asia Pacific Laboratory Accreditation Cooperation or National Accreditation Board for Testing and Calibration Laboratories ("NABL") accreditations. Majority of the machines used in our clinical laboratories are approved by the US FDA and/or CE. All our laboratories follow standard operating procedures to ensure standardization and quality compliance, which results in a consistent and efficient process. We have established a well-recognized brand by delivering quality and reliable diagnostic services since 1980.

Direct-to-Doctors' approach

Our 'Direct-to-Doctors' approach involves employing a focused sales and support team to forge meaningful relationships with clinicians to help improve patient care. The basic vision behind this aim is increasing business from individual patients. The focused sales team of MHL will further be supported by a technical team ensuring quality compliance at various patient touch points.

Robust Information Technology Infrastructure with Focus on Improving Efficiency

Technology supports our strategy of focusing on strong foundational services. Specific innovations in customer experience, digital capabilities, advanced analytics and artificial intelligence provide us competitive advantage.

This goal is accomplished by delivering innovative technology that

- Enables efficient operations
- Improves process integrity
- Builds stronger relationships with key stakeholders
- Optimises economies of scale and maximises flexible payment arrangements, innovative products and services and
- Intelligent analytics to support evidence-based medicine.

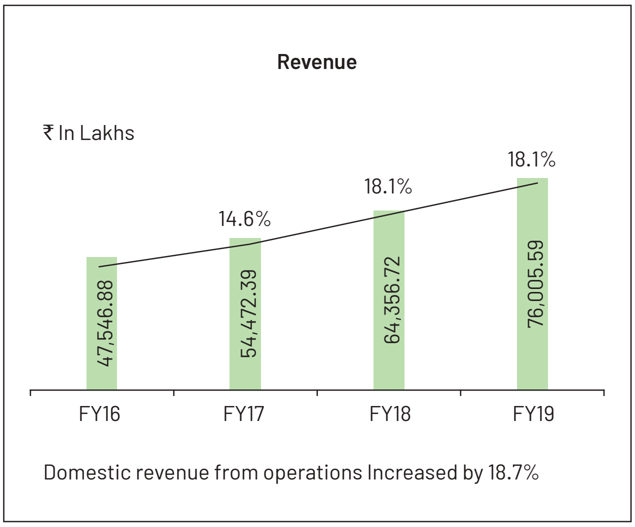
The Company has planned to launch a pricing engine for better revenue assurance. The Company will soon implement Data Analytics model on customer data that will lead to improved revenue generation capabilities by cross-selling and upselling.

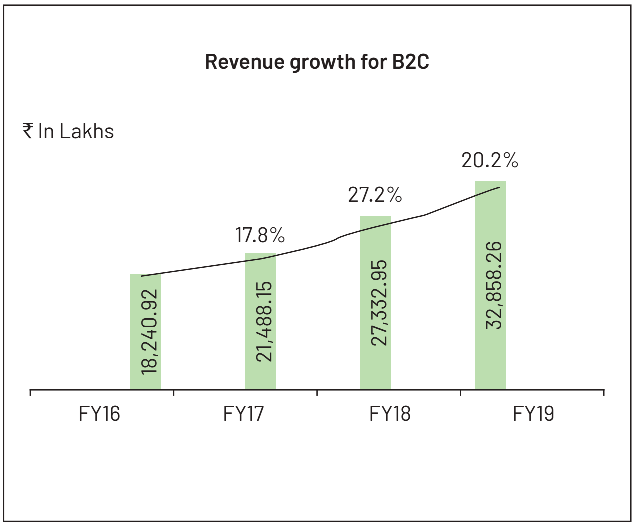
The Metropolis Family

Every metropolitan represents the spirit of the company: honest, passionate and acutely aware of how important each patient is to us and the importance of delivering the absolute best in each thing we do. Our ability to provide quality service is possible only with the commitment of our entire scientific team of 2000+ members led by over 200 MD doctors and pathologists. Our technical team comprises of biochemists, geniticists, microbiologists, histopathologists, molecular biologists, medical technicians and lab assistants who work day in and out to ensure precision in each laboratory result.

Performance Review

1. Rapid revenue growth by 18.1%, better than industry benchmark

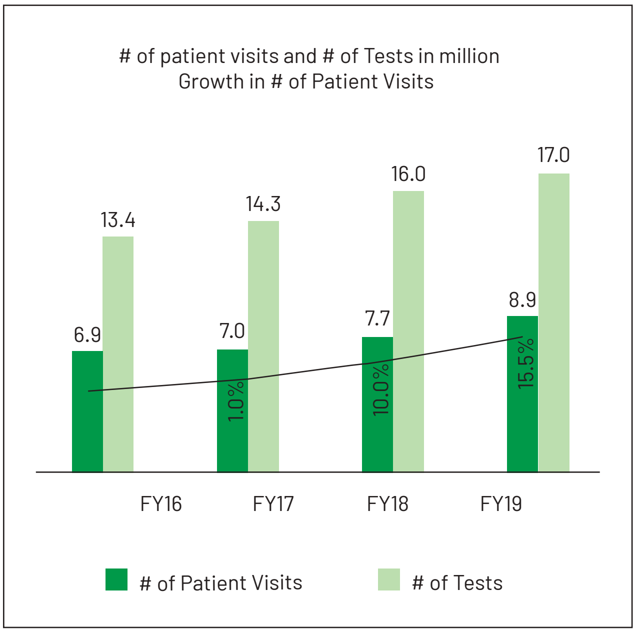


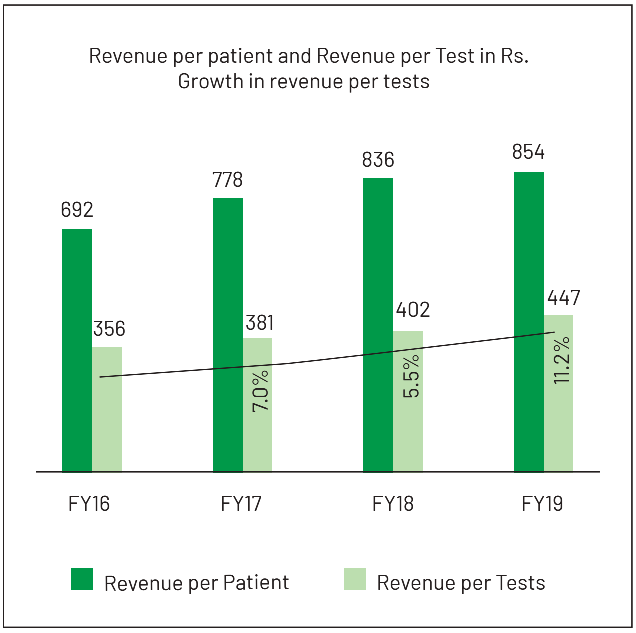


2. Robust operating and financial performance

15.5% growth in # of patients with increase in revenue per patient and revenue per test. Metropolis realization per test and sample is higher than industry owing to

- Around 40% of super specialised and specialised test contributes to high revenue per test.
- International business leads to higher realization per test.
- Institutional customers contribute to higher realization per patient





3. Aggressive network expansion creating long runway for growth

NETWORK STRATEGY HIGHLIGHTS: Fast pace of execution

5.5x patients network growth during FY2016-19. 1938 patients touch points added during FY2016-18

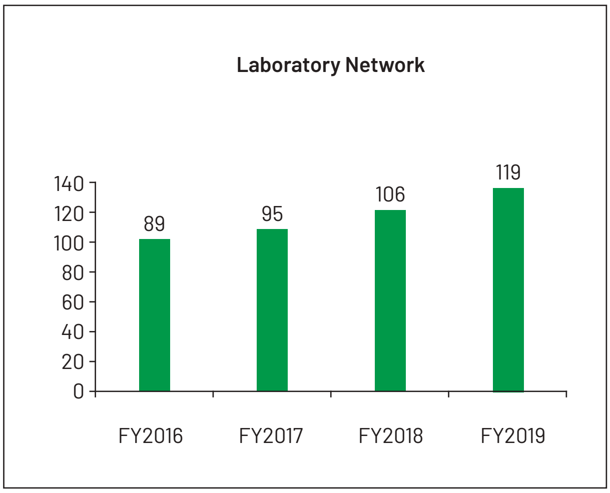
Management Discussion and Analysis (Contd.)

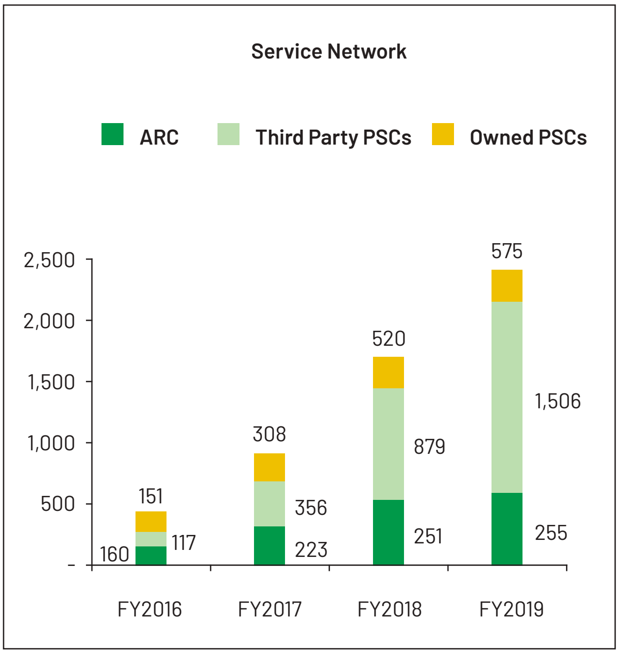
Young Individual patients network

79% of the existing Individual patients touch points added during FY2017-19. The average retail centre matures in five years. As the network matures, it is expected to contribute to short and mid term future growth

Asset light network

85% of the centre network is asset light. 10 of 13 labs added in FY19 via lab on lease model which is asset light with no capital requirement.





4. Increasing retail contribution to total revenue: Primary strategy of the company is to increase the retail share in focus cities to 65%

B2C contribution in the last few years has seen an upward trend owing to

Aggressive **network expansion** to go closer to the patient Integrated **Brand building campaigns** to establish Metropolis as a trusted brand in the mind of consumer and the doctor

Building awareness amongst doctors for quality and service differentiators of Metropolis vs the unorganized sector Obsessively monitoring **customer experience** and generating a NPS (***Net Promoters Score**) of 85 across the group.

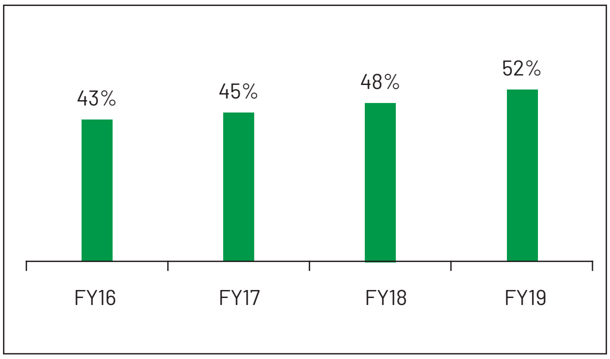


Chart shows B2C contribution over the years in focus cities; Mumbai, Chennai, Bangalore, Surat and Pune

Risk and Concerns

As a company operating within a complex industry, MHL often encounters risks and uncertainties. These risks can adversely affect the business in terms of operational and financial condition. Apart from the known risks and uncertainties, there are additional unknown risks as well which may affect the Company's operations at a later stage. The future performance of the business depends on its ability to execute the strategic and operational risk mitigating initiatives effectively.

Maintain Accuracy

Being in the diagnostic industry the Company has to always maintain accuracy and precision in generating test results. Inability to do so may result in loss of revenue and other damages.

Interruptions at our Global Reference Laboratory (GRL):

Any disruptions at GRL, may affect our capability to process clinical tests, which in turn would affect our operational and financial condition/results.

Delay in the delivery of specimens:

The reliability of the specimens could be affected in case of inadequacy in collection or delayed delivery at our laboratories.

Implementation of policies by the Government or any other authorities:

Our business is subject to various policies and regulations of the Government. Any adverse policy could impact our business. We have bided for certain Government contracts. Any deficiency of performance could negatively impact us by way of levy of penalties and blacklisting for future contracts. This may impact the brand value of Metropolis.

High dependency on the success of relationships with third parties:

We depend upon the performance of third-party patient service centres and channel partners. As they are accountable for setting up facilities to sourcing the samples for providing diagnostic healthcare services. Any inefficiency in providing them services will negatively impact our business and reputation.

We exist in highly competitive market:

Our inability to compete effectively in extremely competitive market will pose challenge for us. Thus, making it difficult to improve the market share and profitability.

Internal Control System

The Company has an adequate internal controls system in place. The policies and procedures, covering all financial and operating functions, are also documented. The system controls are designed with an aim to provide reasonable assurance for maintaining proper accounting records. This reinforces reliability of financial reporting, monitoring of operations, protection of assets from unauthorised use or losses and compliance of regulations.

The scope and coverage of audits include:

1. Reviewing and reporting of key process risks
2. Adherence to operating guidelines and statutory compliances
3. Recommending improvements for monitoring and enhancing efficiency of operations and
4. Ensuring reliability of financial and operational information.

The Audit Committee periodically monitors and reviews the significant internal audit observations. It also reviews compliance with accounting standards, risk management and control systems and profitability.

Cautionary Statement

Statement in this "Management Discussion and Analysis" describing the Company's objectives, projections, estimates, expectations or predictions may be "forward looking statements" within the meaning of applicable securities laws and regulations. Actual results could differ materially from those expressed or implied. Important factors that could make a difference to the Company's operations include global and Indian demand and supply conditions, finished goods prices, input materials availability and prices, cyclical demand and pricing in the Company's principal markets, changes in Government regulations, tax regimes, economic developments within India and the countries within which the Company conducts business and other factors such as litigation and labour negotiations. The Company assumes no responsibility to publicly amend, modify or revise any forward-looking statements, on the basis of any subsequent development, information or events or otherwise.

BOARD'S REPORT

Dear Members,

Your Directors take pleasure in presenting the 19th Annual Report on the business and operations of your Company along with the audited financial statements for the year ended 31 March 2019.

FINANCIAL RESULTS:

The key highlights of the standalone and consolidated audited financial statements of your Company for the financial year ended 31 March 2019 and comparison with the previous financial year ended 31 March 2018 are summarised below:

(₹ in Lakhs)

Particulars	Standalone		Consolidated	
	For the year ended 31 March 2019	For the year ended 31 March 2018	For the year ended 31 March 2019	For the year ended 31 March 2018
Revenue from Operations	58,120.81	48,495.23	76,118.18	64,716.43
Other Income	2,052.32	1,563.25	821.32	776.82
Total Revenue	**60,173.13**	**50,058.48**	**76,939.50**	**65,493.25**
Less :Total expenses	45,254.20	36,532.03	58,141.30	49,125.20
Profit before share of equity accounted investees and Income tax	**14,918.93**	**13,526.45**	**18,798.20**	**16,368.05**
Share of loss for equity accounted investees (net of tax)	-	-	(143.02)	-
Profit Before Tax	**14,918.93**	**13,526.45**	**18,655.18**	**16,368.05**
Less: Income tax	4,773.23	3,950.53	6,293.90	5,183.89
Profit after Tax	**10,145.70**	**9,575.92**	**12,361.28**	**11,184.16**
Basic Earning per share of face value of ₹ 2/- each	20.32	19.30	24.06	21.00
Diluted Earning per share of face value of ₹ 2/- each	20.28	19.19	24.02	20.89

OPERATIONAL PERFORMANCE & FUTURE OUTLOOK:

During the year under review, the standalone income from operations of the Company increased to ₹ 60,173.13/- Lakhs compared to ₹ 50,058.48/- Lakhs in the previous year, registering growth of 20.21%. The standalone profit after tax for the year increased to ₹ 10,145.70/- Lakhs as compared to ₹ 9,575.92 /- Lakhs in the previous year registering growth of 5.95%.

During the year under review, the consolidated income from operations of the Group increased by 17.48 % from ₹ 65,493.25/- Lakhs of the previous year to ₹ 76,939.50/- Lakhs in the current year. The consolidated profit after tax for the group increased by 10.52% from ₹ 11,184.16/- Lakhs of the previous year to ₹ 12,361.28/- Lakhs in the current year.

The operating and financial performance of your Company has been covered in the Management Discussion and Analysis Report which forms part of the Annual Report.

According to Frost & Sullivan, the Indian diagnostics market was valued at approximately ₹ 596/- billion in the financial year 2018, and is projected to grow to approximately ₹ 802/- billion by financial year 2020, driven by favourable changes in demographics, improvements in health awareness, increased spend on preventive care and wellness, increase in medical tourists, increase in lifestyle-related ailments and rising penetration of insurance in India. We believe that the increasing prescription of diagnostic tests and services by healthcare providers in India, combined with the increasing awareness and spend on preventive care and wellness tests as well as a shift from the unorganised providers to the organised providers in the Indian diagnostics market creates a significant market opportunity for us.

In 2016, 13% of India's total population was estimated to be above the age of 54 years and it is expected to increase to 15% by the financial year 2022. It is expected that the ageing population base in India and its predisposition to various chronic diseases will create a huge opportunity for the healthcare sector in the near future and pose a significant demand on the healthcare infrastructure to provide healthcare access for all.

The growth in the industry is being driven by various factors including which provide growth direction:

- Increase in evidence-based treatments
- Test perfection continuously increasing
- Huge demand-supply gap
- Government is promoting public private partnership (PPP)
- Changing disease profiles
- Increase in health insurance coverage
- Need for greater health coverage as population and life expectancy increase
- Rising income levels make quality healthcare services more affordable
- Demand for lifestyle diseases-related healthcare services
- Increase in preventive health check-ups and awareness amongst people about fitness
- Technology upgrade dependency on path-lab testing and turnaround time (TAT) and quality is increasing
- There is substantial increase in scalability in testing

The diagnostics industry is witnessing a great deal of visibility and interest with more organised players driving regional growth. This is also resulting in gradual shift of the market from unorganised to more organised players thereby driving quality and efficiency standards. This sector has also attracted investments further fuelling competition but at the same time improving industry standards. India still has large rural markets which are either under serviced or not serviced at all by diagnostics and this provides the opportunity for growth in under penetrated areas although at significantly lower price points. In the urban markets too there are pockets of growth opportunities given the overall awareness on health care and health attitudes.

DIVIDEND:

During the year under review, the Board of Directors declared an interim dividend of ₹ 13.26 per equity share having face value of ₹ 2/- each (663%) which amounts to ₹ 66,53,69,297/-. An amount of ₹ 13,67,68,616/- was paid as dividend distribution tax on the interim dividend declared by the Board.

The interim dividend was paid to the shareholders on 11 February 2019.

The interim dividend be considered as final dividend for FY 2018-2019

The dividend declared is in accordance with the principles and criteria as set out in the Dividend Distribution Policy of the Company.

DIVIDEND DISTRIBUTIION POLICY:

Regulation 43A of the SEBI (Listing Obligations and Disclosure Requirements) Disclosure, 2015 ("SEBI Regulations"/ "Listing Regulations") require top 500 listed companies, based on the market capitalisation, to formulate Dividend Distribution Policy. As a good corporate governance practice and compliance of the said regulation, the Company has formulated its Dividend Distribution Policy. The Policy is uploaded on the website of the Company viz.: https://www.metropolisindia.com/about-metropolis/investors

RESERVES:

Your Directors have proposed not to transfer any amount to General Reserves of the Company for the financial year 2018-19.

MATERIAL CHANGES AFFECTING THE COMPANY:

There have been no material changes and commitments affecting the financial position of the Company between the end of the financial year and date of this report. There has been no change in the nature of business of the Company.

SCHEME OF ARRANGEMENT AND ACQUISITION:

Amalgamation 2018

The Board of Directors of your Company at its meeting held on 16 March 2018 and the shareholders at its meeting held on 25 May 2018 as per the direction of National Company Law Tribunal, Mumbai Bench (NCLT) approved the scheme of amalgamation ("Scheme") for amalgamation of Bacchus Hospitality Services and Real Estate Private Limited ("Bacchus"); Metropolis Healthcare (Chandigarh) Private Limited, Metropolis Healthcare (Jodhpur) Private Limited, Sanket Metropolis Health Services (India) Private Limited, Final Diagnosis Private Limited and Golwilkar Metropolis Health Services (India) Private Limited (collectively referred as "Wholly Owned Subsidiaries") with the Company ("Transferee Company") pursuant to the provisions of Section 230 to 232 and other applicable provisions of Companies Act, 2013.

National Company Law Tribunal, Ahmedabad bench vide its order dated 14 August 2018 and NCLT vide its order dated

30 August 2018 respectively approved the Scheme. The appointed date for the Scheme was 01 April 2018 and the Scheme has become effective with effect from 08 September 2018 upon filing of the certified copy of the Orders by the respective companies with the Registrar of Companies, Gujarat & Maharashtra at Mumbai respectively.

Upon the Scheme coming into effect all equity shares held by Transferee Company in the Wholly Owned Subsidiaries stand cancelled. Further, the Transferee Company on 08 September 2018 has allotted 26,57,731 fully paid up Equity Shares of ₹ 10/- each in the ratio of 957,713 Equity Shares of ₹ 10/- each to the shareholders of Bacchus for every 10,00,000 Equity Shares of ₹ 10/- each held in Bacchus (Pre-bonus and Sub-division).

Acquisitions

During the year under review, the Company has acquired the remaining stake in the following subsidiaries: -

Sr. no.	Particular	Balance Stake	Total Consideration	
			Cash (₹ in Lakhs)	Other than Cash* (Shares swap)
1	Desai Metropolis Health Services Private Limited ("Desai")	18,400 equity shares of Desai	1,454.11	21,968 Equity Shares of ₹ 10/- each of the Company
2	Lab One Metropolis Healthcare Services Private Limited ("Lab One")	65,170 equity shares of Lab One	680.82	9,554 Equity Shares of ₹ 10/- each of the Company
3	Micron Metropolis Healthcare Private Limited ("Micron")	15,000 equity shares of Micron	283.00	-
4	Sudharma Metropolis Health Services Private Limited ("Sudharma")	135 equity shares of Sudharma	1,349.74	12,853 Equity Shares of ₹ 10/- each of the Company
5	Dr. Patel Metropolis Healthcare Private Limited ("Patel Metropolis")	15,000 equity shares of Patel Metropolis	867.00	-
6	R. V. Metropolis Diagnostic & Health Care Center Private Limited ("RV Metropolis")	785 equity shares of R.V Metropolis	1,897.29	20,221 Equity Shares of ₹ 10/- each of the Company
7	Bokil Golwilkar Metropolis Healthcare Private Limited ("Bokil")	2,42,400 equity shares of Bokil	192.00	-

(Pre Sub-Division of Shares)

CHANGE IN NATURE OF BUSINESS:

There was no change in the nature of the business or any activity of business of the Company during the year under review.

SHARE CAPITAL:

Increase in Authorised Share Capital and Sub-Division

a) The authorised share capital of the Company has been increased from ₹ 55,00,00,000/- divided into 5,50,00,000 Equity Shares of ₹ 10/- each to ₹ 59,15,08,030/- divided into 5,91,50,803 Equity Shares of ₹ 10/- each by virtue of Order passed by NCLT dated 30 August 2018 approving the Scheme of Amalgamation.

b) The authorised share capital of the Company has been sub-divided from ₹ 59,15,08,030/- divided into 5,91,50,803 Equity Shares of ₹ 10/- each to ₹ 59,15,08,030/- divided into 29,57,54,015 Equity Shares of ₹ 2/- each with effect from 20 September 2018.

Change in Paid-up Share Capital:

During the year under review, the Company has made following allotments, whose details are as under:

Date of allotment	No. of Equity Shares of ₹ 10/- each	Remarks
08.09.2018	26,57,731	The Board of Directors by passing circular resolution dated 08 September 2018, approved the allotment of 26,57,731 Equity Shares of ₹ 10/- each to Bacchus Hospitality Services and Real Estate Private Limited, pursuant to the Scheme of Amalgamation of Bacchus Hospitality Services and Real Estate Private Limited, 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 with the Company.
11.09.2018	32,800	The Board of Directors by passing circular resolution dated 11 September 2018, approved the allotment of 32,800 Equity Shares of ₹ 10/- each pursuant to exercise of stock options under the Metropolis Employees Stock Option Scheme 2007.
11.09.2018	8,703	The Board of Directors by passing circular resolution dated 11 September 2018, approved the allotment 8,703 Equity Shares of ₹ 10/- each at a premium of ₹ 2,569/- per Equity Shares upon conversion of One (1) Warrant of ₹ 20,000/-.
13.09.2018	64,596	The shareholders at the Annual General Meeting held on 10 September 2018, approved the allotment of 64,596 Equity Shares of ₹ 10/- each at a premium of ₹ 4,068/- (the price was determined pursuant to valuation report received from Almondz Global Securities Limited; Category- I Merchant Banker) for consideration other than cash on preferential allotment /Private Placement basis to discharge the part of purchase consideration for the acquisition of remaining stake in following subsidiaries: - 1. Lab One Metropolis Healthcare Services Private Limited; 2. Desai Metropolis Health Services Private Limited; 3. R.V. Metropolis Diagnostic and Health Care Centre Private Limited; and 4. Sudharma Metropolis Health Services Private Limited.
15.09.2018	3,85,990	The shareholders at the Extra Ordinary General Meeting held on 14 September 2018, approved the allotment of 3,85,990 Bonus shares in the ratio of 1 Equity Share of ₹ 10/- each for every 25 existing Equity Shares of ₹ 10/- each held by shareholders as on record date i.e. 14 September 2018, by capitalisation of sum standing to the credit of capital redemption reserve and securities premium account amounting to ₹ 3.86/- Lakhs.
20.09.2018	-	The paid-up share capital of the Company has been sub-divided from ₹ 10,03,57,360/- divided into 1,00,35,736 Equity Shares of ₹ 10/- each to ₹ 10,03,57,360/- divided into 5,01,78,680 Equity Shares of ₹ 2/- each.

The paid up equity share capital of the Company as on 31 March 2019 was ₹ 10,03,57,360/-.

During the year under review, the Company has not issued shares with differential voting rights, has not bought back any shares, it has neither issued sweat equity shares and does not have any scheme to fund its employees to purchase the shares of the Company.

LISTING OF EQUITY SHARES:

Your Directors are pleased to inform that, subsequent to the year under review, your Company completed the initial public offering of its equity shares ("IPO") by way of an offer for sale of up to 1,36,85,095 equity shares of face value of ₹ 2/- each of the Company, by the Selling Shareholders i.e. 62,72,335 Equity Shares by Dr. Sushil Kanubhai Shah (Promoter Selling Shareholder) and 74,12,760 Equity Shares by CA Lotus Investments (Investor Selling Shareholder), for cash at a price of ₹ 880/- per equity share determined through book building process. Equity shares transferred in the IPO constituted 27.27% of the post-offer equity share capital of the Company.

Pursuant to listing of equity shares on stock exchanges, your Company enjoys the benefit of enhanced brand name and creation of public market for the equity shares of the Company.

The IPO opened on 3 April 2019 (for anchor investors the IPO opened and closed on 2 April 2019) and closed on 5 April 2019. The IPO received an overwhelming response from all categories of investors and was subscribed by 5.83 times except Employees quota.

Post allotment / transfer in the IPO, the equity shares of your Company got listed and commenced trading on the BSE Limited and the National Stock Exchange of India Limited on 15 April 2019.

MEMORANDUM OF ASSOCIATION:

During the year, the Memorandum of Association of the Company was amended for increase in authorised share capital of the Company ₹ 55,00,00,000/- divided into 5,50,00,000 Equity Shares of ₹ 10/- each to ₹ 59,15,08,030/- divided into 5,91,50,803 Equity Shares of ₹ 10/- each pursuant to the Order passed by NCLT dated 30 August 2018 approving the Scheme of Amalgamation and further pursuant to shareholders approval in the Extra-ordinary General meeting held on 14 September 2018 for sub-division of authorised share capital of the Company from ₹ 59,15,08,030/- divided into 5,91,50,803 Equity Shares of ₹ 10/- each to ₹ 59,15,08,030/- divided into 29,57,54,015 Equity Shares of ₹ 2/- each with effect from 20 September 2018.

ALTERATION OF ARTICLES OF ASSOCIATION:

During the year, the shareholders at their meeting held on 24 September 2018 adopted a new set of Articles of Association (comprising of "Part A" and "Part B") pursuant to the proposed Initial Public Offering. Up to the date of listing of the Company's equity shares on the recognised stock exchanges in India, Part A prevailed over Part B and in the event of any inconsistency, contradiction, conflict or overlap between Part A and Part B (subject to applicable laws), and Part A shall stand automatically terminated and cease to have any force and effect on and from the date of listing of the Company's equity shares on the recognised stock exchanges i.e. BSE Limited and the National Stock Exchange of India Limited i.e. 15 April 2019, without requiring any further action by the Company or its shareholders.

DEPOSITS:

Your Company has not accepted/invited deposits from the public falling within the ambit of Section 73 of the Companies Act, 2013 and the Companies (Acceptance of Deposits) Rules, 2014.

During the year, the Company has not taken loan from the promoter directors.

MATERIAL SUBSIDIARY:

The Company has formulated a Policy for determining Material Subsidiaries. The Company does not have any Material Subsidiary as per the parameters laid down under the Policy. The Policy is uploaded on the website of the Company viz.: https://www. metropolisindia.com/about-metropolis/investors

SUBSIDIARY, JOINT VENTURES AND ASSOCIATE COMPANIES:

The Subsidiary Companies of your Company continued to perform in their respective areas as per plans and thus contributed robustly to the overall growth of the Company in terms of revenue and profits of the Company and overall performance of the Group.

During the year, your Company had 10 domestic subsidiaries and 7 overseas subsidiaries (including five step-down subsidiaries) and one foreign branch which is considered as a foreign Company in the respective country. Also, your Company has 1 domestic Joint Venture Company and 1 overseas Associate Company.

A statement containing salient features of the financial statement of subsidiaries, associate companies and joint ventures, as per Section 129 (3) of the Companies Act, 2013, are mentioned in **Annexure – 1** to this Report.

DIRECTORS AND KEY MANAGERIAL PERSONNEL:

Appointment/Resignations from the Board of Directors

In terms of Section 149, 152 read with Schedule IV and all other applicable provisions of the Companies Act, 2013 and The Companies (Appointment and Qualification of Directors) Rules, 2014 (including any statutory modifications or re-enactment thereof for the time being in force), the Independent Directors are appointed for a term of five years and are not liable to retire by rotation.

The Company has received declarations from the Independent Directors confirming that they meet with the criteria of independence as prescribed under Section 149 (6) of the Companies Act, 2013.

During the year under review, the Company has appointed Mr. Vivek Gambhir (DIN: 06527810), Mr. Sanjay Bhatnagar (DIN: 00867848) and Mr. Milind Shripad Sarwate (DIN: 00109854) as Independent Directors of the Company at the annual general meeting of the Company held on 10 September 2018 with effect from 07 September 2018.

Mr. Rajiv Devinder Sahney (DIN 00022896) was acting as an Independent Director on the Board of the Company. He resigned as an Independent Director from the Board of the Company with effect from conclusion of the Board Meeting held on 07 September 2018 due to his pre-occupation.

Mr. Mihir Jagdish Doshi (DIN 01283331) was acting as an Independent Director of the Company. On 10 September 2018, the Shareholders at their meeting re-designated Mr. Mihir Jagdish Doshi as Non-executive & Non-independent Director w.e.f. 07 September 2018.

Dr. Duru Sushil Shah (DIN: 00180126) was acting as Non-executive Director of the Company. She resigned as Non executive Director from the Board of the Company with effect from conclusion of the Board Meeting held on 07 September 2018 due to her pre-occupation.

Mr. Neeraj Bharadwaj (DIN: 01314963) was acting as Non-Executive Non Independent Director of the Company. He resigned as a Non-Executive Non Independent Director from the Board of the Company with effect from conclusion of the Board Meeting held on 24 September 2018.

Pursuant to the Shareholders Agreement dated 24 September 2018 ("Second Amendment Agreement") entered by and amongst Dr. Sushil Kanubhai Shah, Ms. Ameera Sushil Shah, Dr. Duru Sushil Shah, CA Lotus Investments, METZ Advisory LLP and the Company; CA Lotus Investments had a right to nominate an observer to the Board to attend and participate in the Board or any other Committee meetings thereof. Accordingly, Mr. Neeraj Bharadwaj was appointed as an observer of the Board of the Company w.e.f. 24 September 2018.

Pursuant to the letter dated 25 April 2019 received from CA Lotus Investments, Mr. Neeraj Bharadwaj ceases to act as an observer to the meetings of the Board and any committees of the Company effective from listing of Equity Shares on BSE Limited and the National Stock Exchange of India Limited on 15 April 2019.

Appointment/Resignation of the Key Managerial Personnel

In accordance with the provisions of Sections 2(51), 203 of the Companies Act, 2013 read with Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014, the following are the Key Managerial Personnel of the Company:

- Ms. Ameera Sushil Shah as Managing Director of the Company.
- Dr. Sushil Kanubhai Shah as Chairman & Executive Director of the Company
- Mr. Vijender Singh as Chief Executive Officer of the Company.
- Mr. Tushar Manohar Karnik as Chief Financial Officer of the Company.
- Mr. Jayant Prakash as Head Legal, Company Secretary and Compliance Officer of the Company.

During the year under review there was no change in Key Managerial Personnel.

Directors Retiring By Rotation

In accordance with the provisions of the Companies Act 2013, Dr. Sushil Kanubhai Shah, Chairman & Executive Director of the Company is liable to retire by rotation and being eligible, offers himself for re-appointment at ensuing Annual General Meeting of the Company.

On the basis of the written representations received from the directors, none of the above directors are disqualified under Section 164 (2) of the Companies Act, 2013.

DIRECTORS' RESPONSIBILITY STATEMENT:

To the best of their knowledge and belief and according to the information and explanation obtained by them, the Directors make the following statements in terms of Section 134(3)(c) of the Companies Act, 2013:

(a) That in preparation of the Annual Financial Statements for the year ended 31 March 2019; the applicable accounting standards have been followed along with proper explanation relating to material departures, if any.

(b) That such accounting policies as mentioned in the notes to the Financial Statements have been selected and applied consistently and judgements and estimates have been made that are reasonable and prudent so as to give true and fair view of the Statement of Affairs of the Company as at 31 March 2019 and of the Profit of the Company for the year ended on that date.

(c) That proper and sufficient care has been taken for maintenance of adequate accounting records in accordance with the provisions of the Companies Act, 2013 for safeguarding the assets of the Company and for preventing and detecting fraud and other irregularities.

(d) That the Annual Financial Statements have been prepared on a going concern basis.

(e) That systems to ensure compliance with the provisions of all applicable laws were in place and were adequate and operating effectively.

(f) That proper Internal Financial Controls were in place and that the Financial Controls were adequate and were operating effectively.

MANAGEMENT DISCUSSION AND ANALYSIS REPORT:

The Management Discussion and Analysis Report ("MDA") on the operations of the Company, as required under the SEBI Regulations is provided in a separate section and forms an integral part of this Report.

NOMINATION AND REMUNERATION POLICY:

The Company has a Nomination and Remuneration Policy in place. For details on the same, please refer to the Corporate Governance Report.

COMMITTEES OF THE BOARD:

Your Company has several committees which have been established as a part of the best corporate governance practices and are in compliance with the requirements of the relevant provisions of laws and statutes applicable to the Company.

In order to ensure focused attention on business and for better governance and accountability, the Board has constituted the following committees:

a) Audit Committee;

b) Nomination and Remuneration Committee;

c) Stakeholder Relationship Committee;

d) CSR Committee;

e) Risk Management Committee.

The details with respect to the composition, powers, roles, terms of reference, etc. of the aforesaid committees are given in details in the "Report on Corporate Governance" of the Company which forms part of the Annual Report.

MEETINGS OF THE BOARD:

During the year under review, the Board of Directors met Nine (9) times. For details of the meetings of the Board of Directors, please refer to the Corporate Governance Report.

PERFORMANCE EVALUATION OF THE BOARD:

In compliance with the provisions of the Companies Act, 2013 and Regulation 25(4)(a) of the SEBI Regulation, annual performance evaluation of the Board and its Directors individually was carried out. Various parameters such as the Board's functioning, composition of its Board and Committees, execution and performance of specific duties, obligations and governance were considered for evaluation.

The performance evaluation of the Board as a whole was carried out by the Independent Directors. The performance evaluation of each Independent Director was also carried out by the Board.

The Board of Directors expressed their satisfaction with the evaluation process.

FAMILIARIZATION PROGRAMME FOR THE INDEPENDENT DIRECTORS:

Pursuant to the SEBI Regulations, the Company has worked out a Familiarisation programme for the Independent Directors, with a view to familiarise them with their role, rights and responsibilities in the Company, nature of Industry in which the Company operates, business model of the Company, etc.

Through the Familiarisation programme, the Company apprises the Independent Directors about the business model, corporate strategy, business plans and operations of the Company. Directors are also informed about the financial performance, annual budgets, internal control system, statutory compliances etc. They are also familiarised with Company's vision, core values, ethics and corporate governance practices.

Details of Familiarisation programme of Independent Directors with the Company are available on the website of the Company https://www.metropolisindia.com/about-metropolis/investors

CONSOLIDATED FINANCIAL STATEMENTS:

In accordance with the provisions of Section 133 of the Companies Act, 2013 and Ind AS 110 – Consolidated Financial Statement read with Ind AS 28 – Investment in Associates and Ind AS 31 – Interests in Joint Ventures, the audited consolidated financial statement is forming part of this Annual Report.

SIGNIFICANT AND MATERIAL ORDERS PASSED BY THE REGULATORS OR COURTS:

No significant material orders have been passed by the Regulators or Courts or Tribunals which would impact the going concern status of the Company and its future operations.

EXTRACT OF ANNUAL RETURN:

The extract of annual return in Form MGT 9 as required under Section 92(3) of the Companies Act, 2013 and Rule 12 of the Companies (Management and Administration) Rules, 2014 is available on the website of the Company at the link: https://www.metropolisindia.com/about-metropolis/investors and the same is attached as **Annexure - 2**.

PARTICULARS OF LOANS, GUARANTEES AND INVESTMENTS:

Details of Loans, Guarantees and Investments covered under the provisions of Section 186 of the Companies Act, 2013 and the Rules made thereunder are given in the notes to Financial Statements.

INSTANCES OF FRAUD, IF ANY, REPORTED BY THE STATUTORY AUDITORS:

During the year under review, the Statutory Auditors had not reported any fraud under Section 143 (12) of the Companies Act, 2013, therefore no detail is required to be disclosed under Section 134 (3)(ca) of the Companies Act, 2013.

RELATED PARTY TRANSACTIONS:

The Board has formulated and adopted a Related Party Transactions Policy ("RPT Policy") for the purpose of identification, monitoring and reporting of related party transactions. The RPT Policy as approved by the Board is uploaded on the Company's website viz. https://www.metropolisindia.com/about-metropolis/investors

All Related Party Transactions entered into during the Financial Year were on arm's length basis and were in the ordinary course of business. There are no materially significant Related Party Transactions made by the Company with Promoters, Directors, Key Managerial Personnel or other designated persons which may have a potential conflict with the interest of the Company at large.

Further since transactions with the related parties are not material in accordance with the Related Party Transactions Policy, the particulars of such transactions with the related parties are not required to be reported by the Company in Form AOC-2.

All Related Party Transactions are placed before the Audit Committee.

The members may refer to note no. 40 to the financial statements which set out related party disclosures.

STATUTORY AUDITORS:

B S R & Co. LLP, Chartered Accountants (ICAI Firm No. 101248W/W-100022) was appointed as Statutory Auditors of the Company, for a term of 5 (five) consecutive years, at the 17th Annual General Meeting (AGM) held on 18 September 2017. They have confirmed that they are not disqualified from continuing as Statutory Auditors of the Company.

Further, in terms of Companies (Amendment) Act, 2017 notified w.e.f. 07 May 2018, the requirement of Section 139(1) of Companies Act, 2013 stands omitted and the ratification of appointment of the Statutory Auditor at every AGM is not required.

The Notes on financial statement referred to in the Auditors' Report are self-explanatory and do not call for any further comments. The Auditors' Report does not contain any qualification, reservation, adverse remark or disclaimer save and except mentioned below;

1) With reference to Clause (i) (c) of Annexure A to the Standalone Independent Auditors Report regarding the title deeds being in the names of the entities which got merged with the Company in the past:
   - The Company is in the process of getting the title deeds registered in the name of the Company.
2) With reference to Qualified Opinion to the Consolidated Independent Auditors Report regarding the Company has not consolidated the financial statements of an Associate Company, Star Metropolis Health Services Middle East LLC:
   - Due to non-availability of financial information from the J.V. partner, accounts of associate company could not be consolidated.

RISK MANAGEMENT POLICY:

The Company has adopted a Risk Management Policy wherein all material risks faced by the Company are identified and assessed. The Risk Management framework defines the risk management approach of the Company and includes collective identification of risks impacting the Company's business and documents their process of identification, mitigation and optimisation of such risks. The Policy is uploaded on the website of the Company https://www.metropolisindia.com/about-metropolis/investors

INTERNAL FINANCIAL SYSTEMS AND THEIR ADEQUACY:

The Company has an internal control system. All these controls were operating effectively during the year.

The Company has adequate internal financial controls. During the year, such controls were tested to find out any weaknesses in them. Services of professional consultants were obtained to remove such weaknesses and ensure robust internal financial controls and to ensure that these controls are operating effectively.

The Company is complying with all the applicable Indian Accounting Standards (Ind AS). The accounting records are maintained in accordance with generally accepted accounting principles in India. This ensures that the financial statements reflect true and fair financial position of the Company.

MAINTENANCE OF COST RECORDS:

Provisions of maintenance of cost records as specified by the Central Government under Section 148 (1) of Companies Act, 2013 is applicable to the Company. Accordingly, such cost accounts and cost records are made and maintained by the Company.

COST AUDITOR:

As per Section 148 of the Act, the Company is required to have the audit of its cost records conducted by a Cost Accountant. The Board of Directors of the Company has on the recommendation of the Audit Committee, approved the appointment of Messrs. Joshi Apte & Associates (Registration No. 00240) as the Cost Auditors of the Company to conduct cost audit prescribed under the Companies (Cost Records and Audit) Rules, 2014 for the year ending 31 March 2020. The Board of Directors on recommendation of the Audit Committee approved remuneration of ₹ 1 Lakh plus applicable taxes and out of pocket expenses, subject to ratification of their remuneration by the Members at the forthcoming AGM. Messrs. Joshi Apte & Associates have, under Section 141 of the Act and the Rules framed thereunder furnished a certificate of their eligibility and consent for appointment. Messrs. Joshi Apte & Associates, have vast experience in the field of cost audit and have conducted the audit of the cost records of the Company for the past several years.

INTERNAL AUDITOR

Pursuant to the provisions of Section 138 of the Companies Act, 2013 and The Companies (Accounts) Rules, 2014, on the recommendation of the Audit Committee, Suresh Surana & Associates LLP, were appointed by the Board of Directors to conduct internal audit reviews of the Company.

DISCLOSURE OF REMUNERATION OR COMMISSION RECEIVED BY A MANAGING OR WHOLE-TIME DIRECTOR FROM THE COMPANY'S HOLDING OR SUBSIDIARY COMPANY:

The Managing Director and Whole Time Director have not received any remuneration from the Company's Holding or Subsidiary Company.

CORPORATE SOCIAL RESPONSIBILITY (CSR) INITIATIVES:

The Company has taken initiatives to discharge its CSR duties as required under Section 135 of the Companies Act, 2013 and has spent part of the amount till date and is in the process of spending the balance sum over a period of time. However, the Company has not been able to spend part of the amount during the year under review.

The complete details on the CSR activities is enclosed herewith as **Annexure - 3**. The CSR Policy of the Company is available on the website of the Company https://www.metropolisindia.com/about-metropolis/corporate-social-responsibility-2/

CORPORATE GOVERNANCE:

Your Company is committed to achieve the highest standards of Corporate Governance and adheres to the Corporate Governance requirements set by the Regulators. A separate section on Corporate Governance practices followed by the Company as stipulated under Regulation 43(3) and Schedule V of the SEBI Regulations, together with a certificate from M/s. Manish Ghia & Associates, a firm of Company Secretaries in Practice, confirming Compliance to the conditions as stated in Regulation 34(3) of the SEBI Regulations forms part of this Annual Report.

SECRETARIAL AUDITOR AND SECRETARIAL AUDIT REPORT:

Pursuant to Section 204 of the Companies Act, 2013 read with the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014, the Board of Directors had appointed M/s. Manish Ghia & Associates, Practicing Company Secretaries, Mumbai, to undertake the Secretarial Audit of the Company for the financial year ended 31 March 2019. The Secretarial Audit Report in the prescribed Form No. MR-3 is attached as **Annexure - 4**.

The following are the clarifications to the observations given by the Secretarial Auditor in their Audit report:

(a) The composition of Nomination and Remuneration Committee of the Board of Directors was not in accordance with the provisions of Section 178 of the Act up to 06 September 2018 as the Managing Director was a member of the Committee;

- The Company has initiated to take the necessary steps for regularising the non-compliance. The constitution of the Nomination and Remuneration Committee has been revised w.e.f. 07 September 2018.

(b) in respect of one of the meeting of board of directors in which the facility of video conferencing was made available, the recording of the same is reported to have been corrupted and accordingly is unavailable;

- Due to technical issue, the video recording has got corrupted. The Company will henceforth take proper measures and care in this regard.

(c) the Company has not fully spent the mandated 2% of average net profits of the Company on Corporate Social Responsibility (CSR) activities during the financial year;

- The reasons for the same are forming part of **Annexure - 3** of the Board's Report.

(d) some properties are yet to be mutated in the name of the Company, accordingly to that extent the same are not in compliance with provisions of Section 187 of the Act;

- The Company is in the process of getting the title deeds registered in the name of the Company.

(e) in the consolidated financial statements for the year ended 31 March 2018 the financials of Company's overseas Joint Venture viz., Star Metropolis Healthcare Middle East LLC, Dubai, UAE (JV) have not been consolidated as such financial statements have not been made available by its overseas JV;

- Due to non-availability of financial information from the J.V. partner, accounts of associate company could not be consolidated.

(f) the submission of Annual Performance Report in respect of Company's overseas Joint Venture (JV) viz., Star Metropolis Healthcare Middle East LLC, Dubai, UAE to RBI during the year under review is not based on the audited annual accounts of the preceding financial year of the JV; and

- Due to non-availability of financials, the Company was unable to file the Annual Performance Report.

(g) the submission of revised annual return on foreign liabilities and assets (based on the audited financials) for the year ended 31 March 2018 to the Reserve Bank of India (RBI) have been made after the due date.

- The Company had filed the Provisional foreign liabilities and assets (FLA) on time, but there was an inadvertent delay of few days in filing the final FLA.

CREDIT RATING:

The Company has obtained credit rating. For the details on the same, please refer to the Corporate Governance Report.

EMPLOYEE STOCK OPTIONS:

The Company has two ESOP Schemes namely:

1. Revised Metropolis Employee Stock Option Scheme 2007 (MESOS - 2007)
2. Metropolis Employee Stock Option Scheme 2015 (MESOS – 2015)

The details of "Revised Metropolis Employee Stock Options Scheme 2007" (MESOS – 2007) and "Metropolis Employee Stock Option Scheme 2015 (MESOS- 2015)" including the number of outstanding options are given in the **Annexure - 5** forming part of this Report.

INDUSTRIAL RELATIONS:

The Company's relations with all its employees remained cordial and satisfactory during the year under review.

PARTICULARS OF EMPLOYEES:

The information required pursuant to Section 197(12) of The Companies Act, 2013 read with Rule 5(1) and 5(2) of the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014 in respect of employees of the Company are given in **Annexures – 6** hereunder and forms part of this report.

Pursuant to the provisions of the first proviso to Section 136(1) of the Companies Act, 2013, the disclosure under Section 197(12) of the Companies Act, 2013 read with Rule 5(2) will be sent to the members of the Company on request.

Further, the said information is available for inspection at the registered office of the Company during working hours and any member interested in obtaining such information may write to the Company Secretary at the Corporate Office of the Company.

DEMATERIALIZATION OF SHARES:

All the Shares of your Company are in Dematerialisation mode. The ISIN of the Equity Shares of your Company is INE112L01020.

REGISTRAR & SHARE TRANSFER AGENT:

Your Company's Registrar and Share Transfer Agent is:

Link Intime India Private Limited

C-101, 1st Floor, 247 Park,

Lal Bahadur Shastri Marg, Vikhroli (West),

Mumbai – 400 083, Maharashtra, India.

STATUTORY DISCLOSURES:

The information on conservation of energy, technology absorption and foreign exchange earnings and outgo pursuant to Section 134(3)(m) of the Companies Act, 2013 read with the Rule 8(3) of The Companies (Accounts) Rules, 2014 is as follows:

A	**CONSERVATION OF ENERGY**	
i)	Steps taken or impact on conservation of energy	Your Company accords highest priority to energy conservation and is committed for energy conservation measures including regular review of energy consumption and effective control on utilisation of energy. The Company has designed its facilities keeping in view the objective of minimum energy loss. The Company has taken all steps to conserve Energy in the work places by educating and training the employees to conserve energy. The Company has installed invertor AC in areas which are operating extended hours. Energy saving LED lights are installed at various laboratories and collection centres. Every year, energy audit is conducted at Central Laboratory of the Company which is carried out by an Independent Professional Agency.
ii)	Steps taken by the Company for utilising alternate sources of energy	The Company being in the service industry does not have any power generation units and did not produce/generate any renewable or conventional power
iii)	Capital investment on energy conservation equipment	The capital investment on energy conservation equipment is insignificant.
B	**TECHNOLOGY ABSORPTION**	
i)	Efforts made towards technology absorption	The Company being in Service Sector has adopted all new technology in terms of new software and hardware and latest machinery with automated processes available in the current Techno-environment and commensurate to the size, scale and complexity of its operations.
ii)	Benefits derived from technology absorption	Technology absorption has helped the Company to provide better and more accurate service to the Customers.
iii)	Details of Imported technology (last three years)	
	- Details of technology imported	Nil
	- Year of Import	N.A.
	- Whether technology being fully absorbed	N.A.
	- If not fully absorbed, areas where absorption has not taken place and reasons thereof	N.A.
iv)	Expenditure incurred on Research and development	Nil
C	**FOREIGN EXCHANGE EARNINGS AND OUTGO (₹ in Lakhs)**	
i)	Foreign Exchange inflow	₹ 1740.37/-
ii)	Foreign Exchange outflow	₹ 168.97/-

VIGIL MECHANISM/ WHISTLEBLOWER:

The Company has in place a vigil mechanism for Director and employees to report their genuine concerns about unethical behaviour, actual or suspected fraud, or violation of the Company's code of conduct.

The Whistleblower Policy of the Company is available on the website of the Company at https://www.metropolisindia.com/about-metropolis/investors/

DISCLOSURE UNDER THE SEXUAL HARASSMENT OF WOMEN AT WORKPLACE (PREVENTION, PROHIBITION AND REDRESSAL) ACT, 2013:

The Company has measures in place for prevention of sexual harassment in accordance with the requirements of the Sexual Harassment of Women at Workplace (Prevention, Prohibition & Redressal) Act, 2013. The Company has complied with provisions relating to the constitution of Internal Complaints Committee under the Sexual Harassment of women at workplace (Prevention, Prohibition and Redressal) Act, 2013. The Company did not receive any complaint during the Financial year 2018-19.

COMPLIANCE WITH SECRETARIAL STANDARDS:

The Company has devised proper systems to ensure compliance with the applicable Secretarial Standards issued by the Institute of Company Secretaries of India and the Company complies with all the applicable provisions of the same during the year under review.

CAUTIONARY STATEMENT:

Statements in this Report, particularly those which relate to Management Discussion and Analysis as explained in a separate Section in this Report, describing the Company's objectives, projections, estimates and expectations may constitute 'forward looking statements' within the meaning of applicable laws and regulations. Actual results might differ materially from those either expressed or implied in the statement depending on the circumstances.

APPRECIATIONS:

The Directors acknowledge the valuable contribution of all its employees in the continuous growth of the Company and making it a dominant player in the market.

Further, they on behalf of the Company would like to express their sincere gratitude to the Medical Profession for their unconditional support.

They would also like to thank the Company's Joint Venture Partners, Banks and other stakeholders for their contribution in the Company's growth and in its operations.

For **and on behalf of the Board of Directors**

Dr. Sushil Kanubhai Shah
Chairman & Executive Director
(DIN: 00179918)

Place: Mumbai
Date: 13 May 2019

CORPORATE GOVERNANCE REPORT

The report on Corporate Governance is prepared pursuant to Regulation 34(3) read with Schedule V of the Securities Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 ("SEBI Regulations"/ "Listing Regulations").

1. COMPANY'S PHILOSOPHY ON CODE OF GOVERNANCE:

Your Company's philosophy on Corporate Governance is based on holistic approach not only towards its own growth but also towards maximization of benefits to the shareholders, employees, customers, Government and also the general public at large. Transparency and accountability are the fundamental principles of sound Corporate Governance, which ensures that the organization is managed and monitored in a responsible manner for creating and sharing stakeholder's value.

The Corporate Governance framework ensures timely disclosure and share accurate information regarding the Company's financials and performance as well as its leadership and governance.

Your Company is committed to good Corporate Governance and its adherence best practice at all times and its philosophy is based on five basic elements namely, Board's accountability, value creation, strategic-guidance, transparency and equitable treatment to all stakeholders.

2. BOARD OF DIRECTORS:

As on 31 March 2019, the Company had Six (6) Directors comprising Three (3) Non-Executive Independent Directors, One (1) Non-Executive Non Independent Director & Two (2) Executive Directors. The composition of the Board of your Company is governed by and is in compliance with the requirements of the Companies Act, 2013 read with Rules framed there under ("Act"), SEBI Regulations, and the Articles of Association of the Company.

The Board composition represents an optimal mix of professionalism, knowledge, expertise and experience which enables the Board to discharge its responsibilities and provide effective leadership to the business. Brief profile of the Directors is available on the Company's website at https://www.metropolisindia.com/about-metropolis/board-of-directors and also forms part of this Annual Report. None of the Directors of your Company are inter-se related to each other except Dr. Sushil Kanubhai Shah & Ms. Ameera Sushil Shah.

None of the Directors on the Board hold directorships in more than Twenty (20) Companies and in more than Ten (10) Public Limited Companies. Further, none of them is a member of more than Ten (10) Committees or Chairman of more than Five (5) Committees across all the Public Limited Companies in which he/she is a Director. Committees include Audit Committee & Stakeholders Relationship Committee as per Regulation 26(1) of the SEBI Regulations. No Directors hold directorship in more than Eight (8) Listed Companies. None of the Independent Directors served as Independent Directors in more than Seven (7) Listed Companies. The necessary disclosures regarding Committee positions have been made by the Directors.

Independent Directors are Non-Executive Directors as defined under Regulation 16(1)(b) of the SEBI Regulations read with Section 149(6) of the Companies Act, 2013. All the Independent Directors have confirmed that they met the criteria as mentioned under Regulation 16(1)(b) of the SEBI Regulations read with Section 149(6) of the Companies Act, 2013.

The names and categories of the Directors on the Board, their number of Directorships and Committee Chairmanships/Memberships held by them in other Public Limited Companies as on 31 March 2019 including separately the name of listed entities where the Director holds Directorship and category of Directorship are given below. Other Directorships does not include Directorships, Committee Chairmanships/ Memberships of Private Limited Companies, Foreign Companies and Companies under Section 8 of the Companies Act, 2013.

Chairmanships/Memberships of Board Committees shall include Audit Committee and Stakeholder's Relationship Committee in other Public Limited Companies.

Name	Category	No. of Directorship(s) in other Public Companies	No. of Committee Positions in other Public Companies		Inter-se Relationship	Name of the listed entities	
			Chairman	Member		Other Directorship	Category
Dr. Sushil Kanubhai Shah (Chairman)	Executive Director (Promoter)	1	-	-	Father of Ms. Ameera Sushil Shah	1) Span Divergent Limited	Independent Director
Ms. Ameera Sushil Shah (Managing Director)	Executive Director (Promoter)	3	-	3	Daughter of Dr. Sushil Kanubhai Shah	1) Kaya Limited	Independent Director
						2) Torrent Pharmaceuticals Limited	Independent Director
						3) Shoppers Stop Limited	Independent Director
Mr. Mihir Jagdish Doshi	Non-Executive Non Independent Director	-	-	-	-	-	-
Mr. Milind Shripad Sarwate	Non-Executive Independent Director	8	4	3	-	1) International Paper APPM Limited	Independent Director
						2) Matrimony.com Limited	Independent Director
						3) Glenmark Pharmaceuticals Limited	Independent Director
						4) Mindtree Limited	Independent Director
						5) Mahindra & Mahindra Financial Services Limited	Independent Director
Mr. Vivek Gambhir	Non-Executive Independent Director	1	-	1	-	1) Godrej Consumer Product Limited	Managing Director & CEO
Mr. Sanjay Bhatnagar	Non-Executive Independent Director	-	-	-	-	-	-

Note : *Membership and Chairmanship in a Committee are counted only once i.e. if a Director is a Chairman in a Committee, he/she is not counted as Member separately.*

CORPORATE GOVERNANCE REPORT (Contd.)

Requirement of Core Skills/Expertise/Competence for the Board of Directors as identified for our business:

The skill or competencies for the members of the Board as identified by the Board of Directors of the Company as required in the context of Healthcare Business and available with the Board are as follows:

Sr. no.	Areas of Core Skills/Expertise/Competence
1	Healthcare – Understanding the complexities of the healthcare sector and expertise in the field of diagnostics.
2	Finance, Accountancy & Audit – In-depth knowledge in the field of accounts and ability to read, understand and analyse the financial statements, financial controls, risk management and other business projections.
3	Law – Experience in understanding the dynamics of the legal and regulatory aspect at a global level.
4	Information Technology – Providing support and guidance in relation to information technology up gradation of the organisation as a whole.
5	Risk Management – Experience in mitigation of risk by actively getting involved in the risk management of the organisation.
6	Strategy & Marketing – Exposure in managing the sales and marketing needs of the sector adequately.

Independent Directors:

Formal letters of appointment have been issued to the Independent Directors. The terms and conditions of their appointment are disclosed on the Company's website https://www.metropolisindia.com/about-metropolis/investors/.

The details of the Familiarisation programme of the Independent Directors are available on the Company's website (https://www.metropolisindia.com/about-metropolis/investors/).

During the year, a meeting of the Independent Directors was held on 11 February 2019. All the Independent Directors attended the meeting except Mr. Sanjay Bhatnagar due to his pre-Occupation.

During the year under review, Mr. Rajiv Devinder Sahney, resigned as an Independent Director of the Company on 07 September 2018, due to his pre-occupation.

During the year under review, Mr. Mihir Jagdish Doshi's designation was changed from Independent to Non Independent Non Executive Director w.e.f. 07 September 2018.

The Board of Directors hereby confirm that in its opinion, the Independent Directors of the Company fulfill the conditions as specified in the SEBI Regulations and are independent of the management.

Non-Executive Directors do not hold any equity shares of the Company.

Board Meetings & Attendance of Directors:

The Board meets at regular intervals to discuss and decide on business policies and review the financial performance of the Company and its subsidiaries, Associate & Joint Ventures. The meetings are usually held at the Company's registered office at Mumbai.

The attendance of the Directors at the Board Meetings and at the last Annual General Meeting is given below:

Name of the Director	No. of Board Meetings attended during 2018-19	Attendance at the AGM held on 10 September 2018
Dr. Sushil Kanubhai Shah	9	Yes
Ms. Ameera Sushil Shah	9	Yes
Mr. Mihir Jagdish Doshi^	8	Yes
Mr. Milind Shripad Sarwate	5	No$
Mr. Vivek Gambhir	5	No
Mr. Sanjay Bhatnagar	2	No$
Dr. Duru Sushil Shah*	2	NA
Mr. Neeraj Bharadwaj#	2	NA
Mr. Rajiv Devinder Sahney*	2	NA

^ Change in designation from Independent to Non- Independent Non Executive Director w.e.f. September 07, 2018

$Mr. Milind Shripad Sarwate, Chairman of Audit Committee, and Mr. Sanjay Bhatnagar, Chairman of the Nomination and Remuneration Committee were unable to attend the Annual General Meeting (AGM) due to their pre-occupation.

**Resigned w.e.f. 07 September 2018*

#Resigned w.e.f. 24 September 2018. He continued to act as an observer on the Board of Directors pursuant to the Shareholders Agreement dated 24 September 2018. He ceased to act as an observer post listing of the equity shares of the Company w.e.f. 15 April 2019.

The Board of Directors met Nine (9) times during the Financial Year 2018-19 and the gap between two meetings did not exceed 120 days. The necessary quorum was present for all the meetings. Board Meetings were held as follows:

1) 17 July 2018
2) 07 September 2018
3) 13 September 2019 (held at 5:00 p.m.)
4) 13 September 2019 (held at 10:00 p.m.)
5) 24 September 2018
6) 27 September 2018
7) 20 November 2018
8) 11 February 2019
9) 25 March 2019

During the year, information as mentioned in Part A of Schedule II of the SEBI Regulations, has been placed before the Board for its consideration.

Governance Codes:

Code of Business Conduct & Ethics

The Company's Code of Business Conduct & Ethics requires Directors and Employees to act honestly, fairly, ethically and with integrity, conduct themselves in a professional, courteous and respectful manner. The Code is displayed on the Company's website https://www.metropolisindia.com/about-metropolis/investors/.

Conflict of Interest

On an annual basis, each Director informs the Company about the Board and the Committee positions he occupies in other Companies including Chairmanships and notifies changes during the year. Members of the Board while discharging their duties avoid conflict of interest in the decision making process. The members of the Board restrict themselves from any decision and voting in transaction that they have concern or interest.

Code of Conduct for Insider Trading

The Company has adopted a Code of Conduct for Prevention of Insider Trading, in accordance with the requirements of Securities and Exchange Board of India (Prohibition of Insider Trading) Regulations, 2015, as amended from time to time.

The Company Secretary is the Compliance Officer for monitoring adherence to the said Regulations. The Code is displayed on the Company's website https://www.metropolisindia.com/about-metropolis/investors/.

3. AUDIT COMMITTEE:

The Audit Committee of the Company is constituted in line with the provisions of Regulation 18 of the SEBI Regulations read with Section 177 of the Companies Act, 2013.

Terms of Reference

The terms of reference of the Audit Committee, inter alia, includes the following functions:

1. Oversight of the Company's financial reporting process, examination of the financial statement and the auditors' report thereon and the disclosure of its financial information to ensure that its financial statements are correct, sufficient and credible;
2. Recommendation for appointment, re-appointment and replacement, remuneration and terms of appointment of auditors of the Company;
3. Approval of payment of statutory auditors for any other services rendered by the statutory auditors;
4. Reviewing, with the management, the annual financial statements and auditor's report thereon before submission to the Board for approval, with particular reference to:
    a. Matters required to be included in the Director's Responsibility Statement to be included in the Board's report in terms of clause (c) of sub-Section 3 of Section 134 of the Companies Act, 2013, as amended;
    b. Changes, if any, in accounting policies and practices and reasons for the same;
    c. Major accounting entries involving estimates based on the exercise of judgment by management;
    d. Significant adjustments made in the financial statements arising out of audit findings;
    e. Compliance with listing and other legal requirements relating to financial statements;
    f. Disclosure of any related party transactions; and
    g. Modified opinion(s) in the draft audit report.
5. Reviewing, with the management, the quarterly half-yearly and annual financial statements before submission to the Board of Director for approval;
6. Reviewing, with the management, the statement of uses/ application of funds raised through an issue (public issue, rights issue, preferential issue, etc.), the statement of funds utilised for purposes other than those stated in the offer document/ prospectus/ notice and the report

submitted by the monitoring agency monitoring the utilisation of proceeds of a public or rights issue, and making appropriate recommendations to the Board to take up steps in this matter;

7. Reviewing and monitoring the statutory auditor's independence and performance, and effectiveness of audit process;
8. Approval or any subsequent modifications of transactions of the Company with related parties;
9. Scrutiny of inter-corporate loans and investments;
10. Valuation of undertakings or assets of the Company, wherever it is necessary;
11. Evaluation of internal financial controls and risk management systems;
12. Monitoring the end use of funds raised through public offers and related matters;
13. Reviewing with the management, the performance of statutory and internal auditors, and adequacy of the internal control systems;
14. Reviewing the adequacy of internal audit function, if any, including the structure of the internal audit department, staffing and seniority of the official heading the department, reporting structure coverage and frequency of internal audit;
15. Discussion with the internal auditors on any significant findings and follow up there on;
16. Reviewing the findings of any internal investigations by the internal auditors into matters where there is suspected fraud or irregularity or a failure of internal control systems of a material nature and reporting the matter to the Board;
17. Discussion with the statutory auditors before the audit commences, about the nature and scope of audit as well as post-audit discussion to ascertain any area of concern;
18. To look into the reasons for substantial defaults in the payment to the depositors, debenture holders, shareholders (in case of non-payment of declared dividends) and creditors;
19. To review the functioning of the whistle blower mechanism;
20. Approving the appointment of the chief financial officer or any other person heading the finance function or discharging that function after assessing the qualifications, experience and background, etc. of the candidate;
21. Carrying out any other terms of reference as may be decided by the Board or specified/ provided under the Companies Act, 2013 or the SEBI Listing Regulations or by any other regulatory authority; and
22. Review of (1) management discussion and analysis of financial condition and results of operations; (2) statement of significant related party transactions (as defined by the audit committee), submitted by management; (3) management letters/letters of internal control weaknesses issued by the statutory auditors; (4) internal audit reports relating to internal control weaknesses; (5) the appointment, removal and terms of remuneration of the chief internal auditor shall be subject to review by the audit committee; (6) statement of deviations including (a) quarterly statement of deviation(s) including report of monitoring agency, if applicable, submitted to stock exchange(s) in terms of Regulation 32(1) of the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015, as amended; (b) annual statement of funds utilized for purposes other than those stated in the offer document/prospectus/notice in terms of Regulation 32(7) of the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015;

Composition and Attendance of the members of the Audit Committee

The Composition of the Audit Committee and details of meetings attended by its members during the year is as under:

Name of the Director	Position	Category	No. of Meetings attended
Mr. Milind Shripad Sarwate^	Chairman	Independent Director	3
Mr. Vivek Gambhir	Member	Independent Director	3
Mr. Sanjay Bhatnagar	Member	Independent Director	2
Mr. Mihir Jagdish Doshi$	Member	Non-Executive Non Independent Director#	5
Mr. Neeraj Bharadwaj*	Member	Non-Executive Non Independent Director	2
Mr. Rajiv Devinder Sahney*	Member	Independent Director	2

^He was appointed as the Chairman w.e.f. 07 September 2018

$He was the Chairman of the committee upto 07 September 2018

#Change in designation from Independent to Non- Independent Non Executive Director w.e.f. 07 September 2018

**Ceased to be a member w.e.f. 07 September 2018*

The Audit Committee met Five (5) times during the Financial Year 2018-19 and the gap between the two Meetings did not exceed 120 days. The necessary quorum was present for all the Meetings. Audit Committee Meetings were held as follows:

1) 17 July 2018
2) 07 September 2018
3) 24 September 2018
4) 20 November 2018
5) 11 February 2019

The Meetings of the Audit Committee are attended by the Chief Financial Officer, the Company Secretary and a representative of Internal Auditor and Statutory Auditor. The Business Operation Heads are invited to the Meetings, as and when required. The Company Secretary acts as the secretary to the Committee.

The Chairman of the Audit Committee, Mr. Milind Shripad Sarwate was unable to attend the Annual General Meeting (AGM) held on 10 September 2018 due to his pre-occupation.

4. NOMINATION AND REMUNERATION COMMITTEE:

The Nomination and Remuneration Committee of the Company is constituted in line with the provisions of Regulation 19 of the SEBI Regulations read with Section 178 of the Companies Act, 2013.

Terms of Reference

The terms of reference of the Nomination and Remuneration Committee, inter alia, includes the following:

a) Formulating the criteria for determining qualifications, positive attributes and independence of a director and recommending to the board of directors a policy, relating to the remuneration of the directors, key managerial personnel and other employees;

b) Formulating of criteria for evaluation of the performance of the independent directors and the board of directors;

c) Devising a policy on diversity of board of directors;

d) Identifying persons who qualify to become directors or who may be appointed in senior management in accordance with the criteria laid down, recommending to the board of directors their appointment and removal, and carrying out evaluations of every director's performance. Our Company shall disclose the remuneration policy and the evaluation criteria in its Annual Report;

e) Determining whether to extend or continue the term of appointment of the independent director, on the basis of the report of performance evaluation of independent directors;

f) Analysing, monitoring and reviewing various human resource and compensation matters;

g) Determining the Company's policy on remuneration and any compensation payment, for the chief executive officer, the executive directors, key managerial personnel including pension rights and determination of remuneration packages of such personnel;

h) Determining compensation levels payable to the senior management personnel and other staff (as deemed necessary), which shall be market-related, usually consisting of a fixed and variable component and in accordance with the remuneration policy approved by the board of directors;

i) Reviewing and approving compensation strategy from time to time in the context of the then current Indian market in accordance with applicable laws;

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j) Perform such functions as are required to be performed by the compensation committee under the Securities and Exchange Board of India (Share Based Employee Benefits) Regulations, 2014;

k) Framing suitable policies and systems to ensure that there is no violation, by an employee of any applicable laws in India or overseas, including:

   (i) The Securities and Exchange Board of India (Prohibition of Insider Trading) Regulations, 1992

   (ii) The Securities and Exchange Board of India (Prohibition of Fraudulent and Unfair Trade Practices relating to the Securities Market) Regulations, 2003

l) Performing such other activities as may be delegated by the board of directors and/or specified/provided under the Companies Act, 2013 together with the rules framed thereunder, as amended and to the extent notified, or the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015, as amended, or by any other regulatory authority.

Composition and Attendance of the members of the Nomination and Remuneration Committee:

The Composition of the Nomination and Remuneration Committee and details of meetings attended by its members during the year is as under:

Name of the Director	Position	Category	No. of Meetings attended
Mr. Vivek Gambhir@	Chairman	Independent Director	3
Mr. Sanjay Bhatnagar*	Member	Independent Director	2
Mr. Mihir Jagdish Doshi^	Member	Non-Executive Non Independent Director$	5
Mr. Neeraj Bharadwaj#	Member	Non-Executive Non Independent Director	2
Ms. Ameera Sushil Shah#	Member	Managing Director	1
Mr. Rajiv Devinder Sahney#	Member	Independent Director	2

@Appointed as the Chairman w.e.f. 16 January 2019

**He was the Chairman of the committee from 07 September 2018 to 16 January 2019*

^He was the Chairman of the committee upto 07 September 2018

$Change in designation from Independent to Non- Independent Non Executive Director w.e.f. 07 September 2018

#Ceased to be a member of the Committee w.e.f. 07 September 2018

The Nomination and Remuneration Committee met Five (5) times during the Financial Year 2018-19. The necessary quorum was present for all the Meetings. The Nomination and Remuneration Committee Meetings were held as follows:

1) 17 July 2018
2) 07 September 2018
3) 24 September 2018
4) 20 November 2018
5) 11 February 2019

The Chairman of the Nomination & Remuneration Committee, Mr. Sanjay Bhatnagar was unable to attend the Annual General Meeting (AGM) of the Company held on 10 September 2018 due to his pre-occupation.

Performance Evaluation:

The criteria for performance evaluation are determined by the Nomination and Remuneration Committee. The performance evaluations cover the areas relevant to the functioning as Independent Directors such as preparation, participation, conduct and effectiveness.

The performance evaluation of the Chairman, Independent Directors, Executive Directors and Board as a whole was done by the entire Board of Directors and in the evaluation, the respective Directors who was subject to evaluation, did not participate.

Remuneration Policy:

The Company has a Nomination & Remuneration Policy for remuneration of Directors, Key Managerial Personnel and Senior Management of the Company. There is no change in the Policy in FY 2018-19.

The objective of the Remuneration Policy is as follows:

- To guide the Board in relation to appointment and removal of Directors, Key Managerial Personnel and Senior Management;

- To evaluate the performance of the members of the Board and provide necessary report to the Board for further evaluation of the Board;
- To recommend to the Board on remuneration payable to the Directors, Key Managerial Personnel and Senior Management;
- To devise a policy on Board diversity.

Remuneration to Executive Directors, Key Managerial Personnel and Senior Management:

- The Executive Directors, Key Managerial Personnel and Senior Management shall be eligible for a monthly remuneration as may be approved by the Board on the recommendation of the Committee. The breakup of the pay scale and quantum of perquisites including, employer's contribution to provident fund, pension scheme, medical expenses, etc. shall be decided and approved by the Board/ the person authorized by the Board on the recommendation of the Committee and approved by the Shareholders and Central Government, wherever required.
- If in any Financial Year, the Company has no profits or its profits are inadequate, the Company shall pay remuneration to its Executive Directors in accordance with the provisions of Schedule V of the Companies Act, 2013 and if it is not able to comply with such provisions, with the previous approval of the Central Government, where required.
- If any Executive Director draws or receives, directly or indirectly by way of remuneration any such sums in excess of the limits prescribed under the Act or without the prior sanction of the Central Government, where required, he/she shall refund such sums to the Company and until such sum is refunded, hold it in trust for the Company. The Company shall not waive recovery of such sum refundable to it unless permitted by the Central Government.
- The Incentive pay shall be decided based on the balance between performance of the Company and performance of the Key Managerial Personnel and Senior Management, to be decided annually or at such intervals as may be considered appropriate.

Remuneration to Non-Executive/Independent Director:

- The remuneration/commission shall be fixed as per the slabs and conditions mentioned in the Articles of Association of the Company and the Act.
- The Non-Executive/Independent Director may receive remuneration by way of fees for attending Meetings of Board or Committee thereof. Provided that the amount of such fees shall not exceed ₹ 1,00,000/- per meeting of the Board or Committee or such amount as may be prescribed by the Central Government from time to time.
- Commission may be paid within the monetary limit approved by shareholders, subject to the limit not exceeding 1% of the profits of the Company computed as per the applicable provisions of the Act.
- An Independent Director shall not be entitled to any stock option of the Company.

The Company has two Employee Stock Option Scheme namely:

1) Revised Metropolis Employee Stock Option Scheme 2007 (MESOS - 2007)
2) Metropolis Employee Stock Option Scheme 2015 (MESOS – 2015)

The details of "Revised Metropolis Employee Stock Options Scheme 2007" (MESOS – 2007) and "Metropolis Employee Stock Option Scheme 2015 (MESOS- 2015)" including the number of outstanding options are given in the **Annexure - 5** of the Board's Report.

Details of Remuneration paid to Directors for the year ended 31 March 2019:

Salary paid to the Executive Directors including Commission is as follows:

(₹ in Lakhs)

Particulars	Name of the Executive Director	
	Dr. Sushil Kanubhai Shah	Ms. Ameera Sushil Shah
Gross Salary (₹)	145.50	724.66*
Commission for the FY 2017-18, paid in FY 2018-19 (₹)	-	-
Date of Agreement (Resolution)	04 September 2015	18 March 2016
No. of Years	5	5
Period of Agreement (Resolution)	03 September 2020	17 March 2021
Notice Period	3 months	3 months
Stock Options	-	-

*Includes ₹ 1.44 lakhs incentive paid for financial year 2017-18

Details of Sitting Fees paid to the Directors for FY 2018-19:

(₹ in Lakhs)

Name of the Director	Sitting fees (₹)
Mr. Milind Shripad Sarwate	7.25
Mr. Sanjay Bhatnagar	4.50
Mr. Vivek Gambhir	8.75
Mr. Mihir Jagdish Doshi*	15.75
Mr. Rajiv Devinder Sahney#	5.00
Dr. Duru Sushil Shah#	0.15

* *Change in designation from Independent Director to Non-Executive Non Independent Director w.e.f. 07 September 2018*

Ceased to be a Director w.e.f. 07 September 2018 end of working hours

5. STAKEHOLDERS' RELATIONSHIP COMMITTEE:

The Stakeholders' Relationship Committee of the Company is constituted in line with the provisions of Regulation 20 of the SEBI Regulations read with Section 178 of the Companies Act, 2013.

Terms of Reference

The terms of reference of Stakeholders' Relationship Committee, inter alia, includes the following:

(i) Considering and resolving grievances of security holders of the Company, including complaints related to transfer of shares, balance sheets of our Company, non-receipt of Annual Report and non-receipt of declared dividends;

(ii) Investigating complaints relating to allotment of shares, approval of transfer or transmission of shares, debentures or any other securities;

(iii) Issuing duplicate certificates and new certificates on split/consolidation/renewal; and

(iv) Carrying out any other function as may be decided by the board of directors or prescribed under the Companies Act, 2013, the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015, as amended, or by any other regulatory authority.

Composition and Attendance of the members of the Stakeholders' Relationship Committee:

The Composition of the Stakeholders' Relationship Committee and details of Meetings attended by its members during the year is as under:

Name of the Director	Position	Category	No. of Meeting attended
Mr. Vivek Gambhir	Chairman	Independent Director	-
Ms. Ameera Sushil Shah	Member	Managing Director	-
Dr. Sushil Kanubhai Shah	Member	Executive Director	-

The Stakeholders' Relationship Committee was constituted w.e.f. 07 September 2018 and no meetings were conducted during the Financial Year 2018-19.

Name, Designation and address of Compliance Officer:

Mr. Jayant Prakash

Head Legal, Company Secretary & Compliance Officer:

250-D, Udyog Bhavan,

Hind Cycle Marg, Worli,

Mumbai- 400030

Tel. No.: +91 22 6258 2810

Fax No.: NA

Email ID: jayant.prakash@metropolisindia.com / investor.relations@metropolisindia.com

During the year under review, nil complaints were received from the shareholders/ investors for the Financial Year 2018-19

No request for transfer or dematerialization of shares was pending as on 31 March 2019.

6. CORPORATE SOCIAL RESPONSIBILITY (CSR) COMMITTEE:

The Corporate Social Responsibility Committee of the Company is constituted in line with the provisions of Section 135 of the Companies Act, 2013.

Terms of Reference

The terms of reference of the Corporate Social Responsibility (CSR) Committee, inter alia, includes the following:

- To formulate and recommend to the Board, a CSR Policy which shall indicate the activities to be undertaken by the Company as per the Companies Act, 2013;
- To review and recommend the amount of expenditure to be incurred on the activities to be undertaken by the Company;
- To monitor the CSR policy of the Company from time to time;
- Any other matter as the CSR Committee may deem appropriate after approval of the Board of Directors or as may be directed by the Board of Directors from time to time.

Composition and Attendance of the members of the CSR Committee:

The Composition of the CSR Committee and details of the meetings attended by its members during the year is as under:

Name of the Director	Position	Category	No. of Meeting attended
Mr. Vivek Gambhir^	Chairman	Independent Director	0
Ms. Ameera Sushil Shah	Member	Managing Director	0
Mr. Milind Shripad Sarwate	Member	Independent Director	0
Mr. Mihir Jagdish Doshi*$	Member	Non-Executive Non Independent Director#	2
Mr. Neeraj Bharadwaj*	Member	Non-Executive Non Independent Director	2
Dr. Duru Sushil Shah*	Member	Non-Executive Non Independent Director	2

^Appointed as the Chairman w.e.f. 07 September 2018

**Ceased to be a member w.e.f. 07 September 2018*

$He was the Chairman of the committee upto 07 September 2018

#Change in designation from Independent to Non- Independent Non Executive Director w.e.f. 07 September 2018

The Corporate Social Responsibility Committee met Two (2) times during the Financial Year 2018-19. The necessary quorum was present for all the Meetings. The Corporate Social Responsibility Committee Meetings were held as follows:

1) 17 July 2018

2) 07 September 2018

7. RISK MANAGEMENT COMMITTEE (RMC) :

The Risk Management Committee of the Company is constituted in line with the Regulation 21 of the SEBI Regulations.

Terms of Reference

The terms of reference of the Risk Management Committee, inter alia, includes the following:

- oversee and guide in developing a structured/defined framework for identifying and assessing and reporting of both existing and new risks associated with the Company so as to facilitate timely and effective management of risks and opportunities for achieving the Company's objectives;
- periodic review of Risk Management Framework ('the Framework') comprising of policies, procedures and practices of the Company and to assess the effectiveness of the same and initiate corrective actions wherever required including any change that may be required to the framework in the light of various external and internal factors (whether political, sociological or technical or other) which will have impact on the business of the Company;
- adopt and review periodically best business practices and policies;
- review and monitor compliance with the regulatory framework and the statutory requirements;
- set/define standardised approach for minimization and mitigation of identified risks;
- review and guide the senior management from time to time in setting up a work culture which would encourage staff/ team of the Company at all levels to identify risks and opportunities and respond them effectively;

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- review reports on any material breaches of risk limits/parameters and the adequacy of the proposed action;
- before a decision to proceed is taken by the board, advise the board on proposed strategic transactions including acquisitions or disposals, ensuring that a due diligence appraisal of the proposition is undertaken, focusing in particular on risk aspects and implications for the risk appetite and tolerance of the Company, and taking independent external advice where appropriate and available;

Composition and Attendance of the members of the Risk Management Committee:

The Composition of the RMC is mentioned below and during the year under review no RMC were held.

Name of the Director	Position	Category	No. of Meeting attended
Ms. Ameera Sushil Shah	Chairman	Managing Director	0
Dr. Sushil Kanubhai Shah	Member	Executive Director	0
Mr. Vijender Singh	Member	Chief Executive Officer	0

The Risk Management Committee was constituted w.e.f. 11 February 2019 and no meeting was conducted during the Financial Year 2018-19.

8. IPO COMMITTEE:

The Board of Directors at their meeting held on 24 September 2018, considering its plan to proceed with the initial public offering of the equity shares of the Company through Offer for Sale, constituted an IPO Committee comprising Dr. Sushil Kanubhai Shah, Ms. Ameera Sushil Shah and Mr. Milind Shripad Sarwate.

Terms of Reference

The terms of reference of the IPO Committee, inter alia, includes the following:

- To make applications to, seek clarifications, obtain approvals and seek exemptions from, where necessary, the RBI, SEBI, relevant Registrar of Companies, and any other governmental or statutory authorities as may be required in connection with the Offer and accept on behalf of the Board such conditions and modifications as may be prescribed or imposed by any of them while granting such approvals, permissions and sanctions as may be required;
- To finalize, settle, approve, adopt and file in consultation with the BRLMs where applicable, and wherever necessary, incorporate such modifications/ amendments as may be required in the Draft Red Herring Prospectus ("DRHP"), the Red Herring Prospectus ("RHP"), the Prospectus, the preliminary and final international wrap and any amendments, supplements, notices, addenda or corrigenda thereto, and take all such actions as may be necessary for the submission and filing of these documents including incorporating such alterations/corrections/ modifications as may be required by SEBI, the RoC or any other relevant governmental and statutory authorities or in accordance with Applicable Laws, and withdrawal of the DRHP or the RHP or any decision not to proceed with the Offer at any stage in accordance with Applicable Laws;
- To decide the list of Selling Shareholders based on the consents/ corporate actions, as applicable, received from such Selling Shareholders;
- To decide jointly with the Selling Shareholders, and in consultation with the BRLMs, the size, timing, pricing (including issue price for anchor investors), discount, reservation and all the terms and conditions of the Offer, including the price band, bid period, offer price, and to do all such acts and things as may be necessary and expedient for, and ancillary to the Offer including to make any amendments, modifications, variations or alterations thereto;
- To appoint and enter into and terminate arrangements with the BRLMs, underwriters to the Offer, syndicate members to the Offer, brokers to the Offer, escrow collection bankers to the Offer, refund bankers to the Offer, registrars, legal advisors, auditors, and any other agencies or persons or intermediaries to the Offer and to negotiate, finalise and amend the terms of their appointment, including but not limited to the execution of the mandate letter with the BRLMs and negotiation, finalization, execution and, if required, amendment of the offer agreement with the BRLMs;
- To negotiate, finalise and settle and to execute and deliver or arrange the delivery of the DRHP, the RHP, the Prospectus, offer agreement, syndicate agreement, underwriting agreement, share escrow agreement, cash escrow agreement, agreement with the registrar to the Offer, and all

other documents, deeds, corrigenda, agreements and instruments including with the registrar to the Offer, legal advisors, auditors, Stock Exchanges, BRLMs and any other agencies/ intermediaries in connection with the Offer with the power to authorise one or more officers of the Company to execute all or any of the aforesaid documents or make any amendments and modifications thereto as may be required or desirable in relation to the Offer;

- To seek, if required, any approval, consent or waiver from the Company's lenders, industry data providers, and/or parties with whom the Company has entered into various commercial and other agreements, and/or any/all government and regulatory authorities in India, and/or any other approvals, consents or waivers that may be required in connection with any issue, transfer, offer and allotment of Equity Shares and taking such actions or give such directions as may be necessary or desirable and to obtain such approvals, permissions, consents, sanctions, as it may deem fit;
- To take on record the approval of the Selling Shareholders for offering their Equity Shares in the Offer;
- To open and operate bank accounts in terms of the escrow agreement and Section 40(3) of the Companies Act, 2013, as amended, and to authorize one or more officers of the Company to execute all documents/deeds as may be necessary in this regard;
- To authorize and approve incurring of expenditure and payment of fees, commissions, brokerage, remuneration and reimbursement of expenses in connection with the Offer;
- To issue receipts/allotment letters/ confirmation of allotment notes either in physical or electronic mode representing the underlying Equity Shares in the capital of the Company with such features and attributes as may be required and to provide for the tradability and free transferability thereof as per market practices and regulations, including listing on one or more stock exchange(s), with power to authorize one or more officers of the Company to sign all or any of the aforesaid documents;
- To authorize and approve notices, advertisements in relation to the Offer in consultation with the relevant intermediaries appointed for the Offer;
- To do all such acts, deeds, matters and things and execute all such other documents, etc., as may be deemed necessary or desirable for such purpose, including without limitation, to finalise the basis of allocation and to allot the shares to the successful allottees as permissible in law, issue of allotment letters/confirmation of allotment notes, share certificates in accordance with the relevant rules in consultation with the BRLMs and the Selling Shareholders;
- To take all actions as may be necessary and authorised in connection with the Offer and to approve and take on record the transfer of Equity Shares in the Offer;
- To do all such acts, deeds and things as may be required to dematerialise the Equity Shares and to sign and/or modify, as the case maybe, agreements and/or such other documents as may be required with the National Securities Depository Limited, the Central Depository Services (India) Limited, registrar and transfer agents and such other agencies, authorities or bodies as may be required in this connection and to authorize one or more officers of the Company to execute all or any of the aforesaid documents;
- To make applications for and seek listing of the Equity Shares in one or more stock exchange(s) and to execute and to deliver or arrange the delivery of necessary documentation to the Stock Exchanges in connection with obtaining such listing including without limitation, entering into listing agreements and affixing the common seal of the Company where necessary;
- To submit undertaking/ certificates or provide clarifications to SEBI, Registrar of the Companies, the Stock Exchanges and any other Regulatory Authorities;
- To finalise and arrange the submission of the DRHP to be submitted to the SEBI and the Stock Exchanges for receiving comments, the RHP and the Prospectus to be filed with the RoC, and any corrigendum, amendments supplements thereto;
- To settle all questions, difficulties or doubts that may arise in regard to the Offer, including such issues or allotment and matters incidental thereto as it may deem fit and to delegate such of its powers as may be deemed necessary and permissible under Applicable Laws to the officials of the Company;

- To negotiate, finalize, settle, execute and deliver any and all other documents or instruments and to do or cause to be done any and all acts or things as the IPO Committee may deem necessary, appropriate or advisable in order to carry out the purposes and intent of this resolution or in connection with the Offer and any documents or instruments so executed and delivered or acts and things done or caused to be done by the IPO Committee shall be conclusive evidence of the authority of the IPO Committee in so doing;
- To approve policies to be formulated in accordance with the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015, as amended, and the Securities and Exchange Board of India (Issue of Capital and Disclosure Requirements) Regulations, 2009, as amended;
- To consider, approve and adopt the restated standalone and consolidated financial statements of the Company;
- To authorise any director or directors of the Company or other officer or officers of the Company, including by the grant of power of attorney, to do such acts, deeds and things as such authorised person in his/her/its absolute discretion may deem necessary or desirable in connection with any issue, transfer, offer and allotment of Equity Shares in the Offer;
- To give or authorize any concerned person on behalf of the Company to give such declarations, affidavits, certificates, consents and authorities as may be required from time to time;
- To authorize the maintenance of a register of holders of the Equity Shares;
- To finalize the basis of allotment of the Equity Shares.

Composition and Attendance of the members of the IPO Committee:

Composition of the IPO Committee and the details of attendance by the Members at the meeting(s) held during the year under review are as under:

Name of the Director	Position	Category	No. of Meeting attended
Dr. Sushil Kanubhai Shah	Chairman	Executive Director	2
Ms. Ameera Sushil Shah	Member	Managing Director	2
Mr. Milind Shripad Sarwate	Member	Independent Director	1

During the year under review, the IPO Committee met 2 (two) times on 14 March 2019 and 27 March 2019. The required quorum was present at all the above meetings.

9. GENERAL BODY MEETINGS:

Details of Last Three Annual General Meetings (AGM)

Particulars	F.Y. 2015-16	F.Y. 2016-17	F.Y. 2017-18
Date	22 September 2016	18 September 2017	10 September 2018
Time	5:55 p.m.	10:00 a.m.	4:00 p.m.
Venue	250-D, Udyog Bhavan, Hind Cycle Marg, Worli, Mumbai- 400030	250-D, Udyog Bhavan, Hind Cycle Marg, Worli, Mumbai- 400030	250-D, Udyog Bhavan, Hind Cycle Marg, Worli, Mumbai- 400030
Special Resolutions	a) Revision in remuneration of Ms. Ameera Sushil Shah, Managing Director of the Company	a) Authority to borrow funds	a) Change in Designation of Mr. Mihir Jagdish Doshi from Independent Director to Non- Executive Director
		b) Authority to create charge	b) Offer and Issue of Equity Shares for consideration other than cash on Preferential / Private Placement Basis
		c) Authority to make investments	c) Revision in terms of appointment of Ms. Ameera Sushil Shah, Managing Director of the Company

Particulars	F.Y. 2015-16	F.Y. 2016-17	F.Y. 2017-18
		d) Approval for increase in share limit under Metropolis Employees Stock Option Scheme 2015	d) Revision in terms of appointment of Dr. Sushil Kanubhai Shah, Chairman and Executive Director of the Company
			e) Approval for fixing commission on profits to Non-Executive Directors and Independent Directors
			f) Amendment to the terms of issue of convertible warrants
			g) Revision in terms and conditions of Metropolis Employee Stock Option Scheme 2015 (MESOS 2015)

Extra Ordinary General Meeting:

During the year, the Company held Three (3) Extra Ordinary General Meetings on 14 September 2018, 24 September 2018 & 27 September 2018.

Date	14 September 2018	24 September 2018	27 September 2018
Time	11:00 a.m.	01:00 p.m.	01:00 p.m.
Venue	250-D, Udyog Bhavan, Hind Cycle Marg, Worli, Mumbai – 400 030.	250-D, Udyog Bhavan, Hind Cycle Marg, Worli, Mumbai – 400 030.	250-D, Udyog Bhavan, Hind Cycle Marg, Worli, Mumbai- 400 030.
Special Resolutions	a) Approval for issuance of bonus shares to the existing shareholders of the Company.	a) Adoption of new set of Article of Association of the Company.	a) Approval to the Share Purchase Agreement to be entered by the Company.
	b) Sub-division of Face Value of equity shares	b) Approval of increase in shareholding limit of Foreign Portfolio Investors.	b) Approval to enter into an Agreement with Ms. Ameera Sushil Shah, Dr. Sushil Kanubhai Shah, Dr. Duru Sushil Shah, Metz Advisory LLP & CA Lotus for purchase of shares by Metz from CA Lotus Investments.
	c) Alteration of the Capital Clause in the Memorandum of Association of the Company consequent to the sub-division of equity shares of the Company.		
	d) Alteration in the Article of Association of the Company consequent to the sub-division of Face Value of equity shares of the Company from ₹ 10/- each to ₹ 2/- each.		

Details of special resolution passed through postal ballot, the persons who conducted the postal ballot exercise, details of the voting pattern and procedure of postal ballot: N.A.

Details of NCLT convened meeting

During the year under review, the Company held a Shareholders' meeting pursuant to the directions of the National Company Law Tribunal, Mumbai Bench vide its Order dated 16 April 2018 at 250-D, Udyog Bhavan, Hind Cycle Marg, Worli, Mumbai- 400030 on Friday, 25 May 2018 at 1:00 p.m. and approved the scheme of amalgamation of Bacchus Hospitality Services and Real Estate Private Limited, 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 with the Company under Section 230 to 232 and other applicable provisions of the Companies Act, 2013.

None of the businesses proposed to be transacted in the ensuing Annual General Meeting are proposed to be conducted through postal ballot.

10. SUBSIDIARY COMPANIES:

The Company does not have any material non-listed Indian Subsidiary as defined under Regulation 24 of the SEBI Regulations.

The Company's Audit Committee reviews the Consolidated Financial Statements of the Company as well as the Financial Statements of the Subsidiaries, including the investments made by the Subsidiaries, if any.

The Company has formulated a policy for determining Material Subsidiaries and the policy is disclosed on the website of the Company viz. https://www.metropolisindia.com/about-metropolis/investors/

11. DISCLOSURES:

- All Related Party Transactions as defined under the Companies Act, 2013 were in the ordinary course of business and on at Arm's Length basis. The equity shares of the Company got listed on 15 April 2019, the Board has approved a policy for Related Party Transactions which has been uploaded on the Company's website viz. https://www.metropolisindia.com/about-metropolis/investors/.
- Details of non-compliance by the Company, penalties, structures imposed on the Company by the Stock Exchanges or SEBI or any statutory authority, on any matter related to capital markets, during the last two years 2017-18 and 2018-19 respectively: –Nil (Since the equity shares of the Company got listed on 15 April 2019).
- The Company has adopted a Whistle Blower Policy and has established the necessary vigil mechanism as defined under Regulation 22 of the SEBI Regulations to provide a formal mechanism to the Directors and employees to report their concerns about unethical behaviour, actual or suspected fraud or violation of the Company's Code of Ethics. No person has been denied access to the Audit Committee. The said policy has been put up on the Company's website viz. https://www.metropolisindia.com/about-metropolis/investors/.
- The Company has followed the Indian Accounting Standards (Ind AS) laid down by the Companies (Indian Accounting Standards) Rules, 2015 in the preparation of its Financial Statements.
- Since the equity shares of the Company got listed on 15 April 2019, the requirements of Regulation 27 of the SEBI Regulations relating to Corporate Governance was not applicable to the Company.
- The Company has adopted a Policy for Determining Materiality of Events / Information as defined under Regulation 30 of the SEBI Regulations. The said policy has been put on the Company's website viz. https://www.metropolisindia.com/about-metropolis/investors/.
- The Company has adopted a Preservation of Documents and Archival Policy for preservation of documents as defined under Regulation 9 of the SEBI Regulations. The said policy has been put on the Company's website viz. https://www.metropolisindia.com/about-metropolis/investors/.
- The Company has adopted Dividend Distribution Policy for distributing the profits of the Company to the shareholders as defined under Regulation 43A of the SEBI Regulations. The said policy has been put on the Company's website viz. https://www.metropolisindia.com/about-metropolis/investors/.

- M/s. Manish Ghia & Associates, Practicing Company Secretaries have conducted Secretarial Audit of the Company for the Financial Year 2018-19. The Secretarial Audit Report forms part of the Board's Report.
- The Company has not raised any fund through Preferential Allotment or Qualified Institutions Placement as specified under Regulation 32 (7A) of the SEBI Regulations, during the financial year ended 31 March 2019 other than as mentioned in the Board Report in "Change in share capital".
- Total fees of ₹ 96.75 Lakhs was paid/provided on a consolidated basis to the statutory auditors during the year for all the services provided by them to the Company & its Subsidiaries.
- A certificate dated 13 May 2019 from M/s. Manish Ghia & Associates, Company Secretaries in Practice have been obtained certifying that none of the directors on the board of the Company have been debarred or disqualified from being appointed or continuing as directors of the Company by Securities and Exchange Board of India/Ministry of Corporate Affairs or any such statutory authority and the same is attached as **Annexure - 7**.
- The Company has complied with provisions relating to the constitution of Internal Complaints Committee under the Sexual Harassment of Women at Workplace (Prevention, Prohibition and Redressal) Act, 2013 [14 of 2013]. The details of complaints received and redressed during the financial year 2018-19 are as under:-
  - a) number of complaints filed during the financial year: Nil
  - b) number of complaints disposed of during the financial year: Nil
  - c) number of complaints pending as on end of the financial year: Nil
- Since the equity shares of the Company got listed on 15 April 2019, the Company was not required to comply with the mandatory and non- mandatory requirements under the Corporate Governance as specified in Regulation 17 to Regulation 27 and clauses (b) to clause (i) of sub-regulation (2) of Regulation 46 of Listing Regulations, as applicable to entities which have listed its specified securities on stock exchange(s); the Company has complied with provisions of Listing Regulations, to the extent applicable.

The Company has adopted the following non-mandatory requirements of Listing Regulations:

- Since your Company did not have a Non-Executive Chairman during the Financial Year 2017-18, hence, the requirement of maintaining a Chairman's Office was not applicable to the Company.
- The Audit Report on the standalone and consolidated financial statements of the Company for the financial year ended 31 March 2019 is qualified to the extent of following;

i) With reference to Clause (i) (c) of Annexure A to the Standalone Independent Auditors Report regarding the title deeds being in the names of the entities which got merged with the Company in the past.

ii) With reference to Qualified Opinion to the Consolidated Independent Auditors Report regarding the Company has not consolidated the financial statements of an Associate Company, Star Metropolis Health Services Middle East LLC.

- The positions of Chairperson and that of Chief Executive Officer, respectively, are held by two different persons; and
- The internal auditors of the Company report directly to the Audit Committee of the Board.

12. MEANS OF COMMUNICATION:

The Yearly results for F.Y. 2018-19 were intimated to the Stock Exchanges immediately after the Board Meeting at which they were approved. The results of the Company were also published in at least one prominent national newspaper (Financial Express) and one regional newspaper (Loksatta) having wide circulation.

The results along with presentations made by the Company to Analysts/Investors are also posted on the website of the Company viz. www.metropolisindia.com. The Company's website also displays all official news releases.

The Company has organised investor conference call to discuss its financial results, where investor queries were answered by the Executive Management of the Company. The transcript of the conference call is posted on the website of the Company viz. www.metropolisindia.com.

All price sensitive information and matters that are material to shareholders are disclosed to the Stock Exchanges, where the securities of the Company are listed.

13. GENERAL SHAREHOLDER INFORMATION:

The Company is registered with the Registrar of Companies, Mumbai, Maharashtra. The Corporate Identity Number (CIN) allotted to the Company by the Ministry of Corporate Affairs (MCA) is U73100MH2000PLC192798.

Annual General Meeting for FY 2018-19

Date : 06 August 2019

Time: 09.00 a.m.

Venue: Hall of Culture, Nehru Centre, Worli, Mumbai – 400 018

As required under Regulation 36(3) of the SEBI Regulations and Secretarial Standard 2, particulars of Director seeking re-appointment at the forthcoming AGM are given herein and in the Annexure to the Notice of the AGM to be held for FY 2018-19.

Financial Year	:	1 April to 31 March	
Interim Dividend Payment Date	:	11 February 2019	
Listing on Stock Exchanges	:	**BSE Ltd. (BSE)**	
		Phiroze Jeejeebhoy Towers, Dalal Street, Mumbai – 400 001	
		National Stock Exchange of India Ltd. (NSE)	
		Exchange Plaza, 5th Floor Plot No. C/1, G Block Bandra-Kurla Complex, Bandra (East), Mumbai – 400 051	
Stock Code			
BSE	:	542650	
NSE	:	METROPOLIS	
Demat International Security Identification Number (ISIN) in NSDL and CDSL for equity shares	:	INE112L01012	(up to 21 September 2018)
		INE112L01020	(w.e.f. 21 September 2018)

Since the Company got Listed on BSE Limited and National Stock Exchange Limited w.e.f. 15 April 2019, the Company has paid Annual Listing Fees for the Financial Year 2019-20.

Market Information:

Market price data: High/Low, number and value of shares traded during each month in the last Financial Year - Not applicable since the equity shares of the Company got listed on 15 April 2019.

Performance of the Share Price of the Company in comparison to BSE Sensex - Not applicable, since the equity shares of the Company got listed on 15 April 2019

In case the Securities are suspended from Trading, the Board's Report shall explain the Reason thereof - Not applicable

Share Registrar and Transfer Agent:

Link Intime India Private Limited

C-101, 1st Floor, 247 Park, L.B.S. Marg,

Vikhroli (West), Mumbai- 400083

Tel.: + 91-22-49186200

Facsimile: + 91-22-49186915

Email ID: rnt.helpdesk@linkintime.co.in

Website: www.linkintime.co.in

Share Transfer System

During the year under review, till 07 September 2018, the Board of Directors of the Company was authorized to approve transfer of equity shares; and subsequent on constitution of the Stakeholders' Relationship Committee ("SRC") on 07 September 2018, the SRC was authorized to approve transfer of equity shares in physical form, if any.

Distribution of shareholding as on 31 March 2019

Range	Holders	% to Total Holders	Holding	Amount (₹)	% to Capital
1-5000	1	6.25	5	10	-
5001- 10000	-	-	-	-	-
10001- 20000	-	-	-	-	-
20001- 30000	3	18.75	70,480	1,40,960	0.14
30001- 40000	2	12.50	75,270	1,50,540	0.15
40001- 50000	1	6.25	47,420	94,840	0.10
50001- 100000	3	18.75	2,02,790	4,05,580	0.40
100001& Above	6	37.50	4,97,82,715	9,95,65,430	99.21
Total	**16**	**100**	**5,01,78,680**	**10,03,57,360**	**100.00**

Shareholding pattern as on 31 March 2019

Sr. No	Category of Shareholders	Total Holding	% to Total Holding
1	Promoter Individuals	19388655	38.64
2	Promoter body corporate	14630120	29.15
3	Mutual Funds	-	-
4	Resident Individuals	506470	1.01
5	Other bodies corporates	15653435	31.20
6	HUF	-	-
7	Non Resident Indians	-	-
8	Indian Financial Institutions	-	-
9	Clearing Members	-	-
10	Banks	-	-
11	Foreign Portfolio Investors	-	-
12	Non-Banking Financial Institutions(NBFC)	-	-
13	Trusts	-	-
Total		**50178680**	**100.00**

Top ten equity shareholders of the Company as on 31 March 2019:

Sr. No	Name of the Shareholder	Number of equity shares held of ₹ 2/- each	Percentage of holding
1	CA Lotus Investments	15653435	31.20
2	METZ Advisory LLP	14630120^	29.15
3	Dr. Sushil Kanubhai Shah	9997580*	19.92
4	Dr. Duru Sushil Shah	9209230	18.35
5	Ms. Ameera Sushil Shah	181845#	0.36
6	Dr. Nilesh Jadavji Shah	110505@	0.22
7	Dr. Pranav Desai	78225	0.16
8	Dr. Ramesh K	66835	0.13
9	Dr. Vani Kumar	57730	0.12
10	Dr. Ravi Kumar	47420	0.09

^Includes five Equity Shares (post Sub-Division) held by Ameera Sushil Shah as nominee of Metz Advisory LLP

**Excludes five Equity Shares (post Sub-Division) each held by Mayur Shah (jointly with Meera Shah) and Dr. Nilesh Shah as nominees of Dr. Sushil Kanubhai Shah*

#Excludes five Equity Shares (post Sub-Division) held by Ameera Sushil Shah as nominee of Metz Advisory LLP

@Includes five Equity Shares (post Sub-Division) held by Dr. Nilesh Shah as nominee of Dr. Sushil Kanubhai Shah

Dematerialization of shares and liquidity

The shares of the Company are in compulsory demat segment and are available for trading in the depository systems of both the National Securities Depository Limited (NSDL) and Central Depository Services (India) Limited (CDSL).

As on 31 March 2019, no shares were held in physical form.

Outstanding GDRs/ADRs/Warrants or any convertible instruments, conversion date and likely impact on equity

The Company has not issued any GDRs/ADRs/Warrants or any convertible instruments in the past and hence as on 31 March 2019, the Company does not have any outstanding GDRs/ADRs/Warrants or any convertible instruments.

Commodity price risk or foreign exchange risk and hedging activities

Please refer to Management Discussion and Analysis Report for the same.

Equity Shares in the suspense account

The Company does not have any equity shares in the suspense account.

Transfer of unclaimed/unpaid amount to the Investor Education and Provident Fund

The Company does not have any instances of transferring any amount to the Investor Education and Provident Fund.

Plant Location

Since the Company provides services, the Company does not have any manufacturing plant. It operates from Registered & Corporate Office and branches located at different places throughout India.

Credit Rating

The Company has obtained credit rating from CRISIL on the following:

Non-Convertible Debentures (NCD) and bank loan facility as on 21 September 2017:

Rating: CRISIL AA-/stable

The Company has not availed the NCD or bank loan as on 31 March 2019.

Address for correspondence:

Metropolis Healthcare Limited

Company Secretary

250-D, Udyog Bhavan,

Hind Cycle Marg,

Worli, Mumbai -400030

Tel.: 022 6258 2810

Email Id: secretarial@metropolisindia.com / investor.relations@metropolisindia.com

Website: www.metropolisindia.com

Annexure - 1

Form AOC-1

(Pursuant to first proviso to sub-Section (3) of Section 129 read with rule 5 of Companies (Accounts) Rules, 2014) Statement containing salient features of the financial statement of subsidiaries/associate companies/joint ventures

Part "A": Subsidiaries

(Information in respect of each subsidiary presented with amounts in ₹ in Lakhs)

Sr. No.	Name of Subsidiary	Date since when subsidiary was acquired	Reporting period for the subsidiary concerned, if different from the holding company's reporting period	Reporting currency and Exchange rate as on the last date of the relevant Financial year in the case of foreign subsidiaries	Share Capital	Reserves & surplus	Total assets	Total Liabilities	Invest-ments	Turnover/ Op. Income	Profit before taxation	Provision for taxation	Profit after taxation	Proposed Dividend (inclusive tax)	% of share holding
1	Desai Metropolis Health Services Private Limited	08 January 2008	31 March 2019	₹	100	2,104.92	2,533.12	328.20	1,316.24	3,203.79	1,168.22	334.79	833.43	-	100.00%
2	Lab One Metropolis Healthcare Services Private Limited	31 October 2012	31 March 2019	₹	133	335.07	653.83	185.76	-	749.84	297.50	83.93	213.57	-	100.00%
3	Micron Metropolis Healthcare Private Limited	15 December 2011	31 March 2019	₹	10	344.48	521.87	167.39	145.56	1,079.13	247.82	69.94	177.88	-	100.00%
4	Raj Metropolis Healthcare Private Limited	06 February 2012	31 March 2019	₹	1.815	92.68	143.23	48.73	-	185.53	34.14	9.38	24.76	-	51.00%
5	Amin's Pathology Laboratory Private Limited	15 October 2012	31 March 2019	₹	10	782.36	985.52	193.16	-	686.99	236.80	66.83	169.97	-	100.00%
6	Ekopath Metropolis Lab Services Private Limited	14 February 2013	31 March 2019	₹	51	167.53	326.94	108.41	145.33	486.75	126.02	35.50	90.52		60.00%
7	Sudharma Metropolis Health Services Private Limited	27 March 2008	31 March 2019	₹	67.50	2,622.33	3,364.12	674.29	453.31	5,041.12	1,339.46	364.17	975.29	-	100.00%
8	Bokil Golwilkar Metropolis Healthcare Private Limited	30 August 2013	31 March 2019	₹	101	360.99	559.46	97.46	-	625.67	157.99	45.30	112.69	-	100.00%
9	Dr. Patel Metropolis Healthcare Private Limited	02 February 2012	31 March 2019	₹	5	942.46	1,037.02	89.56	628.60	1,389.74	556.21	154.28	401.93	-	100.00%

Annexure - 1 (Contd.)

Sr. No.	Name of Subsidiary	Date since when subsidiary was acquired	Reporting period for the subsidiary concerned, if different from the holding company's reporting period	Reporting currency and Exchange rate as on the last date of the relevant Financial year in the case of foreign subsidiaries	Share Capital	Reserves & surplus	Total assets	Total Liabilities	Invest-ments	Turnover/ Op. Income	Profit before taxation	Provision for taxation	Profit after taxation	Proposed Dividend (inclusive tax)	% of share holding
10	R.V. Metropolis Diagnostic & Health Care Center Private Limited	03 April 2008	31 March 2019	₹	3.38	2,102.21	2,584.45	478.86	-	3,769.77	778.19	216.69	561.50	-	100.00%
11	Metropolis Healthcare (Mauritius) Ltd.	11 September 2012	31 March 2019	1USD=69.5028 (BS) 1USD=69.8420 (P&L)	126	(238.41)	1,176.82	1,289.54	317.32	392.43	(42.25)	-	(42.25)	-	100.00%
12	Metropolis Bramser Lab Services (Mtius) Ltd.	20 December 2013	31 December 2018	1MUR=2.022 (BS) 1MUR= 2.0042 (PL)	0.185	313.78	431.04	117.07	-	474.09	5.32	4.70	0.62	-	100.00%
13	Metropolis Star Lab Kenya Limited	21 November 2012	31 December 2018	1KES=0.6825 (BS) 1KES=0.6853 (P&L)	5.44	715.80	1,411.79	690.55	-	2,250.65	633.87	189.82	444.05	-	99.90%
14	Metropolis Healthcare Ghana Ltd.	02 May 2014	31 December 2018	1 GHS = 14.3042 (BS) 1GHS = 14.6042 (PL)	182	(255.26)	506.29	579.15	-	652.16	(8.72)	14.80	(23.52)	-	100.00%
15	Metropolis Healthcare Lanka Pvt. Limited (Formerly known as Nawaloka Metropolis Laboratories Private Limited)	26 May 2005	31 March 2019	1SLR=0.39577 (BS) 1SLR=0.4149 (P & L)	11.04	60.10	538.40	467.27	-	175.15	(203.94)	11.96	(215.90)	-	100.00%
16	Metropolis Healthcare Uganda Limited	22 July 2015	31 December 2018	1 UGS=0.01744 (BS)	4.36	-		(4.36)	-	-	-	-	-	-	100%
17	Metropolis Healthcare (Tanzania) Limited	19 August 2018	31 December 2018	1 TZS=0.03002 (BS)	139.39	-	139.39	-	-	-	-	-	-	-	100%

Annexure - 1 (Contd.)

Part "B": Associates and Joint Ventures

(Information in respect of each Associate/Joint Venture Companies presented with amounts in ₹ in lakhs for the year ended 31 March 2019)

Sr. No.	Name of Associates/ Joint Ventures	Date since when subsidiary was acquired	Star Metropolis Health Services Middle East LLC	Metropolis Histoxpert Digital Services Private Limited	Share Capital	Reserves & surplus	Total assets	Total Liabilities	Invest-ments	Turnover/ Op. Income	Profit before taxation	Provision for taxation	Profit after taxation	Proposed Dividend (inclusive tax)	% of share holding
1	Latest audited Balance Sheet Date														
2	Shares of Associate/ Joint Ventures held by the Company on the year end														
(i)	Number		1020	19,50,000											
(ii)	Amount of Investment in Associates/Joint Venture			194.35											
(iii)	Extend of Holding %		34%	65%											
3	Description of how there is significant influence		Shareholding	Shareholding											
4	Reason why the Associate/Joint Venture is not consolidated		Non availability of financial information	N.A.											
5	Networth attributable to Shareholding as per latest Audited Balance Sheet			79.97											

Annexure - 1 (Contd.)

Sr. No.	Name of Associates/ Joint Ventures	Date since when subsidiary was acquired	Star Metropolis Health Services Middle East LLC	Metropolis Histoxpert Digital Services Private Limited	Share Capital	Reserves & surplus	Total assets	Total Liabilities	Invest-ments	Turnover/ Op. Income	Profit before taxation	Provision for taxation	Profit after taxation	Proposed Dividend (inclusive tax)	% of share holding
6	Profit / (Loss) for the year														
(i)	Considered in Consolidation			(220.02)											
(ii)	Not Considered in Consolidation														
1	Names of Associates or Joint Ventures which are yet to commence operations.- N.A.														
2	Names of Associates or Joint ventures which have been liquidated or sold during the year.- N.A.														

For and on behalf of the Board of Directors

Dr. Sushil Shah
Chairman & Executive Director
DIN: 00179918

Ameera Shah
Managing Director
DIN: 00208095

Vijender Singh
Chief Executive Officer

Tushar Karnik
Chief Financial Officer
Membership No: 046817

Jayant Prakash
Company Secretary
Membership No: FCS 6742

Place : Mumbai
Date : 13 May 2019

Annexure - 2

Form No. MGT-9

EXTRACT OF ANNUAL RETURN

as on the financial year ended on 31 March 2019

[Pursuant to Section 92(3) of the Companies Act, 2013 and rule 12(1) of the Companies (Management and Administration) Rules, 2014]

I. REGISTRATION AND OTHER DETAILS:

i	CIN	U73100MH2000PLC192798
ii	Registration Date	10/11/2000
iii	Name of the Company	Metropolis Healthcare Limited
iv	Category / Sub-Category of the Company	Public Company Limited By Shares
v	Address of the Registered office and contact details	250 D, Udyog Bhavan, Worli, Mumbai-400030, Maharashtra, India. Tel No: 022- 62582810 Email id: investor.relations@metropolisindia.com Website: www.metropolisindia.com
vi	Whether listed company	*No
vii	Name, Address and Contact details of Registrar and Transfer Agent, if any	Link Intime India Private Limited C-101, 1st Floor, 247 Park, Lal Bahadur Shastri Marg, Vikhroli (West), Mumbai – 400 083, Maharashtra, India. Phone No.: 022-49186000. Email: rnt.helpdesk@linkintime.co.in Website: www.linkintime.co.in

*The Company got listed on BSE Limited & National Stock Exchange of India Limited on 15 April 2019.

II. PRINCIPAL BUSINESS ACTIVITIES OF THE COMPANY

All the business activities contributing 10% or more of the total turnover of the company shall be stated:-

Sr. No.	Name and Description of main products / services	NIC Code of the Product/ service	% to total turnover of the company
1	Pathology and Diagnostic Laboratories Business	86905	100

III. PARTICULARS OF HOLDING, SUBSIDIARY AND ASSOCIATE COMPANIES

Sr. No.	Name and Address Of The Company	CIN/GLN	Holding/ Subsidiary /Associate	% of shares held	Applicable Section
1	**Amin's Pathology Laboratory Private Limited** 250 D, Udyog Bhavan, Worli, Mumbai 400 030, Maharashtra.	U52300MH2012PTC236779	Subsidiary	100	2(87)(ii)
2	**Bokil Golwilkar Metropolis Healthcare Private Limited** 4th floor office, Block 4.2, Kohinoor City, Kirol Road Kurla (West), Off L.B.S Marg, Mumbai 400 070, Maharashtra.	U93000MH2013PTC247672	Subsidiary	100	2(87)(ii)
3	**Desai Metropolis Health Services Private Limited** 11-14, Maher Park, Tower A, 1st Floor, J P Road, Athwagate, Surat 395 001, Gujarat.	U85195GJ2008PTC052594	Subsidiary	100	2(87)(ii)
4	**Dr. Patel Metropolis Healthcare Private Limited** 250-D, Udyog Bhavan, Hind Cycle Marg, Worli Mumbai 400 030, Maharashtra.	U85195MH2009PTC191630	Subsidiary	100	2(87)(ii)

Annexure - 2 (Contd.)

Sr. No.	Name and Address Of The Company	CIN/GLN	Holding/ Subsidiary /Associate	% of shares held	Applicable Section
5	**Ekopath Metropolis Lab Services Private Limited** 4th Floor, Office (Entire Floor) Block 4.2, Kohinoor City, Kirol Road, Kurla (West) Off LBS Marg, Mumbai 400 070, Maharashtra.	U93000MH2013PTC240481	Subsidiary	60	2(87)(ii)
6	**Lab One Metropolis Healthcare Services Private Limited** 250 D, Udyog Bhavan, Worli, Mumbai 400 030, Maharashtra.	U93030MH2012PTC237337	Subsidiary	100	2(87)(ii)
7	**Micron Metropolis Healthcare Private Limited** 250 D, Udyog Bhavan, Worli, Mumbai 400 030.	U93000MH2011PTC224985	Subsidiary	100	2(87)(ii)
8	**R.V.Metropolis Diagnostic & Health Care Center Private Limited** No.21,10th Cross Yellappagarden Malleshwaram, Bangalore- 560003.	U85110KA2005PTC035919	Subsidiary	100	2(87)(ii)
9	**Raj Metropolis Healthcare Private Limited** 4, Shreenath Shopping Centre, S.T Workshop Road, Mehsana 384 002, Gujarat.	U85191GJ2012PTC068896	Subsidiary	51	2(87)(ii)
10	**Sudharma Metropolis Health Services Private Limited** Patturikal Junction, Shornur Road, Thrissur 680 001, Kerala.	U85195KL1983PTC003809	Subsidiary	100	2(87)(ii)
11	**Metropolis Histoxpert Digital Services Private Limited** 4th floor, Unit Nos. 409 to 416, Kohinoor City Mall, Kirol Road, Off LBS Marg, Kurla (West), Mumbai 400 070, Maharashtra.	U85320MH2018PTC304941	Joint Venture	65	2(6)
12	**Metropolis Bramser Lab Services (Mtius) Limited** 25, Pope Hennessy Street, Port Louis, Mauritius.	110318	Subsidiary	100	2(87)(ii)
13	**Metropolis Healthcare (Mauritius) Ltd.** c/o ML Administrators Ltd., 4th Floor, Hennessy Tower, Pope Hennessy Street, L Port Louis, Mauritius.	112222 C1/GBL	Subsidiary	100	2(87)(ii)
14	**Metropolis Healthcare (Tanzania) Ltd.** Region Dar Es Salaam, District Ilala CBD, Ward Upanga Mashariki, Postal code 11102, Street United Nations Road, Road United Nations, Plot number 620, Block number 620, House number 620, Tanzania.	137400197	Subsidiary	100	2(87)(ii)
15	**Metropolis Healthcare Ghana Ltd.** 1st Floor, Pyramid Building, Ring Road, AMA, Greater Accra, P.O. Box no 3368, Accra, Ghana.	C0003098958	Subsidiary	100	2(87)(ii)
16	**Metropolis Healthcare Lanka (Pvt) Limited** No. 25, Narahenpita Road, Nawala, Sri Lanka.	P.V. 6025	Subsidiary	100	2(87)(ii)
17	**Metropolis Healthcare Uganda Ltd.** Plot 78, Kampala Road, Kampala, Uganda.	205262	Subsidiary	100	2(87)(ii)
18	**Metropolis Star Lab Kenya Limited** L. R. No. 209/15280 Mediplaza, 4th floor, 3rd Parklands Avenue, P.O. Box 39107 00623, Nairobi, Kenya.	CPR/2010/21944	Subsidiary	99.99	2(87)(ii)
19	**Star Metropolis Health Services (Middle East) LLC** 708, Iskan House, Al Motina, Land 123-582, Dubai, United Arab Emirates.	38634	Associate	34	2(6)

IV. SHAREHOLDING PATTERN (Equity Share Capital Breakup as percentage of Total Equity)

i. Category-wise Share Holding

Category of Shareholders	No. of Shares held at the beginning of the year				No. of Shares held at the end of the year				% Change during the year
	Demat	Physical	Total	% of Total Shares	Demat	Physical	Total	% of Total Shares	
A. Promoter*									
1) Indian									
a) Individual/ HUF	36,03,200	-	36,03,200	37.75	1,93,88,660	-	1,93,88,660	38.64	0.89
b) Central Govt	-	-	-	-	-	-	-	-	-
c) State Govt(s)	-	-	-	-	-	-	-	-	-
d) Bodies Corp	29,30,170	-	29,30,170	30.70	1,46,30,125	-	1,46,30,125	29.2	(1.5)
e) Banks / FI	-	-	-	-	-	-	-	-	-
f) Any Other	-	-	-	-	-	-	-	-	-
Sub-total(A)(1):-	**65,33,370**	**-**	**65,33,370**	**68.45**	**3,40,18,785**	**-**	**3,40,18,785**	**67.84**	**0.61**
2) Foreign									
g) NRIs-Individuals	-	-	-	-	-	-	-	-	-
h) Other-Individuals	-	-	-	-	-	-	-	-	-
i) Bodies Corp.	-	-	-	-	-	-	-	-	-
j) Banks / FI	-	-	-	-	-	-	-	-	-
k) Any Other	-	-	-	-	-	-	-	-	-
Sub-total (A)(2):-	-	-	-	-	-	-	-	-	-
Total Shareholding of Promoter (A) = (A)(1)+(A)(2)	**65,33,370**	**-**	**65,33,370**	**68.45**	**3,40,18,785**	**-**	**3,40,18,785**	**67.84**	**0.61**
A. Public Shareholding									
1. Institutions									
a) Mutual Funds	-	-	-	-	-	-	-	-	-
b) Banks / FI	-	-	-	-	-	-	-	-	-
c) Central Govt	-	-	-	-	-	-	-	-	-
d) State Govt(s)	-	-	-	-	-	-	-	-	-
e) Venture Capital Funds	-	-	-	-	-	-	-	-	-
f) Insurance Companies	-	-	-	-	-	-	-	-	-
g) FIIs	-	-	-	-	-	-	-	-	-
h) Foreign Venture Capital Funds	-	-	-	-	-	-	-	-	-
i) Others (Private Equity offshore)	30,10,276	-	30,10,276	31.54	1,56,53,435	-	1,56,53,435	31.2	(0.34)
Sub-total (B)(1)	**30,10,276**	**-**	**30,10,276**	**31.54**	**1,56,53,435**	**-**	**1,56,53,435**	**31.2**	**(0.34)**

Annexure - 2 (Contd.)

Category of Shareholders	No. of Shares held at the beginning of the year				No. of Shares held at the end of the year				% Change during the year
	Demat	Physical	Total	% of Total Shares	Demat	Physical	Total	% of Total Shares	
2. Non Institutions									
a) Bodies Corp.	-	-	-	-	-	-	-	-	-
(i) Indian									
(ii) Overseas									
b) Individuals									
(i) Individual shareholders holding nominal share capital upto ₹ 1 lakh	-	-	-	-	(i) 1,93,170	-	(i) 1,93,170	1	1
(ii) Individual shareholders holding nominal share capital in excess of ₹ 1 lakh					(ii) 3,13,290		(ii) 3,13,290		
c) Others(Specify)	-	-	-	-	-	-	-	-	-
Sub-total (B)(2)	**-**	**-**	**-**	**-**	**5,06,460**	**-**	**5,06,460**	**1**	**1**
Total Public Shareholding (B)=(B)(1)+ (B)(2)	**30,10,276**	**-**	**30,10,276**	**31.54**	**1,61,59,895**	**-**	**1,61,59,895**	**32.2**	**0.66**
C. Shares held by Custodian for GDRs & ADRs	-	-	-	-	-	-	-	-	-
Grand Total (A+B+C)	**95,43,646**	**-**	**95,43,646**	**100**	**5,01,78,680**	**0**	**5,01,78,680**	**100**	**–**

Note: The face value of the shares has been split from ₹ 10/- each to ₹ 2/- each during the financial year 2018-19.

* *The shareholders under the category, 'Promoter', includes Dr. Duru Sushil Shah, who is a part of the 'Promoter Group', as defined under the Securities and Exchange Board of India (Issue of Capital and Disclosure Requirements) Regulations, 2009, as amended "(SEBI ICDR Regulations"). It is clarified that Dr. Duru Sushil Shah is not a 'Promoter' under the Companies Act, 2013 or the SEBI ICDR Regulations.*

ii. Shareholding of Promoters

Sr. No	Shareholder's Name	Shareholding at the beginning of the year			Shareholding at the end of the year			% change in shareholding during the year
		No. of Shares	% of total Shares of the company	%of Shares Pledged / encumbered to total shares	No. of Shares	% of total Shares of the company	%of Shares Pledged / encumbered to total shares#	
1.	Dr. Sushil Kanubhai Shah	3,290,698	34.51	21.59	99,97,580	19.9	-	(14.61)
2.	Dr. Duru Sushil Shah*	2,87,500	3.01	3.01	92,09,230	18.4	-	15.39
3.	Ms. Ameera Sushil Shah	25,000	0.26	0.26	1,81,840	0.36	-	0.10
4.	Ms. Ameera Sushil Shah (As a Nominee of METZ Advisory LLP)	-	-	-	5	-	-	-
5.	METZ Advisory LLP	2,72,440	2.85	-	1,46,30,120	29.2	-	26.35
6.	Bacchus Hospitality Services and Real Estate Pvt. Ltd.	26,57,730	27.85	27.85	-	-	-	(27.85)
	Total	65,33,370	68.45	52.71	3,40,18,775	67.84	-	–

* *The shareholders under the category, 'Promoter', includes Dr. Duru Sushil Shah, who is a part of the 'Promoter Group', as defined under the Securities and Exchange Board of India (Issue of Capital and Disclosure Requirements) Regulations, 2009, as amended "(SEBI ICDR Regulations"). It is clarified that Dr. Duru Sushil Shah is not a 'Promoter' under the Companies Act, 2013 or SEBI ICDR Regulations.*

Post split and bonus

Note : 5 equity shares each held by Mr. Mayur Shah jointly with Ms. Meera Shah and Dr. Nilesh Jadavji Shah respectively as nominees of Dr. Sushil Kanubhai Shah would be considered as part of Promoter Category

iii. Change in Promoters' Shareholding

Sr. No	Particulars	Date	Transaction	Shareholding at the beginning of the year		Cumulative Shareholding during the year	
				No. of shares	% of total shares of the Company	No. of shares	% of total shares of the Company
a)	**Dr. Sushil Kanubhai Shah**						
	At the beginning of the year	01.04.2018	-	32,90,698	34.48		
	Allotment of Equity Shares pursuant to Scheme of Amalgamation 2018	08.09.2018	1,10,540			34,01,238	35.63
	Bonus Issue	15.09.2018	1,36,050			35,37,288	35.25
	Transfer by way of gift	17.09.2018	(15,37,772)			19,99,516	19.92
	Sub-division	20.09.2018	79,98,064				
	At the end of the year	31.03.2019	-			99,97,580	19.92
b)	**Ms. Ameera Sushil Shah**						
	At the beginning of the year	01.04.2018	-	25,000	0.26		
	Allotment of Equity Shares pursuant to Scheme of Amalgamation2018	08.09.2018	9,970			34,970	0.37
	Bonus Issue	15.09.2018	1,399			36,369	0.36
	Sub-division	20.09.2018	1,45,476				
	At the end of the year	31.03.2019	-			1,81,845	0.36

Annexure - 2 (Contd.)

Sr. No	Particulars	Date	Transaction	Shareholding at the beginning of the year		Cumulative Shareholding during the year	
				No. of shares	% of total shares of the Company	No. of shares	% of total shares of the Company
c)	**Dr. Duru Sushil Shah***						
	At the beginning of the year	01.04.2018	-	2,87,500	3.01		
	Allotment of Equity Shares pursuant to Scheme of Amalgamation 2018	08.09.2018	4,879			2,92,379	3.06
	Bonus Issue	15.09.2018	11,695			3,04,074	3.03
	Transfer by way of gift	17.09.2018	15,37,772			18,41,846	18.35
	Sub-division	20.09.2018	73,67,384				
	At the end of the year	31.03.2019	-			92,09,230	18.40
d)	**METZ Advisory LLP**						
	At the beginning of the year	01.04.2018	-	2,72,440	2.85		
	Allotment of Equity Shares pursuant to Scheme of Amalgamation2018	08.09.2018	25,32,342			28,04,782	29.39
	Conversion of warrants	11.09.2018	8,703			28,13,485	29.45
	Bonus Issue	15.09.2018	1,12,539			29,26,024	29.16
	Sub-division	20.09.2018	1,17,04,096				
	At the end of the year	31.03.2019	-			1,46,30,120	29.20

* *The shareholders under the category, 'Promoter', includes Dr. Duru Sushil Shah, who is a part of the 'Promoter Group', as defined under the Securities and Exchange Board of India (Issue of Capital and Disclosure Requirements) Regulations, 2009, as amended "(SEBI ICDR Regulations"). It is clarified that Dr. Duru Sushil Shah is not a 'Promoter' under the Companies Act, 2013 or SEBI ICDR Regulations.*

Note: The change in number and percentage of the total shares of the Company between 01 April 2018 to 31 March 2019 is on account of:

a) Allotment of Equity Shares pursuant to Scheme of Amalgamation 2018

b) Allotment of Equity Shares pursuant to exercise of vested option under MESOS 2007

c) Conversion of Share Warrant into Equity Shares

d) Preferential allotment /Private Placement

e) Allotment of Bonus Equity Shares

f) Sub-division of equity shares of face value of ₹ 10/- each to equity shares of face value of ₹ 2/- each.

iv) Shareholding Pattern of top ten Shareholders (Other than Directors, Promoters and Holders of GDRs and ADRs)

Sr. No	Name	Shareholding		Date	Increase/ (Decrease) in the Shareholding	Reason	Cumulative Shareholding during the year (01.04.2018 to 31.03.2019)	
		No. of Shares at the beginning of the year (01.04.2018/at the end of the year (31.03.2019)	% of the Total Shares of the Company				No. of Shares	% of total shares of the Company
1.	CA Lotus Investments	30,10,276	31.54	15.09.2018	1,20,411	Bonus	31,30,687	31.20
				20.09.2018	1,25,22,748	Split	1,56,53,435	31.20
2.	Dr. Nilesh Jadavji Shah	1*	-	11.09.2018	21,250	ESOP	21,251	0.22
				15.09.2018	850	Bonus	22,101	0.22
				20.09.2018	88,404	Split	1,10,505	0.22

Annexure - 2 (Contd.)

Sr. No	Name	Shareholding		Date	Increase/ (Decrease) in the Shareholding	Reason	Cumulative Shareholding during the year (01.04.2018 to 31.03.2019)	
		No. of Shares at the beginning of the year (01.04.2018/at the end of the year (31.03.2019)	% of the Total Shares of the Company				No. of Shares	% of total shares of the Company
3.	Mr. Pranav Desai	-	-	13.09.2018	15,043	Preferential Allotment	15,043	0.16
				15.09.2018	602	Bonus	16,005	0.16
				20.09.2018	62,220	Split	78,225	0.16
4.	Dr. K Ramesh Kumar	-	-	13.09.2018	11,102	Preferential Allotment	11,102	0.12
				15.09.2018	444	Bonus	11,546	0.12
				20.09.2018	55,289	Split	66,835	0.12
5.	Dr. Vani Ravi Kumar	-	-	13.09.2018	11,102	Preferential Allotment	11,102	0.12
				15.09.2018	514	Bonus	11,616	0.12
				20.09.2018	46,114	Split	57,730	0.12
6.	Dr. Ravi Kumar	-	-	13.09.2018	9,119	Preferential Allotment	9,119	0.1
				15.09.2018	365	Bonus	9,484	0.1
				20.09.2018	37,936	Split	47,420	0.1
7.	Mr. Mangesh Kulkarni	-	-	11.09.2018	7,550	ESOP	7,550	0.08
				15.09.2018	302	Bonus	7,852	0.08
				20.09.2018	31,408	Split	39,260	0.08
8.	Ms. Shefali Desai	-	-	13.09.2018	6,925	Preferential Allotment	6,925	0.07
				15.09.2018	277	Bonus	7,202	0.07
				20.09.2018	28,808	Split	36,010	0.07
9.	Dr. Bharat Gupta	-	-	13.09.2018	4,777	Preferential Allotment	4,777	0.05
				15.09.2018	191	Bonus	4,968	0.05
				20.09.2018	19,872	Split	24,840	0.05
10.	Mr. Vinod Lath	-	-	13.09.2018	4,777	Preferential Allotment	4,777	0.05
				15.09.2018	191	Bonus	4,968	0.05
				20.09.2018	19,872	Split	24,840	0.05

**Equity share held as a nominee of Dr. Sushil Kanubhai Shah*

Annexure - 2 (Contd.)

v) Shareholding of Directors and Key Managerial Personnel:

Sr. No	Name	Shareholding		Date	Increase/ (Decrease) in the Shareholding	Reason	Cumulative Shareholding during the year (01.04.2018 to 31.03.2019)	
		No. of Shares at the beginning of the year (01.04.2018/ at the end of the year (31.03.2019)	% of the Total Shares of the Company				No. of Shares	% of total shares of the Company
1.	Ms. Ameera Sushil Shah (Managing Director)							
	At the beginning of the year	25,000	0.26					
				08.09.2018	9,971*	Allotment of Equity Shares pursuant to Scheme of Amalgamation 2018	34,971	0.37
				15.09.2018	1,399	Bonus Issue	36,370	0.36
				20.09.2018	1,45,480	Sub-division		
	At the end of the year						1,81,850	0.36
2.	Dr. Sushil Kanubhai Shah (Chairman & Executive Director)							
	At the beginning of the year	32,90,698	34.48					
				08.09.2018	1,10,540	Allotment of Equity Shares pursuant to Scheme of Amalgamation 2018	34,01,238	35.63
				15.09.2018	1,36,050	Bonus Issue	35,37,288	35.25
				17.09.2018	(15,37,772)	Transfer by way of gift	19,99,516	19.92
				20.09.2018	79,98,064	Sub-division		
	At the end of the year						99,97,580	19.92

Sr. No	Name	Shareholding		Date	Increase/ (Decrease) in the Shareholding	Reason	Cumulative Shareholding during the year (01.04.2018 to 31.03.2019)	
		No. of Shares at the beginning of the year (01.04.2018/ at the end of the year (31.03.2019)	% of the Total Shares of the Company				No. of Shares	% of total shares of the Company
3.	Dr. Duru Sushil Shah (Director) (Resigned w.e.f. 07 September 2018)							
	At the beginning of the year	2,87,500	3.01					
				08.09.2018	4,879	Allotment of Equity Shares pursuant to Scheme of Amalgamation 2018	2,92,379	3.06
				15.09.2018	11,695	Bonus Issue	3,04,074	3.03
				17.09.2018	15,37,772	Transfer by way of gift	18,41,846	18.35
				20.09.2018	73,67,384	Sub-division		
	At the end of the year						92,09,230	18.40

Equity share held as a nominee of METZ Advisory LLP

No other Director or KMP other than mentioned above hold any Equity Shares since the beginning of financial year to the end of Financial Year on 31 March 2019.

V. INDEBTEDNESS

(₹ in lakhs)

	Secured Loans excluding deposits	Unsecured Loans	Deposits	Total Indebtedness
Indebtedness at the beginning of the financial year				
i) Principal Amount	-	-	-	-
ii) Interest due but not paid	-	-	-	-
iii) Interest accrued but not due	-	-	-	-
Total (i+ii+iii)	**-**	**-**	**-**	**-**
Change in Indebtedness during the financial year				
- Addition	1734.47	-	-	1734.47
- Reduction	-	-	-	-
Net Change	1734.47	-	-	1734.47
Indebtedness at the end of the financial year				
i) Principal Amount	1734.47	-	-	1734.47
ii) Interest due but not paid	-	-	-	-
iii) Interest accrued but not due	-	-	-	-
Total (i+ii+iii)	**1734.47**	**-**	**-**	**1734.47**

Annexure - 2 (Contd.)

VI. REMUNERATION OF DIRECTORS AND KEY MANAGERIAL PERSONNEL

A. Remuneration to Managing Director of the Company

(₹ in Lakhs)

Sl. No	Particulars of Remuneration	Managing Director Ms. Ameera Sushil Shah	Total Amount
1.	Gross Salary		
	(a) Salary as per provisions contained in Section 17(1) of the Income tax Act, 1961	724.66*	724.66
	(b) Value of perquisites u/s 17(2) Income-tax Act, 1961	-	-
	(c) Profits in lieu of salary under Section 17(3) Income- tax Act, 1961	-	-
2.	Stock Option	-	-
3.	Sweat Equity	-	-
4.	Commission	-	-
	- as % of profit		
	- othes		
5.	Others, please specify	-	-
6.	**Total (A)**	**724.66**	**724.66**

*includes payment of Incentive of Rupees 144 Lakhs for the financial year 2018-19

B. Remuneration to Chairman & Executive Director of the Company

(₹ in Lakhs)

Sl. No	Particulars of Remuneration	Chairman & Executive Director Dr. Sushil Kanubhai Shah	Total Amount
7.	Gross Salary		
	(a) Salary as per provisions contained in Section 17(1) of the Income tax Act, 1961	145.5	145.5
	(b) Value of perquisites u/s 17(2) Income-tax Act, 1961	-	-
	(c) Profits in lieu of salary under Section 17(3) Income- tax Act, 1961	-	-
8.	Stock Option	-	-
9.	Sweat Equity	-	-
10.	Commission	-	-
	- as % of profit		
	- othes		
11.	Others, please specify	-	-
12.	**Total (B)**	**145.5**	**145.5**
	Total (A+B)	**870.16**	
	Ceiling as per the Act	**1612.94**	

C. Remuneration to other directors:

(₹ in Lakhs)

	Name of the Directors	Designation	Sitting Fees	Commission	Others	Total Payment
1.	Mr. Rajiv Devinder Sahney (Resigned w.e.f. 07 September 2018)	Independent Director	5.00	-	-	5.00
2.	Mr. Mihir Jagdish Doshi (Change in designation from Independent to Non- Independent Non Executive Director w.e.f. 07 September 2018)	Non Executive Non Independent Director	15.75	-	-	15.75
3.	Dr. Duru Sushil Shah (Resigned w.e.f. 07 September 2018)	Non Executive Non Independent Director	0.15	-	-	0.15
4.	Mr. Milind Shripad Sarwate (Appointed w.e.f. 07 September 2018)	Independent Director	7.25	-	-	7.25
5.	Mr. Vivek Gambhir (Appointed w.e.f. 07 September 2018)	Independent Director	8.75	-	-	8.75
6.	Mr. Sanjay Bhatnagar (Appointed w.e.f. 07 September 2018)	Independent Director	4.50	-	-	4.50
	Total (A+B+C)					**41.40**
	Overall Ceiling as per the Act					**1774.24**

D. Remuneration to Key Managerial Personnel Other Than MD /Manager /WTD

(₹ in Lakhs)

Sl. no.	Particulars of Remuneration	Key Managerial Personnel's (KMP's)			
		CEO Mr. Vijender Singh	CFO Mr. Tushar Manohar Karnik	CS Mr. Jayant Prakash	Total
1.	Gross salary				
	(a) Salary as per provisions contained in Section 17(1) of the Income-tax Act, 1961	174.13	83.09	31.88	289.1
	(b) Value of perquisites u/s 17(2) Income-tax Act, 1961	-	-	-	-
	(c) Profits in lieu of salary under Section 17(3) Income-tax Act, 1961	-	-	-	-
2.	Stock Option* (no. of options)	3,97,020	52,000	-	-
3.	Sweat Equity	-	-	-	-
4.	Commission				
	- as % of profit	-	-	-	-
5.	- others, specify...	-	-	-	-
6.	**Total**	**174.13**	**83.09**	**31.88**	**289.1**

* *The equity shares of the Company have got listed on 15 April 2019, prior to which it was unlisted and therefore the valuation of the ESOP cannot be determined as on 31 March 2019.*

Annexure - 2 (Contd.)

VII. PENALTIES / PUNISHMENT/ COMPOUNDING OF OFFENCES:

(₹ in Lakhs)

Type	Section of the companies Act	Brief description	Details of Penalty/ Punishment/ Compounding fees imposed	Authority[RD /NCLT/Court]	Appeal made. If any(give details)
A. Company					
Penalty	-	-	-	-	-
Punishment	-	-	-	-	-
Compounding	196	Compounding Fees imposed upon Company for not filing a return of appointment of Chief Executive Officer (CEO) and Chief Financial Officer (CFO) within 60 days of appointment	0.56	RD	-
B. Directors					
Penalty	-	-	-	-	-
Punishment	-	-	-	-	-
Compounding	196	Cumulative Compounding Fees imposed upon Ms. Ameera Sushil Shah, Managing Director, Dr. Sushil Kanubhai Shah, Chairman & Executive Director for not filing return in form MR-1 within 60 days of appointment of Chief Executive Officer (CEO) and Chief Financial Officer (CFO)	1.12	RD	-
C. Other Officers In Default					
Penalty	-	-	-	-	-
Punishment	-	-	-	-	-
Compounding	196	Cumulative Compounding Fees imposed upon Mr. Sanket Bipin Shah, erstwhile Company Secretary, Mr. Vijender Singh, CEO and Mr. Tushar Manohar Karnik, CFO of the Company for not filing return in form MR-1 within 60 days of appointment of Chief Executive Officer (CEO) and Chief Financial Officer (CFO)	1.68	RD	-

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

Dr. Sushil Kanubhai Shah
Chairman & Executive Director
(DIN: 00179918)

Place: Mumbai
Date: 13 May 2019

Annexure - 3

CORPORATE SOCIAL RESPONSIBILITY (CSR) ACTIVITIES

[Pursuant to clause (o) of sub-Section (3) of Section 134 of the Act and Rule 9 of the Companies (Corporate Social Responsibility) Rules, 2014]

1. **Brief outline of the Company's CSR policy, including overview of projects or programs proposed to be undertaken and a reference to the web-link to the CSR policy and projects or programs:**

   Brief oultine of the Corporate Social Responsibilty (CSR) Policy

   Giving back to the society is embedded in the value system of Metropolis and we believe and aim to bring about a positive change in the nation. For the past 3 decades, Metropolis has been at the forefront in conducting impactful camps and driving numerous workshops for different Sections of the society.

   As an integral part of our commitment to Good Corporate Citizenship, we at Metropolis Healthcare Limited believe in actively assisting in improvement of the quality of life of people in communities, giving preference to local areas around our business operations. Towards achieving long-term stakeholder value creation, we shall always continue to respect the interests of and be responsive towards our key stakeholders - the communities, especially those from socially and economically backward groups, the underprivileged and marginalized.

   The Board of Directors (Board) adopted the CSR Policy (Policy) on 03 December 2015 which is available on the Company's website. The Company's CSR is in alignment with the initiatives undertaken by it. The foundation set up by the Committee is empowering & developing young girls who are below poverty line and providing reproductive health education to the masses. Also, various skills are being provided for financial independence and imparting knowledge and training to the underprivileged.

   Web-Link: For details of the CSR Policy along with projects and programs, kindly refer to https://www.metropolisindia.com/about-metropolis/corporate-social-responsibility-2/

2. **Composition of CSR Committee of the Board**

   The Board of Directors have constituted a CSR Committee in accordance with the requirements of Section 135(1) of the Companies Act, 2013 ("Act"), which comprises of the following members as on 31 March 2019:

   - Mr. Vivek Gambhir - Chairman
   - Mr. Milind Shripad Sarwate- Member
   - Ms. Ameera Sushil Shah- Member

3. **Average net profit of the Company for the last three financial years**

   Average net profit of the Company for the last three financial years: ₹ 1,04,85,65,026/-

4. **Prescribed CSR Expenditure (Two percent of the average net profit of the Company for the last three financial years)**

   Prescribed CSR Expenditure (Two percent of the average net profits): ₹ 2,09,71,301/-

5. **Details of CSR spent during the financial year.**

Sr. No.	Particulars	Rupees (₹)
(a)	Total amount to be spent for the financial year	2,09,71,301/-
(b)	Amount unspent, if any	1,30,26,301/-
(c)	Manner in which amount spent during the financial year is given below along with the details of project undertaken during the year:	

Annexure - 3 (Contd.)

(1)	(2)	(3)	(4)	(5)	(6)	(7)	(8)
S. No.	**CSR project or activity identified**	**Sector in which the project is covered**	**Projects or programs (1) Local area or other (2) Specify the State and district where projects or programs was undertaken**	**Amount outlay (budget) project or programs wise (In ₹)**	**Amount spent on the projects or programs Subheads: (1) Direct expenditure on projects or programs. (2) Overheads:**	**Cumulative expenditure up to the reporting period**	**Amount spent: Direct or through implementing agency**
1.	Promoting preventive health care apart from our diagnostics/ pathology business.	Enhancing skill development	-	-	-	-	-
2.	Promoting education including continuing medical education.	Promoting Education	PAN India				-
		● Medengage		40,00,000/-	26,73,194/-	70,61,349/-	
					1,25,893/-		
		● Conquer PCOS		40,00,000/-	28,41,107/-		
					45,464/-		
		● Too shy to Ask		20,00,000/-	13,53,190/-		
					22,501/-		
3.	Women Empowerment and Employment Enhancement and vocational skills among children.	Empowering women: Empoweress	PAN India	20,00,000/-	8,83,651/-	8,83,651/-	-
	Total					**79,45,000/-**	

6. **In case the Company has failed to spend the two per cent of the average net profit of the last three financial years or any part thereof, the Company shall provide the reasons for not spending the amount in its Board report:**

   During the year, the Company has spent part of CSR amount on the identified projects and is in the process of identifying new projects where it can spend the required amount as per the applicable provisions of the Companies Act, 2013.

7. **A responsibility statement of the CSR Committee that the implementation and monitoring of CSR Policy is in compliances with CSR objectives and Policy of the Company:**

   We hereby affirm that the CSR Policy, as approved by the Board, has been implemented and the CSR Committee monitors the implementation of CSR Projects and activities in compliance with our CSR objectives.

Ameera Sushil Shah
Managing Director
(DIN: 00208095)

Vivek Gambhir
Chairman of CSR Committee
(DIN: 01283331)

Annexure - 4

SECRETARIAL AUDIT REPORT

FOR THE FINANCIAL YEAR ENDED 31 March 2019

[Pursuant to Section 204(1) of the Companies Act, 2013 and Rule 9 of the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014]

To,

The Members,

Metropolis Healthcare Limited

Mumbai

We have conducted the secretarial audit of the compliance of applicable statutory provisions and the adherence to good corporate practices by **Metropolis Healthcare Limited** (U73100MH2000PLC192798) and having its registered office at 250 D, Udyog Bhavan, Worli, Mumbai-400030 (hereinafter called 'the Company'). Secretarial Audit was conducted in a manner that provided us a reasonable basis for evaluating the corporate conducts/ statutory compliances and expressing our opinion thereon.

Based on our verification of the Company's books, papers, minute books, forms and returns filed and other records maintained by the Company and also the information provided by the Company, its officers, agents and authorized representatives during the conduct of secretarial audit, We hereby report that in our opinion, the Company has, during the audit period covering the financial year ended on 31 March 2019 complied with the statutory provisions listed hereunder and also that the Company has proper Board-processes and compliance-mechanism in place to the extent, in the manner and subject to the reporting made hereinafter:

We have examined the books, papers, minute books, forms and returns filed and other records maintained by the Company for the financial year ended on 31 March 2019 according to the provisions of:

(i) The Companies Act, 2013 (the Act) and the rules made thereunder;

(ii) The Securities Contracts (Regulation) Act, 1956 ('SCRA') and the rules made thereunder;

(iii) The Depositories Act, 1996 and the Regulations and Bye-laws framed thereunder;

(iv) Foreign Exchange Management Act, 1999 and the rules and regulations made thereunder to the extent of Foreign Direct Investment, Overseas Direct Investment and External Commercial Borrowings;

(v) The following Regulations and Guidelines prescribed under the Securities and Exchange Board of India Act, 1992 ('SEBI Act'):

  (a) The Securities and Exchange Board of India (Substantial Acquisition of Shares and Takeovers) Regulations, 2011;

  (b) The Securities and Exchange Board of India (Prohibition of Insider Trading) Regulations, 2015;

  (c) The Securities and Exchange Board of India (Issue of Capital and Disclosure Requirements) Regulations, 2009 (effective up to 9 November 2018) and The Securities and Exchange Board of India (Issue of Capital and Disclosure Requirements) Regulations, 2018 (effective from 10 November 2018)

  (d) Securities and Exchange Board of India (Share Based Employee Benefits) Regulations, 2014;

  (e) The Securities and Exchange Board of India (Issue and Listing of Debt Securities) Regulations, 2008 **(Not applicable to the Company during the audit period);**

  (f) The Securities and Exchange Board of India (Registrars to an Issue and Share Transfer Agents) Regulations, 1993 regarding the Companies Act and dealing with client;

  (g) The Securities and Exchange Board of India (Delisting of Equity Shares) Regulations, 2009 **(Not applicable to the Company during the audit period);**

  (h) The Securities and Exchange Board of India (Buyback of Securities) Regulations, 1998 (Not applicable to the Company during the audit period); and

  (i) The Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 **(Not applicable to the Company during the audit period);**

(vi) The Clinical Establishments (Registration and Regulation) Act, 2010 and rules made thereunder; Preconception and The Pre-Natal Diagnostic Techniques (Prohibition of Sex Selection) Act, 1994 and rules made thereunder; The Atomic Energy Act 1962 and rules made there under; and Bio Medical Waste (Management and Handling) Rules, 1988 framed under Environment (Protection) Act, 1986 being laws that are specifically applicable to the Company based on their sector/industry.

We have also examined compliance with the applicable clauses of the Secretarial Standards issued by The Institute of Company Secretaries of India;

Annexure - 4 (Contd.)

During the period under review the Company has complied with the provisions of the Act, Rules, Regulations, Standards, Guidelines etc. mentioned above subject to the following observations:

(a) the composition of Nomination and Remuneration Committee of the Board of Directors was not in accordance with the provisions of Section 178 of the Act up to 06 September 2018 as the Managing Director was a member of the Committee;

(b) in respect of one of the meeting of board of directors in which the facility of video conferencing was made available, the recording of the same is reported to have been corrupted and accordingly is unavailable;

(c) the Company has not fully spent the mandated 2% of average net profits of the Company on Corporate Social Responsibility (CSR) activities during the financial year;

(d) some properties are yet to be mutated in the name of the Company, accordingly to that extent the same are not in compliance with provisions of Section 187 of the Act;

(e) in the consolidated financial statements for the year ended 31 March 2018 the financials of Company's overseas Joint Venture viz., Star Metropolis Healthcare Middle East LLC, Dubai, UAE (JV) have not been consolidated as such financial statements have not been made available by its overseas JV;

(f) the submission of Annual Performance Report in respect of Company's overseas Joint Venture (JV) viz., Star Metropolis Healthcare Middle East LLC, Dubai, UAE to RBI during the year under review is not based on the audited annual accounts of the preceding financial year of the JV; and

(g) the submission of revised annual return on foreign liabilities and assets (based on the audited financials) for the year ended 31 March 2018 to the Reserve Bank of India (RBI) have been made after the due date.

We further report that

The Board of Directors of the Company is duly constituted with proper balance of Executive Directors, Non-Executive Directors and Independent Directors. The changes in the composition of the Board of Directors that took place during the period under review were carried out in compliance with the provisions of the Act.

Adequate notice is given to all directors to schedule the Board Meetings, agenda and detailed notes on agenda were sent at least seven days in advance, and a system exists for seeking and obtaining further information and clarifications on the agenda items before the meeting and for meaningful participation at the meeting.

Majority decision is carried through while the dissenting members' views, if any, are captured and recorded as part of the minutes.

We further report that there are adequate systems and processes in the Company commensurate with the size and operations of the Company to monitor and ensure compliance with applicable laws, rules, regulations, standards, guidelines and directions.

We further report that during the audit period:

1. the Scheme of Amalgamation of following subsidiary companies viz., Bacchus Hospitality Services and Real Estate Private Limited; 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; with the Company (i.e., Metropolis Healthcare Limited) was sanctioned by the Hon'ble National Company Law Tribunal, Mumbai Bench vide its Order dated 30 August 2018; the Appointed Date under the said Scheme of Amalgamation is 01 April 2018; and further pursuant to the aforesaid Scheme, 26,57,731 equity shares of ₹ 10/- each were allotted to the respective shareholders (other than the Company) of the amalgamating subsidiaries vide resolution passed by the board of directors on 08 September 2018;

2. the Company obtained the approval of members by way of special resolution passed in the Annual General Meeting held on 10 September 2018:

   a) for issuance of 64,596 equity shares of ₹ 10/- each at a premium of ₹ 4,068/- for consideration other than cash through Private Placement/ Preferential Offer, under Section 23, 42 & 62(1)(c) of the Act in consideration of acquisition of balance stake in the subsidiaries viz., Lab One Metropolis Healthcare Services Private Limited, Desai Metropolis Health Services Private Limited, Sudharma Metropolis Health Services Private Limited, R.V. Metropolis Diagnostic & Health Care Center Private Limited;;

   b) for amendment in the terms of the issuance of convertible warrants issued to Metz Advisory LLP; and

   c) for revision in terms of the Metropolis Employee Stock Option Scheme, 2015 (MESOS 2015) under Section 62 of the Act;

3. the Company issued and allotted fully paid up equity shares as detailed hereunder:

   a) 32,800 equity shares of ₹ 10/- each pursuant to exercise of stock options under the "Metropolis

Employee Stock Option Scheme, 2007" on 11 September 2018;

b) 8,703 equity shares of ₹ 10/- each at a price of ₹ 2,579/ each to Metz Advisory LLP on 11 September 2018, upon conversion of 1 warrant allotted to them on preferential basis;

c) the Company made allotment of 64,596 Equity Shares of face value of ₹ 10/- each at a premium of ₹ 4,068/- (issued on Private Placement basis) on 13 September 2018 in consideration of acquisition of balance stake in the subsidiaries viz., Lab One Metropolis Healthcare Services Private Limited, Desai Metropolis Health Services Private Limited, Sudharma Metropolis Health Services Private Limited, R.V. Metropolis Diagnostic & Health Care Center Private Limited;

4. obtained the approval of members of the Company by way of special resolution passed in the Extra-Ordinary General Meeting held on 14 September 2018 for:

   a) issuance of bonus shares in the proportion of 1 fully paid up equity shares of ₹ 10/- each for every 25 existing equity shares of ₹ 10/- each under Section 43 of the Act;

   b) sub-dividing the equity shares of the Company, including the paid-up equity shares, such that existing 5,91,50,803 equity shares (after issuance of bonus shares) of the Company having face value of ₹ 10/- each sub-divided into 29,57,54,015 equity shares having face value of ₹ 2/- each under Section 61 of the Act;

   c) consequential alteration in the existing Clause V of the Memorandum of Association of the Company pursuant to sub division of equity shares as mentioned above; and

   d) consequential alteration in the definition clause of "Shares" in the Articles of Association of the Company pursuant to sub division of equity shares as mentioned above;

5. 3,85,990 equity shares were allotted as Bonus Shares on 15 September 2018 in the ratio of 1 fully paid up equity share of ₹ 10/- each for every 25 equity shares ₹ 10/- each;

6. obtained the approval of Board of Directors at its meeting held on 24 September 2018 for amendment in the Shareholders' Agreement which includes provisions in relation to upside sharing between Ms. Ameera Sushil Shah and CA Lotus Investments;

7. obtained the approval of members of the Company under Section 14, of the Act, by a special resolution passed at the Extra-ordinary General Meeting held on 24 September 2018 for alteration in the Articles of Association by adopting a new set of Articles of Association in line with the provisions of the Companies Act, 2013;

8. obtained the approval of members of the Company by a special resolution passed at the Extra-ordinary General Meeting held on 27 September 2018 for the purpose of approval of share purchase agreement in relation to purchase of certain Equity Shares of the Company by Metz Advisory LLP from CA Lotus Investments;

9. obtained the approval of the Board at its meeting held on 11 February 2019:

   a) for acquiring balance 2,42,400 equity shares of face value of ₹ 10/- each held by other shareholders constituting 24% stake in Bokil Golwilkar Metropolis Health Care Private Limited;

   b) for acquiring balance 8,894 equity shares of face value ₹ 10/- each held by other shareholders constituting 49% stake in Raj Metropolis Healthcare Private Limited;

   c) for payment of interim dividend for the financial year 2018-19 @ ₹ 13.26 per share aggregating to ₹ 66,53,69,296.80 on the equity share capital of the Company.

10. has made an Initial Public Offering (IPO) by way of an Offer for Sale by selling shareholders of 1,36,85,095 equity shares of ₹ 2/- each, vide Red Herring Prospectus dated 25 March 2019;

This report is to be read with our letter of even date which is annexed as 'Annexure-A' and forms an integral part of this report.

For **Manish Ghia & Associates**
Company Secretaries

Manish L. Ghia
Partner
M. No. FCS 6252
C.P. No. 3531

Place : Mumbai
Date: 13 May 2019

Annexure - A

To,

The Members,

Metropolis Healthcare Limited

Mumbai

Our report of even date is to read along with this letter.

1. Maintenance of secretarial record is the responsibility of the management of the Company. Our responsibility is to express an opinion on these secretarial records based on our audit.
2. We have followed the audit practices and processes as were appropriate to obtain reasonable assurance about the correctness of the contents of the Secretarial records. The verification was done on test basis to ensure that correct facts are reflected in secretarial records. We believe that the processes and practices, we followed provided a reasonable basis for our opinion.
3. We have not verified the correctness and appropriateness of financial records and Book of Accounts of the Company.
4. Where ever required, we have obtained the management representation about the compliance of laws, rules and regulations and happening of events etc.
5. The compliance of the provisions of corporate and other applicable laws, rules, regulation, standards is the responsibility of management. Our examination was limited to the verification of procedures on the test basis.
6. The Secretarial Audit Report is neither an assurance as to the future viability of the Company nor of the efficiency or effectiveness with which the management has conducted the affairs of the Company.

For **Manish Ghia & Associates**
Company Secretaries

Manish L. Ghia
Partner
M. No. FCS 6252
C.P. No. 3531

Place : Mumbai
Date: 13 May 2019

Annexure - 5

DETAILS OF ESOPS

Disclosure pursuant to Regulation 14 of Securities and Exchange Board of India (Share Based Employee Benefits) Regulations, 2014 as on 31 March 2019

DESCRIPTION OF ESOP SCHEMES:

The Company views employee stock options as instruments that would enable the Employees to share the value they would create and contribute to the Company in the years to come.

Company has framed and implemented two employee stock option schemes – the Metropolis Employee Stock Option Scheme 2007 ("MESOS 2007") and the Metropolis Employee Stock Option Scheme 2015 ("MESOS 2015"). Further, there are no outstanding grants or vested options under the MESOS 2007 and no additional options will be granted by our Company under the MESOS 2007, and accordingly the MESOS 2007 has been considered closed. The Company has instituted "Metropolis Employee Stock Option Scheme 2015 "(MESOS 2015) for eligible employees. In terms of the said plan, options to the employees shall vest as given in the below table.

A. Relevant disclosures in terms of the 'Guidance note on accounting for employee share-based payments' issued by Institute of Chartered Accountants of India ("ICAI") or any other relevant accounting standards as prescribed from time to time.

The disclosures are provided in the Note 48 to the Financial Statements of the Company for the year ended 31 March 2019.

B. Diluted EPS on issue of shares pursuant to all the schemes covered under the regulations, in accordance with 'Indian Accounting Standard 20 – Earnings Per Share' issued by ICAI or any other relevant accounting standards as prescribed from time to time.

₹ 20.28

C. Details related to ESOP:

Sr. No.	Particulars	MESOS- 2007 Revised	MESOS 2015
(i)	**Description of each ESOP that existed during the year, including the general terms and conditions:**		
1	Date of Shareholders' approval	• 29 September 2007 • 28 March 2015 • 28 February 2018	• 28 March 2015 • 18 September 2017 • 28 February 2018 • 10 September 2018
2	Total number of options approved under ESOP	1,50,900	12,21,324#
3	Vesting requirement	• 20% vesting in the first year • 20% vesting in the second year • 30% vesting in the third year • 30% vesting in the fourth year	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 1 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.
4	Exercise price or pricing formula	₹ 100 per option	₹ 705.77 per option#
5	Maximum term of options granted	Term of the Options is treated to begin only after the same are vested unto the Grantee. Accordingly, the maximum term of Options will be 4 (four) years from the date of vesting.	Term of the Options is treated to begin only after the same are vested unto the Grantee. Accordingly, the maximum term of Options will be 4 (four) years from the date of vesting.

Annexure - 5 (Contd.)

Sr. No.	Particulars	MESOS- 2007 Revised	MESOS 2015
6	Source of shares	Primary	Primary
7	Variation in terms of options	The number of options were increased in the ratio of 5:1 pursuant to Amalgamation (Scheme of Amalgamation 2009)	1) On 19 September 2017, consent was given by the Nomination and Remuneration Committee, wherein the vesting schedule was modified to grant options under 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 1 January 2016) shall vest at the rate of 50% of grant on completion of two years from date of joining, 25% of grant on completion of three years from date of joining and 25% of grant on completion of four years from date of joining. 2) On 24 September 2018, consent was given by the Nomination and Remuneration Committee that no additional options will be granted by our Company under the MESOS 2015
(ii)	**Method used to account for ESOP:**	Fair value	Fair value
(iii)	**As the company has opted for expensing of the options using the Fair Value of the Options:**		
1	Difference between the employee compensation cost so computed and the employee compensation cost that shall have been recognised if it had used the fair value	N.A	N.A
2	The impact of this difference on profits and on EPS of the Company	N.A	N.A
(iv)	**Movement during the year:**		
1	No. of options outstanding at the beginning of the period	42,675	2,07,770
2	No. of options granted during the year Granted due to Bonus: 8,310 options Granted due to Split of Equity Shares: 8,64,320 options	–	8,72,630
3	No. of options forfeited/ lapsed during the year	9,875	–
4	No. of options vested during the year	–	3,160,43

Sr. No.	Particulars	MESOS- 2007 Revised	MESOS 2015
5	No. of options exercised during the year	32,800	
6	No. of shares arising as a result of exercise of options	32,800	-
7	Money realised by exercise of options (₹). If scheme is implemented directly by the Company	32,80,000	-
8	Loan repaid by the Trust during the year from exercise price received	N.A.	N.A.
9	No. of options outstanding at the end of the year	–	10,80,400#
10	No. of options exercisable at the end of the year	–	6,60,160
(v)	**Weighted-average exercise prices ("WAEP") and weighted-average fair values("WAFV") of Options**		
1	Where the exercise price is less than the market price of the stock	N.A.	N.A.
2	Where the exercise price equals the market price of the stock	N.A.	N.A.
3	Where the exercise price is more than the market price of the stock	N.A.	N.A.
(vi)	**Employee wise details (name of employee, designation, number of Options granted during the year, exercise price) of Options**		
1	Senior Managerial Personnel	-	As per Annexure I
2	Any other employee who receives a grant in any one year of option amounting to 5% or more of option granted during that year	-	
3	Identified employees who were granted option, during any one year, equal to or exceeding 1% of the issued capital (excluding outstanding warrants and conversions) of the company at the time of grant.	-	

Annexure - 5 (Contd.)

Sr. No.	Particulars	MESOS- 2007 Revised	MESOS 2015
(vii)	**A description of the method and significant assumptions used during the year to estimate the fair value of options including the following information:**		
1	Weighted-average	-	N.A. (The Company was not listed during the year)
	Values of share price	-	As provided in notes to accounts no. 48(c)
	Exercise price	-	
	Expected volatility	-	
	Expected option life	-	
	Expected dividends	-	
	The risk-free interest rate	-	
	Any other inputs to the model	-	
2	The method used and the assumptions made to incorporate the effects of expected early exercise;	-	N.A.
3	How expected volatility was determined, including an explanation of the extent to which expected volatility was based on historical volatility;	-	As provided in notes to accounts no. 48(c)
4	Whether and how any other features of the option grant were incorporated into the measurement of fair value, such as a market condition.	-	As provided in notes to accounts no. 48(c)

#Post bonus and split

Annexure I:

EMPLOYEE WISE DETAILS OF OPTIONS:

a) Senior Managerial Person:

Sr. No.	Name of Key Managerial Personnel	Designation	No. of Options Granted*	Exercise Price
1.	Mr. Vijender Singh	Chief Executive Officer	3,97,020	₹ 705.77
2.	Mr. Tushar Manohar Karnik	Chief Financial Officer	52,000	
3.	Dr. Nilesh Shah	Group President and Head of Science and Innovation	52,000	

*Post bonus and sub division

b) Any other employee who receives a grant of options in any one year of option amounting to five percent or more of options granted during that year:

Sr. No.	Name of Key Managerial Personnel	Designation	No. of Options Granted*	% of total options granted in the same year	Exercise Price
1.	Mr. Ravinder Deep Singh Sethi	Chief Operating Officer- North & East	83,200	8.62	₹ 705.77
2.	Mr. Avadhut Joshi	Senior Vice President - BD & Operations (SBU International)	73,475	7.61	
3.	Mr. Mitesh Dave	SBU Head - West	73,475	7.61	

c) Identified employees who were granted option, during any one year, equal to or exceeding one percent of the issued capital (excluding outstanding warrants and conversions) of the company at the time of grant: Nil

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

Dr. Sushil Kanubhai Shah
Chairman & Executive Director
(DIN: 00179918)

Place: Mumbai
Date: 13 May 2019

Annexure - 6

Disclosures required under Section 197(12) of the Companies Act, 2013 read with rule 5(1) of Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014.

1. **The ratio of the remuneration of each Director to the median remuneration of employees for the Financial Year:**

(₹ in Lakhs)

Name of the Directors	Remuneration	Ratio to median remuneration (in times)
Executive Directors		
Dr. Sushil Kanubhai Shah	145.5	85.82
Ms. Ameera Shah	724.66	427.41
Non-Executive Directors		
Mr. Mihir Doshi@	15.75	9.29
Mr. Milind Sarwate#	7.25	4.28
Mr. Vivek Gambhir#	8.75	5.16
Mr. Sanjay Bhatnagar#	4.50	2.65
Dr. Duru Sushil Shah*	0.15	0.09
Mr. Rajiv Devinder Sahney*	5.00	2.95

@ Change in designation from Independent Director to Non-Executive Director w.e.f. 07 September 2018

Appointed w.e.f. 07 September 2018

* Resigned w.e.f. 07 September 2018

Median remuneration of employees of the Company as at the end of the year under review was ₹ 1,69,547

The remuneration paid to Directors (other than the Executive Director) comprises Sitting Fees paid for attending the Meetings of the Board and/or its Committees.

2. **The percentage increase in remuneration of each Director, Chief Financial Officer, Chief Executive Officer, Company Secretary or Manager, if any, during the Financial Year:**

Name of the Directors, Chief Financial Officer and Company Secretary	% increase in remuneration in the Financial Year
Dr. Sushil Kanubhai Shah*	366%
Ms. Ameera Shah*	121%
Mr. Vijender Singh, CEO	57%
Mr. Tushar Karnik, CFO	15%
Mr. Jayant Prakash, Company Secretary	9%

**Note: Dr. Sushil Kanubhai Shah had waived ₹ 93.60 lakhs in the Fiscal 2017- 18 and Ameera Sushil Shah had waived ₹ 351.50 lakhs in the Fiscal 2017-18.*

3. **The percentage increase in the median remuneration of employees during the Financial Year:** Since the employee joined in October 2018, not eligible for increment.

4. **The number of permanent employees on rolls of the Company:** 4163

5. **Average percentile increase already made in salaries of employees other than the managerial personnel in the last financial year and its comparison with the percentile increase in the managerial remuneration and justification thereof and point out if there are any exceptional circumstances for increase in the managerial remuneration.**

   The percentage increase in the gross salaries paid to employees other than the managerial personnel in the last financial year is 7.68 % as against an increase of 114% in the salary of the Managerial Personnel. The increment given to each individual employee is based on the employee's potential, experience and also their performance and contribution to the Company's progress during the year and is benchmarked against similar companies in India.

6. **Affirmation that the remuneration is as per the Remuneration Policy of the Company.**

   The Company affirms that the remuneration paid is as per the Remuneration Policy of the Company.

Annexure - 7

CERTIFICATE OF NON-DISQUALIFICATION OF DIRECTORS

(pursuant to Regulation 34(3) and Schedule V Para C clause (10)(i) of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015)

To,

The Members of

Metropolis Healthcare Limited

250 D, Udyog Bhavan

Hind Cycle Marg, Worli

Mumbai-400030

We have examined the relevant registers, records, forms, returns and disclosures received from the Directors of Metropolis Healthcare Limited having CIN U73100MH2000PLC192798 and having registered office at 250 D, Udyog Bhavan, Hind Cycle Marg, Worli, Mumbai-400030 (hereinafter referred to as 'the Company'), produced before us by the Company for the purpose of issuing this Certificate, in accordance with Regulation 34(3) read with Schedule V Para-C Sub clause 10(i) of the Securities Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015.

In our opinion and to the best of our information and according to the verifications (including Directors Identification Number (DIN) status at the portal www.mca.gov.in) as considered necessary and explanations furnished to us by the Company & its officers, We hereby certify that none of the Directors on the Board of the Company as stated below for the Financial Year ending on 31 March 2019 have been debarred or disqualified from being appointed or continuing as Directors of companies by the Securities and Exchange Board of India, Ministry of Corporate Affairs, or any such other Statutory Authority.

Sr. No.	Name of Director	DIN	Date of Appointment in Company
1	Dr. Sushil Kanubhai Shah	00179918	17 August 2005
2	Ms. Ameera Sushil Shah	00208095	6 May 2008
3	Mr. Mihir Jagdish Doshi	01283331	27 March 2015
4	Mr. Milind Shripad Sarwate	00109854	7 September 2018
5	Mr. Sanjay Bhatnagar	00867848	7 September 2018
6	Mr. Vivek Gambhir	06527810	7 September 2018

Ensuring the eligibility of for the appointment / continuity of every Director on the Board is the responsibility of the management of the Company. Our responsibility is to express an opinion on these based on our verification. This certificate is neither an assurance as to the future viability of the Company nor of the efficiency or effectiveness with which the management has conducted the affairs of the Company.

For **Manish Ghia & Associates**
Company Secretaries

Manish L. Ghia
Partner
M. No. FCS 6252
C.P. No. 3531

Place : Mumbai
Date: 13 May 2019

CORPORATE GOVERNANCE CERTIFICATE

To,

The Members

Metropolis Healthcare Limited

Mumbai.

We have examined the compliance of conditions of Corporate Governance by **Metropolis Healthcare Limited**, for the year ended on 31 March 2019 as stipulated under Regulation 34 (3) of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 ('**Listing Regulations'**).

The compliance of conditions of Corporate Governance is the responsibility of the Management. Our examination has been limited to a review of the procedures and implementation thereof adopted by the Company for ensuring compliance with the conditions of the Corporate Governance as stipulated in the said Listing Regulations.

In our opinion and to the best of our information and according to the explanations given to us and based on the representations made by the Directors and the Management, we certify that the Company has complied with the mandatory conditions of Corporate Governance as stipulated in relevant regulation(s) of above mentioned Listing Regulations.

We state that such compliance is neither an assurance as to future viability of the Company nor of the efficiency or effectiveness with which the management has conducted the affairs of the Company.

For **Manish Ghia & Associates**
Company Secretaries

Manish L. Ghia
Partner
M. No. FCS 6252
C.P. No. 3531

Place : Mumbai
Date: 13 May 2019

DECLARATION - COMPLIANCE WITH THE CODE OF CONDUCT

In accordance with the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, I, Vijender Singh, Chief Executive Officer of the Company, hereby declare that the Board Members and the Senior Management Personnel have affirmed compliance with the Code of Conduct of the Company for the year ended 31 March 2019.

Sd/-

Vijender Singh

Chief Executive Officer

Date: 13.05.2019

Place: Mumbai

CEO AND CFO CERTIFICATION

To,

The Board of Directors,

Metropolis Healthcare Limited

We, the undersigned to the best of our knowledge and belief, certify that:

(A) We have reviewed financial statements and the cash flow statement for the Financial Year 2018-19 and that to the best of our knowledge and belief:

  (1) these statements do not contain any materially untrue statement or omit any material fact or contain statements that might be misleading;

  (2) these statements together present a true and fair view of the Company's affairs and are in compliance with existing accounting standards, applicable laws and regulations.

(B) There are, to the best of our knowledge and belief, no transactions entered into by the Company during the year which are fraudulent, illegal or violate the Company's Code of Conduct.

(C) We accept responsibility for establishing and maintaining internal controls and that we have evaluated the effectiveness of the internal control systems of the Company pertaining to financial reporting and we have disclosed to the auditors and the Audit Committee, deficiencies in the design or operation of such internal controls, if any, of which we are aware and the steps we have taken or propose to take to rectify these deficiencies.

(D) We have indicated to the Auditors and the Audit committee

  (1) significant changes in the internal control over financial reporting during this year;

  (2) significant changes in the accounting policies this year and that the same have been disclosed in the notes to the financial statements; and

  (3) instances of significant fraud of which we have become aware and the involvement therein, if any, of the management or an employee having a significant role in the Company's internal control systems over financial reporting.

Vijender Singh
Chief Executive Officer

Tushar Manohar Karnik
Chief Financial Officer

Date: 13.05.2019

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 2019, 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 2019, and profit and other comprehensive income, changes in equity and its cash flows for the year ended on that date.

Basis for Opinion

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

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

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

Auditor's Responsibilities for the Audit of the 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 standalone financial statements in place and the operating effectiveness of such controls.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.
- Conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Company's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the 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.

Report on Other Legal and Regulatory Requirements

1. As required by the Companies (Auditors' Report) Order, 2016 ("the Order") issued by the Central Government in terms of section 143(11) of the Act, we give in the "Annexure A" a statement on the matters specified in paragraphs 3 and 4 of the Order, to the extent applicable.

   (A) As required by section 143(3) of the Act, we report that:

      a) we have sought and obtained all the information and explanations which to the best of our knowledge and belief were necessary for the purposes of our audit;

      b) in our opinion, proper books of account as required by law have been kept by the Company so far as it appears from our examination of those books;

      c) the 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 2019 taken on record by the Board of Directors, none of the directors is disqualified as on 31 March 2019 from being appointed as a director in terms of section 164(2) of the Act;

      f) with respect to the adequacy of the internal financial controls with reference to financial statements of the Company and the operating effectiveness of such controls, refer to our separate Report in "Annexure B".

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

i. The Company has disclosed the impact of pending litigations as at 31 March 2019 on its financial position in its standalone financial statements - Refer Note 43 to the standalone financial statements;

ii. The Company did not have any long-term contracts including derivative contracts for which there were any material foreseeable losses;

iii. There has been no delay in transferring amounts, required to be transferred, to the Investor Education and Protection Fund by the Company; and

iv. The disclosures in the standalone financial statements regarding holdings as well as dealings in specified bank notes during the period from 8 November 2016 to 30 December 2016 have not been made in these financial statements since they do not pertain to the financial year ended 31 March 2019.

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

In our opinion and according to the information and explanations given to us, 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 **B S R & Co. LLP**
Chartered Accountants
Firm Registration No: 101248W/W-100022

Akeel Master
Partner
Membership No: 046768

Place : Mumbai
Date : 13 May 2019

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

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

(i) (a) The Company has maintained proper records showing full particulars, including quantitative details and situation of property, plant and equipment (fixed assets).

(b) The Company has a regular programme of physical verification of its property, plant and equipment (fixed assets) by which all the property, plant and equipment (fixed assets) are verified over a period of two years. In our opinion, this periodicity of physical verification is reasonable having regard to the size of the Company and the nature of its assets. In accordance with this programme, a portion of the property, plant and equipment (fixed assets) has been physically verified by the management during the year and no material discrepancies were noticed on such verification.

(c) 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 2019 (₹ Lakhs	Net block as on 31 March 2019 (₹ 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	935.27	

(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 of the Act. The Company has complied with the provisions of section 186 of the Act with respect to investments made during the year. The Company has not provided any loans, guarantee or security to the parties covered under section 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, Service tax, Duty of customs, Goods and Service tax, and other material statutory dues have been generally regularly deposited during the year with the appropriate authorities. As explained to us, the Company did not have any dues on account of Sales tax, Value added tax, Duty of excise and Cess.

According to the information and explanations given to us, there are no undisputed amount payable, in respect of Provident fund, Employees State Insurance, Goods and Service tax, Sales tax, Service tax, Duty of customs, Value added tax, Duty of excise, Cess and other material statutory dues were in arrears as at 31 March 2019 for a period of more than six months from the date they became payable.

(b) According to the information and explanations given to us, 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 2019 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 dues to financial institution 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, during the year the Company has made private placement of its equity shares. In respect of the same, in our opinion, the Company has complied with the requirement of section 42 of the Act and the Rules framed thereunder. Further, in our opinion, the amounts so raised were applied for the purposes for which these equity shares were issued.

(xv) According to the information and explanations given to us and based on our examination of the records, the Company has not entered into any non-cash transactions with directors or persons connected with them. Accordingly, paragraph 3(xv) of the Order is not applicable to the Company.

(xvi) In our opinion and according to the information and explanations given to us, the Company is not required to be registered under section 45-IA of the Reserve Bank of India Act, 1934. Accordingly, paragraph 3(xvi) of the Order is not applicable to the Company.

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

Akeel Master
Partner
Membership No: 046768

Place : Mumbai
Date : 13 May 2019

ANNEXURE B to the Independent Auditors' report on the standalone financial statements of Metropolis Healthcare Limited for the year ended 31 March 2019.

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 (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 2019 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, have, 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 2019, 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 "the 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 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 **B S R & Co. LLP**
Chartered Accountants
Firm Registration No: 101248W/W-100022

Akeel Master
Partner
Membership No: 046768

Place : Mumbai
Date : 13 May 2019

STANDALONE BALANCE SHEET as at 31 March 2019

(All amounts in Indian ₹ Lakhs unless otherwise stated)

	Note	31 March 2019	31 March 2018
ASSETS			
Non-current assets			
Property, plant and equipment	3	**9,625.71**	9,117.60
Goodwill	4	**4,880.90**	4,880.90
Other intangible assets	4	**1,783.88**	1,703.43
Intangible assets under development		**577.30**	-
Financial assets			
Investments			
i) Investments in subsidiaries, joint ventures & associates	5	**12,997.36**	2,874.45
ii) Other investments	5(d)	**175.28**	175.28
iii) Loans	6	**337.81**	258.68
iv) Derivatives	7	**83.25**	1,877.77
v) Other non current financial assets	8	**1,007.90**	820.25
Other non-current assets	9	**109.19**	173.28
Non-current tax assets (net)	10	**679.31**	130.78
Total non current assets		**32,257.89**	22,012.42
Current assets			
Inventories	11	**1,964.80**	1,495.51
Financial Assets			
i) Investments	12	**336.48**	6,751.66
ii) Trade receivables	13	**11,826.56**	8,180.69
iii) Cash and cash equivalents	14(a)	**879.83**	2,069.08
iv) Bank balances other than cash and cash equivalents	14(b)	**1,700.26**	892.63
v) Loans	15	**2,413.20**	2,061.86
vi) Other current financial assets	16	**899.57**	196.51
Other current assets	17	**485.59**	369.20
Total current assets		**20,506.29**	22,017.14
TOTAL ASSETS		**52,764.18**	44,029.56
EQUITY AND LIABILITIES			
Equity			
Equity share capital	18	**1,003.57**	954.36
Other equity	19	**40,536.83**	35,448.84
Total Equity		**41,540.40**	36,403.20
Non current liabilities			
Financial liabilities			
Other non-current financial liabilities	20	**208.89**	243.07
Provisions	21	**233.31**	272.50
Deferred tax liabilities (net)	36(d)	**599.15**	524.97
Total non-current liabilities		**1,041.35**	1,040.54
Current liabilities			
Financial liabilities			
i) Borrowings	22	**1,734.47**	-
ii) Trade payables			
Total outstanding dues of micro and small enterprises	23	**1.78**	-
Total outstanding dues of creditors other than micro and small enterprises	23	**3,603.16**	2,651.70
iii) Other current financial liabilities	24	**3,257.08**	2,597.70
Other current liabilities	25	**668.34**	568.02
Provisions	26	**354.97**	295.72
Current tax liabilities (net)	27	**562.63**	472.68
Total Current liabilities		**10,182.43**	6,585.82
Total liabilities		**11,223.78**	7,626.36
TOTAL EQUITY AND LIABILITIES		**52,764.18**	44,029.56
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

Akeel Master
Partner
Membership No: 046768

Place : Mumbai
Date : 13 May 2019

For and on behalf of the Board of Directors

Dr. Sushil Shah
Chairman & Executive Director
DIN: 00179918

Ameera Shah
Managing Director
DIN: 00208095

Vijender Singh
Chief Executive Officer

Tushar Karnik
Chief Financial Officer
Membership No: 046817

Jayant Prakash
Company Secretary
Membership No: FCS 6742

Place : Mumbai
Date : 13 May 2019

STANDALONE STATEMENT OF PROFIT & LOSS for the year ended 31 March 2019

(All amounts in Indian ₹ Lakhs unless otherwise stated)

	Note	31 March 2019	31 March 2018
Income			
Revenue from Operations	28	**58,120.81**	48,495.23
Other income	29	**2,052.32**	1,563.25
Total Income		**60,173.13**	50,058.48
Expenses			
Cost of materials consumed	30	**13,907.64**	11,163.53
Laboratory testing charges	31	**469.16**	372.73
Employee benefits expense	32	**13,694.67**	10,972.49
Finance costs	33	**51.83**	115.97
Depreciation and amortisation expense	34	**1,543.57**	1,396.94
Other expenses	35	**15,587.33**	12,510.37
Total Expenses		**45,254.20**	36,532.03
Profit before tax		**14,918.93**	13,526.45
Income tax expense:	36		
1. Current Tax		**4,717.00**	4,230.00
2. Deferred Tax expenses / (income)		**56.23**	(285.98)
3. Tax adjustments for earlier years		**-**	6.51
Total Income tax expenses		**4,773.23**	3,950.53
Profit for the year		**10,145.70**	9,575.92
Other comprehensive income			
Items that will not be reclassified subsequently to profit and loss	48(a)		
Remeasurements of the defined benefit plans	36	**51.39**	0.58
Income tax on above.		**(17.96)**	(0.61)
		33.43	(0.03)
Items that will subsequently be reclassified to profit and loss			
Debt instruments through Other Comprehensive Income- net change in fair value		**-**	0.41
Income tax on above	36	**-**	(0.14)
		-	0.27
Other comprehensive income for the year, net of income tax		**33.43**	0.24
Total comprehensive income for the year		**10,179.13**	9,576.16
Earnings per equity share			
Equity shares of face values of ₹ 2 each	37		
Basic earnings per share		20.32	19.30
Diluted earnings per share		20.28	19.19

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

Akeel Master
Partner
Membership No: 046768

Place : Mumbai
Date : 13 May 2019

For and on behalf of the Board of Directors

Dr. Sushil Shah
Chairman & Executive Director
DIN: 00179918

Ameera Shah
Managing Director
DIN: 00208095

Vijender Singh
Chief Executive Officer

Tushar Karnik
Chief Financial Officer
Membership No: 046817

Jayant Prakash
Company Secretary
Membership No: FCS 6742

Place : Mumbai
Date : 13 May 2019

STANDALONE STATEMENT OF CHANGES IN EQUITY ('SOCIE') for the year ended 31 March 2019

(a) Equity share capital (Refer Note 18)

(All amounts in Indian ₹ Lakhs unless otherwise stated)

	Number of shares	Amount (₹ in lakhs)
Balance as at 1 April 2017	**95,43,646**	**954.36**
Changes in equity share capital during the year	-	-
Balance as at 31 March 2018	**95,43,646**	**954.36**
Changes in equity share capital during the year		
-Issued under Metropolis Employee Stock Option Scheme 2007 (Refer Note 48(c))	32,800	3.28
-Issued on exercise of share warrants (Refer Note 54)	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 note18)	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 31 March 2019	**5,01,78,680**	**1,003.57**

(a) Other Equity (Refer Note 19)

(All amounts in Indian ₹ Lakhs unless otherwise stated)

	Fully convertible share warrants (Refer Note54)	Reserves & Surplus					Other comprehensive income (OCI)	Total other equity
		Securities premium	General reserve	Capital redemption reserve	Employee stock options reserve	Retained earnings	Debt instruments through OCI	
Balance at 1 April 2017	0.20	5,826.41	1,684.07	32.05	4.33	18,159.61	-	25,706.67
Profit for the year	-	-	-	-	-	9,575.92	-	9,575.92
(loss) on re-measurement of defined benefit plans (net of tax)	-	-	-	-	-	(0.03)	-	(0.03)
Fair valuation of Debt instruments measured at FVOCI (net of tax)	-	-	-	-	-	-	0.27	0.27
Total comprehensive income	**-**	**-**	**-**	**-**	**-**	**9,575.89**	**0.27**	**9,576.16**
Share based payments (Refer Note 32)	-	-	-	-	166.01	-	-	166.01
Balance as at 31 March 2018	**0.20**	**5,826.41**	**1,684.07**	**32.05**	**170.34**	**27,735.50**	**0.27**	**35,448.84**
Profit for the year	-	-	-	-	-	10,145.70	-	10,145.70
(loss) on re-measurement of defined benefit plans (net of tax)	-	-	-	-	-	33.43	-	33.43

Standalone Statement of Changes in Equity ('SOCIE') for the year ended 31 March 2019 (Contd.)

(All amounts in Indian ₹ Lakhs unless otherwise stated)

	Fully convertible share warrants (Refer Note54)	Reserves & Surplus					Other comprehensive income (OCI)	Total other equity
		Securities premium	General reserve	Capital redemption reserve	Employee stock options reserve	Retained earnings	Debt instruments through OCI	
Total comprehensive income	**-**	**-**	**-**	**-**	**-**	**10,179.13**	**-**	**10,179.13**
Share warrants exercised during the year (Refer Note 54)	(0.20)	223.58	-	-	-	-	-	223.38
Utlilised during the year pursuant to the scheme of Amalgamation with Bacchus Hospitality Services and Real Estate Private Limited. (Refer Note41(iii))	-	(0.00)^	-	-	-	-	-	(0.00)
Utilised on issue of bonus shares	-	(6.55)	-	(32.05)	-	-	-	(38.60)
Share options exercised under MESOS 2007 (Refer Note48(c))	-	29.52	-	-	-	-	-	29.52
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**	**29,893.25**	**-**	**40,536.83**

^ Amount is ₹ 10

As per our report of even date attached

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

Akeel Master
Partner
Membership No: 046768

Place : Mumbai
Date : 13 May 2019

For and on behalf of the Board of Directors

Dr. Sushil Shah
Chairman & Executive Director
DIN: 00179918

Ameera Shah
Managing Director
DIN: 00208095

Vijender Singh
Chief Executive Officer

Tushar Karnik
Chief Financial Officer
Membership No: 046817

Jayant Prakash
Company Secretary
Membership No: FCS 6742

Place : Mumbai
Date : 13 May 2019

STANDALONE STATEMENT OF CASH FLOWS for the year ended 31 March 2019

(All amounts in Indian ₹ Lakhs unless otherwise stated)

		31 March 2019	31 March 2018
A	**Cash Flow from Operating Activities**		
	Profit before tax	**14,918.93**	13,526.45
	Adjustments for :		
	Depreciation and amortisation expense	**1,543.57**	1,396.94
	Fair value gain on mutual fund investments	**(114.93)**	(249.59)
	Fair value loss on derivative assets measured at FVTPL	**-**	0.19
	Provision for impairment of current investments	**144.20**	-
	Loss on sale of debt instrument measured at FVOCI	**3.79**	-
	Loss on impairment of Goodwill	**-**	246.92
	Loss on sale of non-current investment	**-**	73.28
	Gain on derivative assets	**(46.83)**	(12.64)
	Provision for bad and doubtful debts (net)	**340.32**	197.95
	Provision for doubtful advances (net)	**-**	1.11
	Credit impaired trade receivables written off	**-**	54.45
	Share based payment expenses (Refer Note 32)	**443.89**	166.01
	Interest expense	**40.13**	115.60
	Foreign exchange (gain) / loss (net)	**(145.66)**	4.74
	Interest expense paid on borrowings	**11.70**	0.37
	Sundry balances written back (net)	**(100.92)**	(228.10)
	Interest income	**(287.56)**	(207.62)
	Interest income on income tax refund	**(1.62)**	(3.63)
	Dividend income from mutual funds and related parties	**(1,449.64)**	(1,078.18)
	Operating profit before working capital changes	**15,299.37**	14,004.25
	Working capital adjustments:		
	(Increase) in inventories	**(469.29)**	(505.47)
	(Increase) in loans (Current and non-current)	**(499.84)**	(26.21)
	(Increase) in Other Current assets (Current and non current)	**(115.96)**	(3.42)
	(Increase) in trade receivables	**(3,840.53)**	(2,263.37)
	(Increase) in Other current financial assets	**(779.28)**	-
	Increase in provisions	**71.45**	33.06
	Increase in trade payables	**1,054.16**	630.84
	(Decrease) / Increase in other current financial liabilities	**(3.71)**	96.52
	Increase in other current liabilities	**100.32**	145.57
	Cash generated from operating activities	**10,816.69**	12,111.77
	Income tax paid (net)	**(5,173.98)**	(4,663.64)
	Net cash generated from operating activities (A)	**5,642.71**	7,448.13
B	**CASH FLOW FROM INVESTING ACTIVITIES:**		
	Purchase of property, plant and equipment and capital work-in-progress (Including capital advances and capital creditors)	**(1,927.87)**	(1,574.49)
	Purchase consideration paid towards acquisition of business	**(129.12)**	(1,318.69)
	Purchase of current investments	**(2,850.00)**	(4,920.70)
	Proceeds from sale of current investments	**9,232.12**	9,526.53
	Proceeds/(Investments) from / in subsidiaries, joint ventures & associates	**(5,647.79)**	61.62
	Proceeds from repayment of loans from Related Parties (net)	**87.22**	146.06
	Interest Income received	**345.93**	105.30
	Dividend Income received	**1,449.64**	1,078.18
	Investment in fixed deposits (having maturity more than 3 months) (net)	**(995.28)**	(1,217.68)
	Net cash (used in) / generated from investing activities (B)	**(435.15)**	1,886.13

Standalone Statement of Cash flows for the year ended 31 March 2019 (Contd.)

(All amounts in Indian ₹ Lakhs unless otherwise stated)

		31 March 2019	31 March 2018
C	**Cash Flow from Financing Activities**		
	Proceeds from Share warrants exercise (Refer Note 54)	**224.45**	-
	Proceeds from borrowing (net)	**1,734.47**	-
	Share based payments	**(355.45)**	-
	Proceeds from issue of shares to ESOP holders (ESOP 2007)	**32.80**	-
	Payment of dividend	**(6,653.69)**	(4,999.99)
	Payment of Dividend Distribution Tax	**(1,367.69)**	(864.26)
	Interest expense paid on borrowings	**(11.70)**	(0.37)
	Acquisition of non-controlling interests	**-**	(2,293.10)
	Net cash (used in) financing activities (C)	**(6,396.81)**	(8,157.72)
	Net (Decrease) / Increase in cash and cash equivalents (A+B+C)	**(1,189.25)**	1,176.54
	Cash and Cash Equivalents at the beginning of the year	**2,069.08**	892.54
	Cash and Cash Equivalents at the end of the year (Refer note14(a))	**879.83**	2,069.08

1. The Cash Flow Statement has been prepared under the "Indirect Method" as set out in the Indian Accounting Standard - 7 Cash Flow Statement
2. The figures in the brackets indicate outflow of cash and cash equivalents.
3. During the 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))
4. During the 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 Note41(iii))
5. The movement of borrowing as per Ind AS 7 is as follows:

(All amounts in Indian ₹ Lakhs unless otherwise stated)

	31 March 2019	31 March 2018
Balance as at the beginning of the year	**-**	-
Cashflows	**1,734.47**	-
Non cash changes	**-**	-
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

Akeel Master
Partner
Membership No: 046768

Place : Mumbai
Date : 13 May 2019

For and on behalf of the Board of Directors

Dr. Sushil Shah
Chairman & Executive Director
DIN: 00179918

Ameera Shah
Managing Director
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Chief Financial Officer
Membership No: 046817

Jayant Prakash
Company Secretary
Membership No: FCS 6742

Place : Mumbai
Date : 13 May 2019

1 BACKGROUND OF THE COMPANY AND NATURE OF OPERATION

Metropolis Healthcare Limited (the 'Company'), was incorporated as Pathnet India Private Limited in the year 2000 and is engaged in the business of providing pathology and related healthcare services. 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 2019 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 2019 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 2019 were authorised for issue in accordance with a resolution of the Board of Directors on 13 May 2019.

b Current vs non-current classification:

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

Assets:

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

a) it is expected to be realised in, or is intended for sale or consumption in, the Company's normal operating cycle;

b) it is held primarily for the purpose of being traded;

c) it is expected to be realised within twelve months after the reporting date; or

d) it is cash or cash equivalent unless it is restricted from being exchanged or used to settle a liability for at least twelve months after the reporting date.

Liabilities:

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

a) it is expected to be settled in the Company's normal operating cycle;

b) it is held primarily for the purpose of being traded;

c) it is due to be settled within twelve months after the reporting date; or

d) the Company does not have an unconditional right to defer settlement of the liability for at least twelve months after the reporting date. Terms of a liability that could, at the option of the counterparty, result in its settlement by the issue of equity instruments do not affect its classification.

Operating cycle:

All assets and liabilities have been classified as current or non-current as per the company's normal operating cycle and other criteria set out in the Schedule III to the Companies Act 2013. Based on the nature of services and the time taken between acquisition of assets/inventories for processing and their realisation 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

Notes to the Standalone financial statements for the year ended 31 March 2019 (Contd.)

- Net defined benefit asset / liability - Fair value of plan assets less present value of defined benefit obligations.

e Key estimates and assumptions

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

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(i))

viii. Fair valuation of employee share options; (Note 2.2(i))

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, maximising the use of relevant observable inputs and minimising the use of unobservable inputs.

Fair values are categorised 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 categorised in its entirety in the same level of the fair value hierarchy as the lowest level input that is significant to the entire measurement.

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

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

- Financial instruments (Note 38)

- Share-based payment arrangements (Note 48 (c))

- Business combination

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.

- 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 ar 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 derecognised.

Subsequent costs are included in the assets carrying amount or recognised 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 derecognised 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:

	Management's estimate of useful life	Useful life as per Schedule II
Laboratory Equipment's (Plant & Equipments) : (Electrical Machinery, X-ray & diagnostic equipment's namely Cat-stan, 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.

Notes to the Standalone financial statements for the year ended 31 March 2019 (Contd.)

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.

Amortisation:

Goodwill is not amortised and is tested for impairment annually.

Amortisation 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 recognised 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 recognised 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 recognised 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:

- Amortised 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.

Amortised cost :

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

The asset is held within a business model whose objective is to hold assets for collecting contractual cash flows, and contractual terms of the asset give rise on specified dates to cash flows that are solely payments of principal and interest (SPPI) on the principal amount outstanding.

After initial measurement, such financial assets are subsequently measured at amortised cost using the effective interest rate (EIR) method.

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

All financial assets that do not meet the criteria for amortised cost or fair value through other comprehensive income are measured at fair value through profit or loss with all changes recognised 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 recognised in the Statement of Profit and Loss. Other net gains and losses are recognised 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 derecognised (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 recognised 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 amortised cost and debt instruments measured at FVOCI.

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

Notes to the Standalone financial statements for the year ended 31 March 2019 (Contd.)

2. Financial liabilities

Initial recognition and measurement

Financial liabilities are initially recognised 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 recognised in the Statement of Profit and Loss.

Financial Liabilities at amortised cost:

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

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

Derecognition

A financial liability is derecognised 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 recognised 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 recognised amounts and there is an intention to settle on a net basis, or to realise 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 acqusition 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 realisable value. Cost comprises the cost of purchase and all other costs attributed to bring the goods to that particular condition and location.Net realisable value is the estimated selling price in the ordinary course of business, less the estimated costs of completion and selling expenses.

h) Cash and Cash Equivalents

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

i) Provisions, Contingent Liabilities and Contingent Assets

A provision is recognised 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 recognised 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 recognised till the realisation 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.

Effective 1 April 2018 the Company has applied Ind AS 115 which replaces Ind AS 18 revenue recognition.

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

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

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

k) Other income

Interest income

For all financial instruments measured at amortised 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 recognised 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 recognised as an expense in the Statement of Profit and Loss as the related service is provided.

A liability is recognised 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 the Standalone financial statements for the year ended 31 March 2019 (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 recognised 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 is recorded separately for each vesting portion of the award as if the award ,in substance, was multiple awards.

When the terms of an equity-settled award are modified, the minimum expense recognised is the expense had the terms had not been modified, if the original terms of the awards are met. An additional expense is recognised for any modification that increases the total fair value of the share-based payment transaction, 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 recognised as an expense in the year in which services are rendered by the employee.

Defined Benefit Plans:

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

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

m) Leases:

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

Operating lease:

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

n) Income-tax

Income tax expense /income comprises current tax expense income and deferred tax expense income. It is recognised in statement of profit and loss except to the extent that it relates to items recognised directly in equity or in Other Comprehensive Income, in which case, the tax is also recognised 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 recognised amounts; and
- intends either to settle on a net basis, or to realise the asset and settle the liability simultaneously.

Deferred Tax

Deferred Income tax is recognised 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 recognised 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 utilised. 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 utilised such reductions are reversed when it becomes probable that sufficient taxable profits will be available.

Unrecognised deferred tax assets are reassessed at each reporting date and recognised 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.

0) Foreign currency transactions

Functional and Presentation currency

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

Transactions and balances

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

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

Exchange differences arising on the settlement or translation of monetary items are recognised 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 authorised 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.

Notes to the Standalone financial statements for the year ended 31 March 2019 (Contd.)

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 IND AS Amendments:

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

Ind AS 116 - Leases

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

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

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

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

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

Ind AS 109 – Prepayment Features with Negative Compensation

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

Ind AS 19 – Plan Amendment, Curtailment or Settlement

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

Ind AS 23 – Borrowing Costs

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

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

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

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

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

Notes to the Standalone financial statements for the year ended 31 March 2019 (Contd.)

3 PROPERTY, PLANT AND EQUIPMENT

31 March 2019

(All amounts in Indian ₹ Lakhs unless otherwise stated)

	Freehold land	Buildings	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**

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

(All amounts in Indian ₹ Lakhs unless otherwise stated)

	Freehold land	Buildings	Laboratory equipment	Furniture & fixtures	Vehicles	Office equipment	Computers	Leasehold improvement	Total
Cost as at 1 April 2017	1,035.40	4,483.19	2,153.62	880.67	56.58	559.68	533.27	41.15	9,743.56
Additions during the year	-	482.00	575.74	214.13	100.00	218.60	87.44	6.93	1,684.84
Disposals during the year	-	-	-	-	-	-	-	-	-
Cost as at 31 March 2018 (A)	**1,035.40**	**4,965.19**	**2,729.36**	**1,094.80**	**156.58**	**778.28**	**620.71**	**48.08**	**11,428.40**
Accumulated depreciation as at 1 April 2017	-	228.49	359.64	170.15	12.91	153.21	180.10	27.45	1,131.95
Depreciation charged during the year	-	237.51	405.91	169.44	35.59	191.49	134.56	4.35	1,178.85
Disposals during the year	-	-	-	-	-	-	-		-
Accumulated depreciation as at 31 March 2018 (B)	**-**	**466.00**	**765.55**	**339.59**	**48.50**	**344.70**	**314.66**	**31.80**	**2,310.80**
Net carrying amount as at 31 March 2018 (A) - (B)	**1,035.40**	**4,499.19**	**1,963.81**	**755.21**	**108.08**	**433.58**	**306.05**	**16.28**	**9,117.60**

4 OTHER INTANGIBLE ASSETS

(All amounts in Indian ₹ Lakhs unless otherwise stated)

	Goodwill *	Other Intangible Assets			
		Computer Software	Brand	Customer Relationships	Total
Cost as at 1 April 2018	5,127.82	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)	**5,127.82**	**932.02**	**1,170.00**	**311.00**	**2,413.02**
Accumulated amortisation / impairment as at 1 April 2018	246.92	83.97	136.50	72.57	293.04
Amortisation recognised during the year	-	156.90	117.00	62.20	336.10
Disposals during the year	-	-	-	-	-
Accumulated amortisation / impairment as at 31 March 2019 (B)	**246.92**	**240.87**	**253.50**	**134.77**	**629.14**
Net carrying amount as at 31 March 2019 (A) - (B)	**4,880.90**	**691.15**	**916.50**	**176.23**	**1,783.88**

Changes in the carrying value of intangibles for the year ended 31 March 2018:

(All amounts in Indian ₹ Lakhs unless otherwise stated)

	Goodwill *	Other Intangible Assets			
		Computer Software	Brand*	Customer Relationships*	Total
Cost as at 1 April 2017	5,127.82	92.58	1,170.00	311.00	1,573.58
Additions during the year	-	422.89	-	-	422.89
Disposals during the year	-	-	-	-	-
Cost as at 31 March 2018 (A)	**5,127.82**	**515.47**	**1,170.00**	**311.00**	**1,996.47**
Accumulated amortisation as at 1 April 2017	-	45.08	19.50	10.37	74.95
Amortisation recognised during the year	-	38.89	117.00	62.20	218.09
Impairment recognised during the year	246.92	-	-	-	-
Accumulated amortisation as at 31 March 2018 (B)	**246.92**	**83.97**	**136.50**	**72.57**	**293.04**
Net carrying amount as at 31 March 2018 (A) - (B)	**4,880.90**	**431.50**	**1,033.50**	**238.43**	**1,703.43**

* Includes Goodwill, Brand name and Customer Relationships of ₹ 4,593.94 Lakhs, ₹ 1,170 Lakhs and ₹ 311 Lakhs respectively, on account of acquisition of Sanjeevani Pathology Laboratory located at Rajkot during the year ended 31 March 2017.

Goodwill with indefinite useful life

Carrying amount of goodwill which is allocated to the pathology division as at 31 March 2019 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 (subsidiary company) i.e. goodwill as appearing in consolidated financial statement of the Company on account of merger.

Notes to the Standalone financial statements for the year ended 31 March 2019 (Contd.)

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

(All amounts in Indian ₹ Lakhs unless otherwise stated)

	31 March 2019	31 March 2018
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.

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

Key assumptions used in the value-in-use calculations

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

(All amounts in Indian ₹ Lakhs unless otherwise stated)

	31 March 2019	31 March 2018
Pre tax discount rate	**12.50%**	12.50%
Terminal value growth rate	**6.00%**	6.00%
Budgeted EBITDA growth rate	**15% - 20%**	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 2019 the estimated recoverable amount of the CGU exceeded its carrying amount and accordingly, no impairment was recognised.

As at 31 March 2018, an impairment loss of ₹ 246.92 lakhs is recognised in relation to goodwill allocated to Sanket Metropolis Health Services (India) Private Limited of ₹ 216.92 lakhs and Metropolis Healthcare (Jodhpur) Private Limited of ₹ 30.00 lakhs. The Loss is mainly on account of uncontrollable adverse local market conditions which has diluted the credit worthiness of the CGUs (Refer Note 35)

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 INVESTMENTS

(All amounts in Indian ₹ Lakhs unless otherwise stated)

	31 March 2019	31 March 2018
Investment in subsidiaries		
Unquoted equity shares at cost		
Desai Metropolis Health Services Private Limited 1,00,000 (31 March 2018: 81,600) Equity shares of Face value of Indian ₹ 100 each (Fully paid up)	**4,210.30**	1,166.66
Sudharma Metropolis Health Services Private Limited 1,350 (31 March 2018: 1,215) Equity shares of Face value of Indian ₹ 5,000 each (Fully paid up)	**1,678.03**	358.02
R.V.Metropolis Diagnostics & Health Care Center Private Limited 3,375 (31 March 2018: 2,590) Equity shares of Face value of Indian ₹ 100 each (Fully Paid up)	**2,461.24**	280.80
Dr. Patel Metropolis Healthcare Private Limited 50,000 (31 March 2018: 35,000) Equity shares of Face value of Indian ₹ 10 each (Fully Paid up)	**1,512.57**	98.70
Micron Metropolis Healthcare Private Limited 1,00,000 (31 March 2018: 85,000) Equity shares of Face value of Indian ₹ 10 each (Fully Paid up)	**799.52**	331.89
Ekopath Metropolis Lab Services Private Limited 3,06,000 (31 March 2018: 3,06,000) Equity shares of Face value of Indian ₹ 10 each (Fully Paid up)	**30.60**	30.60
Metropolis Healthcare Mauritius Limited 225,100 (31 March 2018: 225,100) Equity shares of Face value of USD 1 each (Fully Paid up)	**127.49**	127.49
Amin's Pathology Laboratory Private Limited 1,00,000 (31 March 2018: 1,00,000) Equity shares of Face value of Indian ₹ 10 each (Fully Paid up)	**10.00**	10.00
Raj Metropolis Healthcare Services Private Limited 9,256 (31 March 2018: 9,256) Equity shares of Face value of Indian ₹ 10 each (Fully Paid up) (Refer Note 41)(v))	**35.70**	35.70
Bokil Golwilkar Metropolis Healthcare Private Limited 10,10,000 (31 March 2018: 767,000) Equity shares of Face value of Indian Rupees 10 each (Fully paid up) (Refer Note 41)(v))	**483.73**	76.76
Lab One Metropolis Healthcare Services Private Limited 1,33,000 (31 March 2018: 67,830) Equity shares of Face value of Indian ₹ 100 each (Fully Paid up)	**1,442.14**	346.14
Metropolis Healthcare Lanka Pvt. Ltd, Sri Lanka 250,000 (31 March 2018: 250,000) Equity shares of Face value of Sri Lankan Rupee 10 each (Fully paid up) (Refer Note 56)	**11.04**	11.04
Total Investment in subsidiaries (A)	**12,802.36**	2,873.80
Investment in joint ventures		
Unquoted equity shares at cost		
Metropolis Histoxpert Digital Services Private Limited 1,950,000 (31 March 2018: 6500) Equity shares of Face value of Indian ₹ 10 each (Fully paid up)	**195.00**	0.65
Total Investment in joint ventures (B)	**195.00**	0.65
Investment in Associates		
Unquoted equity shares at cost		
Star Metropolis Health Services Middle East LLC, Dubai 1,020 (31 March 2018 1,020) Equity shares of Face value of AED of 1,000 each (Fully Paid up) (Refer Note 53)	**129.85**	129.85

Notes to the Standalone financial statements for the year ended 31 March 2019 (Contd.)

(All amounts in Indian ₹ Lakhs unless otherwise stated)

	31 March 2019	31 March 2018
Investment in Associates	**129.85**	129.85
Less : Provision for impairment	**(129.85)**	(129.85)
Total Investment in associates (C)	**-**	-
Investments in subsidiaries, joint ventures & associates (A+B+C)	**12,997.36**	2,874.45
Investment in Others		
Unquoted equity shares at Fair Value through other comprehensive income		
Textiles Traders Co-op Bank Ltd 1,100 (31 March 2018: 1,100) equity shares of Face value Indian ₹ 25 each (fully paid up)	**0.28**	0.28
Centre for Digestive and Kidney Disease (India) Private Limited 1,750,000 (31 March 2018: 1,750,000) Equity shares of Face value of Indian ₹ 10 each (Fully Paid up)	**175.00**	175.00
Total Investment in Others (D)	**175.28**	175.28
Total value of investments	**13,172.64**	3,049.73
The aggregate amount and market value of quoted and unquoted non-current investments are as follows:		
Aggregate amount of quoted investments	**-**	-
Aggregate market value of quoted investments	**-**	-
Aggregate amount of unquoted investments	**13,172.64**	3,049.73
Aggregate amount of impairment in value of investments	**129.85**	129.85

6 NON CURRENT LOANS

(All amounts in Indian ₹ Lakhs unless otherwise stated)

	31 March 2019	31 March 2018
(Unsecured,considered good)		
Security deposits	**261.95**	140.35
Loans to related parties (Refer Note 40)	**75.86**	118.33
	337.81	258.68
(Unsecured,considered doubtful)		
Security deposits		
- significant increase in credit risk	**-**	-
- credit impaired	**41.26**	41.26
	41.26	41.26
Less : Provision for deposits which are credit impaired	**(41.26)**	(41.26)
	337.81	258.68

7 DERIVATIVES

(All amounts in Indian ₹ Lakhs unless otherwise stated)

	31 March 2019	31 March 2018
Call options on shares of subsidiary*	**83.25**	1,877.77
	83.25	1,877.77

*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.

During the year ended 31 March 2019, Company has exercised call options in respect of rights to acquire balance shares from non-controlling interests (Refer Note 51(a))

8 OTHER NON CURRENT FINANCIAL ASSETS

(All amounts in Indian ₹ Lakhs unless otherwise stated)

	31 March 2019	31 March 2018
Fixed Deposits with banks^	**1,007.90**	820.25
	1,007.90	820.25

^ Includes ₹ 1,007.90 Lakhs (31 March 2018 ₹ 820.25 Lakhs) of fixed deposits pledged against bank guarantee

9 OTHER NON-CURRENT ASSETS

(All amounts in Indian ₹ Lakhs unless otherwise stated)

	31 March 2019	31 March 2018
Unsecured considered good unless otherwise stated		
Capital advance	**92.49**	156.15
Prepaid expenses	**16.70**	17.13
	109.19	173.28

10 NON-CURRENT TAX ASSETS (NET)

(All amounts in Indian ₹ Lakhs unless otherwise stated)

	31 March 2019	31 March 2018
Advance taxes (net of provision for taxes ₹ 13,080.00 Lakhs (31 March 2018 ₹ 6,802.68 Lakhs)	**679.31**	130.78
	679.31	130.78

11 INVENTORIES

(All amounts in Indian ₹ Lakhs unless otherwise stated)

	31 March 2019	31 March 2018
(valued at lower of cost and net realisable value)		
Raw materials	**1,964.80**	1,495.51
(Reagents, chemicals, diagnostic kits, medicines and consumables)		
	1,964.80	1,495.51

12 CURRENT INVESTMENTS

(All amounts in Indian ₹ Lakhs unless otherwise stated)

	31 March 2019	31 March 2018
(Non-trade, Unquoted, at Fair Value Through Profit and Loss)		
Investments in mutual funds		
BSL Cash Manager Growth Plan Nil (31 March 2018 -16,484) Units of Face Value ₹ 100 each	**-**	68.83
IDFC - DBF Regular Plan Nil (31 March 2018 - 591,300) Units of Face Value ₹ 17 each	**-**	122.05

Notes to the Standalone financial statements for the year ended 31 March 2019 (Contd.)

(All amounts in Indian ₹ Lakhs unless otherwise stated)

	31 March 2019	31 March 2018
Franklin India US Bond Fund DDR Nil (31 March 2018 - 1,040,585) Units of Face Value ₹ 10 each	-	104.87
HDFC - Cash Mgmt Treasury Advantage Plan Daily Dividend Nil (31 March 2018 - 573,598) Units of Face Value ₹ 10 each	-	209.86
Kotak - Liquid Plan DDR Nil (31 March 2018 : 6170) Units of Face Value ₹ 1000 each	-	75.45
ICICI P Flexible Income plan Growth Nil (31 March 2018 : 1,29,988) Units of Face Value ₹ 100 each	-	75.47
ICICI P Flexible Income plan Nil (31 March 2018 : 71,339) Units of Face Value ₹ 100 each	-	433.27
L&T FMP Series 10 - Plan S (1500 Days) Growth- Nil (31 March 2018 : 500,102) Units of Face Value ₹ 10 each	-	68.87
Tata Fixed Maturity Plan Series 47 Scheme C - Plan A Nil (31 March 2018 : 500,099) Units of Face Value ₹ 10 each	-	68.96
Birla SL - ST Opportunities Fund Reg (G) Nil (31 March 2018 : 213,422) Units of Face Value ₹ 10 each	-	61.58
IDFC Super Saver Income Fund-Medium Term Plan Nil (31 March 2018 : 242,992) Units of Face Value ₹ 10 each	-	70.68
ICICI Prudential Short-term Plan Nil (31 March 2018: 203,987) Units of Face Value ₹ 10 each	-	73.87
L&T Short-term Income Fund Nil (31 March 2018: 399,939) Units of Face Value ₹ 10 each	-	74.70
Franklin STIF GR (G) Nil (31 March 2018: 1,691) Units of Face Value ₹ 1000 each	-	62.08
Templeton India Short-term Income Plan Nil (31 March 2018: 486) Units of Face Value ₹ 1000 each	-	17.82
Kotak - Treasury Advantage Fund (DD) Nil (31 March 2018: 15,89,461) Units of Face Value ₹ 10 each	-	160.21
UTI-Money Market Fund Ins Plan Nil (31 March 2018 - 589) Units of Face Value ₹ 10 each	-	11.42
L&T - Ultra STF (DD) Reinvestment Nil (31 March 2018: 15,46,520) Units of Face Value ₹ 10 each	-	158.71
SBI - Ultra ST Debt Fund Reg (DD) Nil (31 March 2018: 15,582) Units of Face Value ₹ 1000 each	-	157.06
IDFC - Ultra Short Term Fund Reg (DD) Nil (31 March 2018: 20,87,176) Units of Face Value ₹ 10 each	-	210.32
BNP Paribas Flexi Debt Fund - Growth Nil (31 March 2018 - 724,794) Units of Face Value ₹ 10 each	-	214.97
Tata - Floater Fund Reg (DD) Nil (31 March 2018: 26,360) Units of Face Value ₹ 1000 each	-	264.68
	-	2,765.73
Unquoted at Fair Value through Other Comprehensive Income		
i) Investments in Non-convertible debentures		
IndoStar Capital Finance Limited Nil (31 March 2018 - 100) Units of Face Value ₹ 10,00,000 each	-	1,004.33
Ashirvad Micro Finance Limited Nil (31 March 2018 - 100) Units of Face Value ₹ 10,00,000 each	-	1,005.95
ii) Investments in Commercial Papers		
Reliance Securities Limited Nil (31 March 2018 - 200) Units of Face Value ₹ 5,00,000 each	-	989.69

Notes to the Standalone financial statements for the year ended 31 March 2019 (Contd.)

(All amounts in Indian ₹ Lakhs unless otherwise stated)

	31 March 2019	31 March 2018
Unquoted at Fair Value through Other Comprehensive Income		
Infrastructure Leasing & Financial Services Limited ** 100 (31 March 2018 - Nil) Units of Face Value ₹ 5,00,000 each	**480.68**	-
Kotak Mahindra Securities Limited Nil (31 March 2018 - 200) Units of Face Value ₹ 5,00,000 each	**-**	985.96
	480.68	3,985.93
Less : Provision for impairment **	**(144.20)**	-
	336.48	6,751.66
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**	6,751.66
Aggregate amount of impairment in value of investments	**144.20**	-

13 TRADE RECEIVABLES

(All amounts in Indian ₹ Lakhs unless otherwise stated)

	31 March 2019	31 March 2018
Unsecured, considered good*	**11,826.56**	8,180.69
Unsecured - significant increase in credit risk	**-**	-
Unsecured - credit impaired*	**1,869.38**	1,529.06
	13,695.94	9,709.75
Less: Provision for debts having significant increase in credit risk	**-**	-
Less: Provision for debts which are credit impaired	**(1,869.38)**	(1,529.06)
	11,826.56	8,180.69

* Includes amount receivable from related parties - Refer Note 40

14(a) CASH AND CASH EQUIVALENTS

(All amounts in Indian ₹ Lakhs unless otherwise stated)

	31 March 2019	31 March 2018
Balances with banks		
- in current accounts	**743.90**	1,870.03
- in EEFC account	**0.62**	142.63
- in fixed deposits accounts with maturity within 3 months	**-**	0.71
Cash on hand	**135.31**	55.71
	879.83	2,069.08

14(b) BANK BALANCES OTHER THAN CASH AND CASH EQUIVALENTS

(All amounts in Indian ₹ Lakhs unless otherwise stated)

	31 March 2019	31 March 2018
Fixed deposits with original maturity of more than 3 months but less than 12 months of reporting date *^	**1,700.26**	892.63
	1,700.26	892.63

* Includes ₹ 940.88 Lakhs (31 March 2018 ₹ 133.25 Lakhs) fixed deposits pledged against bank guarantee

^ Includes ₹ 759.38 Lakhs (31 March 2018 ₹ 759.38 Lakhs) fixed deposits under lien

Notes to the Standalone financial statements for the year ended 31 March 2019 (Contd.)

15 CURRENT LOANS

(All amounts in Indian ₹ Lakhs unless otherwise stated)

	31 March 2019	31 March 2018
(Unsecured, considered good)		
Security deposits	**1,180.64**	784.02
Loans to related parties (Refer Note 40)	**974.82**	1,019.57
Advances to related parties (Refer Note 40)	**257.74**	252.82
Other advances	**-**	5.45
	2,413.20	2,061.86
(Unsecured, considered doubtful)		
Advances to related parties (Refer Note 40)		
- credit impaired	**86.35**	86.35
	86.35	86.35
Less : Provision for advances which are credit impaired	**(86.35)**	(86.35)
	2,413.20	2,061.86

16 OTHER CURRENT FINANCIAL ASSETS

(All amounts in Indian ₹ Lakhs unless otherwise stated)

	31 March 2019	31 March 2018
(Unsecured, considered good)		
Other receivables *	**779.28**	-
Interest accrued but not due		
- From related party	**116.04**	98.73
- From bank deposits	**4.25**	2.77
- On investments	**-**	95.01
	899.57	196.51

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

17 OTHER CURRENT ASSETS

(All amounts in Indian ₹ Lakhs unless otherwise stated)

	31 March 2019	31 March 2018
(Unsecured, considered good)		
Prepaid Expenses	**276.06**	225.04
Advance to employees	**62.13**	32.54
Advance to Suppliers	**86.14**	89.96
Other advances	**61.26**	21.66
	485.59	369.20
(Unsecured, considered doubtful)		
Advance to employees	**3.90**	-
Advance to Suppliers	**14.62**	15.78
Other advances	**62.71**	65.45
	81.23	81.23
Less : Provision for doubtful advances	**(81.23)**	(81.23)
	485.59	369.20

18 EQUITY SHARE CAPITAL

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

(All amounts in Indian ₹ Lakhs unless otherwise stated)

	31 March 2019		31 March 2018	
	Number	**Amount**	**Number**	**Amount**
Authorised Capital *				
Equity shares of the par value of ₹ 2 each (31 March 2018 par value of ₹ 10 each)	**29,57,54,015**	**5,915.08**	5,50,00,000	5,500.00
Issued, Subscribed and fully Paid up				
Equity Shares of the par value ₹ 2/- each (31 March 2018 par value of ₹ 10 each)	**5,01,78,680**	**1,003.57**	95,43,646	954.36
(* refer note (h) below)	**5,01,78,680**	**1,003.57**	95,43,646	954.36

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

(All amounts in Indian ₹ Lakhs unless otherwise stated)

	31 March 2019		31 March 2018	
	Number	**Amount**	**Number**	**Amount**
Equity Shares outstanding at the beginning	**95,43,646**	**954.36**	95,43,646	954.36
Issued under Metropolis Employee Stock Option Scheme 2007 (Refer Note 48(c))	**32,800**	**3.28**	-	-
Issued on exercise of share warrants (Refer Note 54)	**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	**1,00,35,736**	**1,003.57**	95,43,646	954.36
Adjustment for Sub-Division of Equity Shares (Refer below note(g))	**4,01,42,944**	**-**		
Shares outstanding at the end of the year	**5,01,78,680**	**1,003.57**	95,43,646	954.36

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

(All amounts in Indian ₹ Lakhs unless otherwise stated)

Name of Shareholder	31 March 2019		31 March 2018	
	Number*	**Percentage**	**Number**	**Percentage**
Dr. Sushil Kanubhai Shah ^ #	**99,97,590**	**19.92%**	32,90,700	34.48%
CA Lotus Investments	**1,56,53,435**	**31.20%**	30,10,276	31.54%
Bacchus Hospitality and Services Real Estate Private Limited	**-**	**-**	26,57,730	27.85%
Metz Advisory LLP ##	**1,46,30,125**	**29.16%**	-	-
Dr. Duru Sushil Shah	**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

* Number of equity shares as on 31 March 2019 are after adjusting bonus shares issued and sub-division of equity shares during year ended 31 March 2019.

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 the Standalone financial statements for the year ended 31 March 2019 (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 spilt with face value of ₹ 10 each) bonus shares during the year ended 31 March 2019

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

- During the year ended 31 March 2019, 64,596 shares (before split with face value of ₹ 10 each) have been allotted as consideration for swap of shares with the shareholders of subsidiary companies on acquisition of further stake (Refer Note 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

(All amounts in Indian ₹ Lakhs unless otherwise stated)

	31 March 2019 *	31 March 2018
Declared during the year		
Interim dividend for 2018-19: ₹ 15.99 per equity share (including dividend distribution tax of ₹ 2.73 per equity share) (FY 2017-18: Nil)	8,021.38	-
	8,021.38	-

* dividend distribution tax of ₹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 (Authorised, 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 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;

Notes to the Standalone financial statements for the year ended 31 March 2019 (Contd.)

(All amounts in Indian ₹ Lakhs unless otherwise stated)

	31 March 2019		31 March 2018	
	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**	-	-
(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**	-	-
(vi) Metropolis Healthcare Limited	**5,50,00,000**	**5,500.00**	5,50,00,000	5,500.00
	5,91,50,803	**5,915.08**	5,50,00,000	5,500.00
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**	5,50,00,000	5,500.00

19 OTHER EQUITY

(All amounts in Indian ₹ Lakhs unless otherwise stated)

	31 March 2019	31 March 2018
Fully convertible share warrants (Refer Note 54)	**-**	0.20
Securities Premium	**8,700.73**	5,826.41
General Reserve	**1,684.07**	1,684.07
Capital redemption reserve	**-**	32.05
Employee stock options reserve	**258.78**	170.34
Retained Earnings	**29,893.25**	27,735.50
Debt instruments through Other Comprehensive income	**-**	0.27
	40,536.83	35,448.84
Securities Premium		
Balance at the beginning of the year	**5,826.41**	5,826.41
Utilised during the 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 (Refer Note 48(c))	**29.52**	-
Share warrants exercised during the year (Refer Note 54)	**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	**8,700.73**	5,826.41

*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

	31 March 2019	31 March 2018
General Reserve		
Balance at the beginning and end of the year	**1,684.07**	1,684.07
Capital Redemption Reserve		
Balance at the beginning of the year	**32.05**	32.05
Utilised on issue of bonus shares	**(32.05)**	-
Balance at the end of the year	**-**	32.05

Notes to the Standalone financial statements for the year ended 31 March 2019 (Contd.)

(All amounts in Indian ₹ Lakhs unless otherwise stated)

	31 March 2019	31 March 2018
Employee stock options reserve		
Balance at the beginning of the year	**170.34**	4.33
Share based payments (Refer Note 32)	**88.44**	166.01
Balance at the end of the year	**258.78**	170.34
Retained Earnings		
Balance at the beginning of the year	**27,735.50**	18,159.61
Add: Transferred from the statement of profit and loss	**10,145.70**	9,575.92
Less: Interim Dividend	**(6,653.69)**	-
Less: Tax on Interim dividend	**(1,367.69)**	-
Remeasurement of defined benefit plan (net of tax)	**33.43**	(0.03)
Balance at the end of the year	**29,893.25**	27,735.50
Debt instruments through Other Comprehensive income		
Balance at the beginning of the year	**0.27**	-
Transfer to statement of profit and loss	**(0.27)**	0.27
Balance at the end of the year	**-**	0.27

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 48(c))

Retained Earnings

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

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 the Standalone financial statements for the year ended 31 March 2019 (Contd.)

20 OTHER NON-CURRENT FINANCIAL LIABILITIES

(All amounts in Indian ₹ Lakhs unless otherwise stated)

	31 March 2019	31 March 2018
Deferred purchase consideration payable (Refer Note 51(b))	**208.89**	243.07
	208.89	243.07

21 NON-CURRENT PROVISIONS

(All amounts in Indian ₹ Lakhs unless otherwise stated)

	31 March 2019	31 March 2018
Provision for employee benefits:		
- Gratuity (Refer Note 48(a))	**233.31**	272.50
	233.31	272.50

22 CURRENT BORROWINGS

(All amounts in Indian ₹ Lakhs unless otherwise stated)

	31 March 2019	31 March 2018
Secured loan from bank (Refer Note below)	**1,734.47**	-
	1,734.47	-

Company has availed cash credit facility from HDFC Bank Limited, which is secured by charge over stock in trade and book debts of the Company and interest is chargeable as approved by HDFC Bank Limited (which is currently 9.75%).

23 TRADE PAYABLES

(All amounts in Indian ₹ Lakhs unless otherwise stated)

	31 March 2019	31 March 2018
Total outstanding dues of micro and small enterprises (Refer Note 47)	**1.78**	-
Total outstanding dues of creditors other than micro and small enterprises*	**3,603.16**	2,651.70
	3,604.94	2,651.70

* Includes amount payable to related parties - Refer Note 40

Notes to the Standalone financial statements for the year ended 31 March 2019 (Contd.)

24 OTHER CURRENT FINANCIAL LIABILITIES

(All amounts in Indian ₹ Lakhs unless otherwise stated)

	31 March 2019	31 March 2018
Employee related dues	**1,115.82**	1,116.36
Payable towards purchase of property, plant and equipment	**778.79**	60.89
Payable towards acquisition of business (Refer Note 51 (b))	**625.04**	679.85
Security deposits	**69.25**	103.22
Accrued expenses	**668.18**	637.38
	3,257.08	2,597.70

25 OTHER CURRENT LIABILITIES

(All amounts in Indian ₹ Lakhs unless otherwise stated)

	31 March 2019	31 March 2018
Advance from customers	**355.11**	262.46
Statutory dues*	**313.23**	305.56
	668.34	568.02

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

26 CURRENT PROVISIONS

(All amounts in Indian ₹ Lakhs unless otherwise stated)

	31 March 2019	31 March 2018
Provision for employee benefits:		
- Gratuity (Refer Note 48(a))	**327.30**	260.43
- Compensated absences	**27.67**	35.29
	354.97	295.72

27 CURRENT TAX LIABILITIES (NET)

(All amounts in Indian ₹ Lakhs unless otherwise stated)

	31 March 2019	31 March 2018
Provision for taxation (net of advance tax - ₹ 8,129.51 Lakhs (31 March 2018 ₹ 9,849.38 Lakhs)	**562.63**	472.68
	562.63	472.68

28 REVENUE FROM OPERATIONS

(All amounts in Indian ₹ Lakhs unless otherwise stated)

	31 March 2019	31 March 2018
Service Income (Refer Note 46)	**58,019.89**	48,267.13
Other Operating revenue		
Sundry balances written back (net)	**100.92**	228.10
	58,120.81	48,495.23

29 OTHER INCOME

(All amounts in Indian ₹ Lakhs unless otherwise stated)

	31 March 2019	31 March 2018
Interest		
- from banks	**66.67**	31.68
- from related parties (Refer Note 40)	**68.27**	67.28
- on income tax refund	**1.62**	3.63
- on investments	**134.77**	90.42
- others	**17.85**	18.24
Dividend		
- from mutual fund	**49.64**	113.79
- from related parties (Refer Note 40)	**1,400.00**	964.39
Fair value gain on mutual funds measured at FVTPL	**114.93**	249.59
Fair value gain on derivate assets measured at FVTPL	**46.83**	12.72
Foreign exchange gain (net)	**145.66**	-
Miscellaneous income	**6.08**	11.51
	2,052.32	1,563.25

30 COST OF MATERIALS CONSUMED

(All amounts in Indian ₹ Lakhs unless otherwise stated)

	31 March 2019	31 March 2018
Opening stock (Refer Note 11)	**1,495.51**	990.03
Add: Purchases	**14,376.93**	11,669.01
	15,872.44	12,659.04
Less: Closing stock (Refer Note 11)	**1,964.80**	1,495.51
	13,907.64	11,163.53

31 LABORATORY TESTING CHARGES

(All amounts in Indian ₹ Lakhs unless otherwise stated)

	31 March 2019	31 March 2018
Laboratory testing charges	**469.16**	372.73
	469.16	372.73

Notes to the Standalone financial statements for the year ended 31 March 2019 (Contd.)

32 EMPLOYEE BENEFITS EXPENSE

(All amounts in Indian ₹ Lakhs unless otherwise stated)

	31 March 2019	31 March 2018
Salaries, wages and bonus	**12,000.17**	9,545.52
Gratuity expenses (Refer Note 48(a))	**119.40**	129.06
Contribution to provident and other funds (Refer Note 48(b))	**612.56**	516.76
Share based payment expenses (Refer Note 48(c))*	**443.89**	166.01
Staff welfare expenses	**518.65**	615.14
	13,694.67	10,972.49

*During the 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.

33 FINANCE COSTS

(All amounts in Indian ₹ Lakhs unless otherwise stated)

	31 March 2019	31 March 2018
Interest on short term borrowing	**11.70**	0.37
Interest on deferred purchase consideration measured at amortised cost (Refer Note 51(b))	**40.13**	115.60
	51.83	115.97

34 DEPRECIATION AND AMORTISATION EXPENSE

(All amounts in Indian ₹ Lakhs unless otherwise stated)

	31 March 2019	31 March 2018
Depreciation of property, plant and equipment (Refer Note 3)	**1,207.47**	1,178.85
Amortisation of intangible assets (Refer Note 4)	**336.10**	218.09
	1,543.57	1,396.94

35 OTHER EXPENSES

(All amounts in Indian ₹ Lakhs unless otherwise stated)

	31 March 2019	31 March 2018
Accreditation expenses	**80.27**	83.80
Laboratory expenses	**75.43**	72.76
Electricity and water	**744.37**	675.99
Rent (Refer Note 45)	**4,368.22**	3,097.72
Repairs and maintenance		
- Buildings	**61.56**	26.98
- Plant and equipment	**618.18**	491.72
- Others	**210.01**	382.09
Insurance	**103.57**	79.94
Rates and taxes	**782.96**	638.09
Payments to auditors (Refer Note 44)	**69.79**	62.07
Foreign exchange loss (net)	**-**	4.74
Legal and professional	**2,107.66**	2,405.54
Expenses on account of merger	**131.00**	-
Travelling and conveyance	**860.73**	720.96
Printing and stationery	**468.94**	402.52
Provision for bad and doubtful debts (net)	**340.32**	197.95
Provision for impairment of current investments	**144.20**	-
Provision for doubtful advances (net)	**-**	1.11
Credit impaired trade receivables written off	**-**	54.45
Postage and courier	**1,964.91**	863.65
Communication	**305.19**	286.32
Advertisement and sales promotion expenses	**1,163.35**	932.79
Facility maintenance charges	**296.94**	201.48
Corporate social responsibility expenses (Refer Note 50)	**79.45**	64.10
Directors' sitting fee (Refer Note 40)	**41.40**	18.70
Fair value loss on derivate assets measured at FVTPL	**-**	0.19
Loss on sale of Non-current investment (Refer Note 52)	**-**	73.28
Bank charges	**284.67**	171.67
Loss on impairment of Goodwill (Refer Note 4)	**-**	246.92
Loss on sale of debt instrument measured at FVOCI	**3.79**	-
Miscellaneous expenses	**280.42**	252.84
	15,587.33	12,510.37

Notes to the Standalone financial statements for the year ended 31 March 2019 (Contd.)

36 INCOME TAXES

Tax expense

(a) Amounts recognised in statement of profit and loss

(All amounts in Indian ₹ Lakhs unless otherwise stated)

	31 March 2019	31 March 2018
Current tax expense		
Current year	**4,717.00**	4,230.00
Tax adjustments for earlier year	**-**	6.51
	4,717.00	4,236.51
Deferred tax expense		
Relating to addition and (reversal) of temporary differences	**56.23**	(276.57)
Relating to change in tax rate*	**-**	(9.41)
	56.23	(285.98)
Tax expense for the year	**4,773.23**	3,950.53

* Effective Income tax rate applicable to the Company for FY 2018-19 has changed on account of increase in health and education cess rate from 3% to 4% w.e.f. 1 April 2018. as per Finance Act, 2018. Accordingly the deferred tax rate applicable for FY 2017-18 has been changed.

(b) Tax charge recognised directly to Other Comprehensive Income

(All amounts in Indian ₹ Lakhs unless otherwise stated)

	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**
Items that will subsequently be reclassified to profit or loss			
Fair valuation of debt instruments measured at FVOCI	**-**	**-**	**-**
	51.39	**(17.96)**	**33.43**

(All amounts in Indian ₹ Lakhs unless otherwise stated)

	31 March 2018		
	Before tax	Tax (expense) benefit	Net of tax
Items that will not be reclassified to profit or loss			
Remeasurements of the defined benefit plans	0.58	(0.61)	(0.03)
Items that will subsequently be reclassified to profit or loss			
Debt instruments through Other Comprehensive Income	0.41	(0.14)	0.27
	0.99	(0.75)	0.24

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

(All amounts in Indian ₹ Lakhs unless otherwise stated)

	31 March 2019	31 March 2018
Profit before tax	**14,918.93**	13,526.45
Statutory income tax rate	**34.94%**	34.61%
Expected income tax expense	**5,213.27**	4,681.23
Tax effect of adjustments to reconcile expected Income Tax Expense to reported Income Tax Expense:		
Expenses not allowed under Income tax	**47.15**	130.88
Dividend Income (Exempt Income)	**(506.56)**	(369.57)
(Gain) due to indexation benefit	**(12.91)**	(100.11)
Deferred tax not created on losses and certain other items	**-**	20.12
Change in tax rate of merged subsidiary companies	**-**	(57.30)
Effects of expenses that are not deductible in determining taxable profits	**-**	(94.32)
Others	**32.28**	(260.40)
Total income tax expense	**4,773.23**	3,950.53
Total tax expense as per statement of profit and loss	**4,773.23**	3,950.53

(d) Movement in deferred tax balances

As at 31 March 2019

(All amounts in Indian ₹ Lakhs unless otherwise stated)

	Net balance 1 April 2018	Recognised in profit or loss	Recognised in OCI	Net deferred tax asset/ (liability)	Deferred tax asset	Deferred tax (liability)
Deferred tax liability						
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)**
Set off tax						
Net Tax Assets (Liabilities)	**(524.97)**	**(56.23)**	**(17.96)**	**(599.15)**	**1,080.95**	**(1,680.10)**

Notes to the Standalone financial statements for the year ended 31 March 2019 (Contd.)

As at 31 March 2018

(All amounts in Indian ₹ Lakhs unless otherwise stated)

	Net balance 1 April 2017	Recognised in profit or loss	Recognised in OCI	Net deferred tax asset/ (liability)	Deferred tax asset	Deferred tax (liability)
Deferred tax liability						
Property, plant, equipment and intangibles	(940.44)	13.58	-	(926.86)	-	(926.86)
Current investments	(163.90)	120.70	(0.14)	(43.34)	-	(43.34)
Fair valuation of call options	(371.50)	(2.52)	-	(374.02)	-	(374.02)
Others	(73.90)	74.39	-	0.49	0.49	-
Deferred tax asset						
Provision for bad and doubtful debts	540.54	2.09	-	542.63	542.63	-
Employee Share based payments	1.50	58.02	-	59.52	59.52	-
Provision for employee benefits	197.50	19.72	(0.61)	216.61	216.61	-
Tax assets (liabilities)	**(810.20)**	**285.98**	**(0.75)**	**(524.97)**	**819.25**	**(1,344.22)**
Set off tax						
Net Tax Assets (Liabilities)	**(810.20)**	**285.98**	**(0.75)**	**(524.97)**	**819.25**	**(1,344.22)**

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.

(e) Tax losses carried forward

Deferred tax assets are recognised to the extent that it is probable that taxable profit will be available against which the deductible temporary differences, carry forward of unabsorbed depreciation and tax losses can be utilised. Accordingly, in view of uncertainty, Deferred tax assets have not been recognised in respect of the following items, because it is not probable that future capital gains profit will be available against which the Company can use the benefits therefrom.

(All amounts in Indian ₹ Lakhs unless otherwise stated)

	31 March 2019		31 March 2018	
	Gross amount	Expiry date	Gross amount	Expiry date
Long term Capital loss	**4.31**	31 March 2022	4.31	31 March 2022
	6.96	31 March 2023	6.96	31 March 2023
Total	**11.27**		11.27	

(All amounts in Indian ₹ Lakhs unless otherwise stated)

	31 March 2019		31 March 2018	
	Gross amount	Expiry date	Gross amount	Expiry date
Business loss	**1.84**	31 March 2022	3.24	31 March 2022
	25.13	31 March 2023	25.13	31 March 2023
	78.47	31 March 2024	78.47	31 March 2024
	141.68	31 March 2025	141.68	31 March 2025
	77.29	31 March 2026	77.44	31 March 2026
	67.52	31 March 2027	41.47	31 March 2027
Total	**391.93**		367.43	

(All amounts in Indian ₹ Lakhs unless otherwise stated)

	31 March 2019		31 March 2018	
	Gross amount	Expiry date	Gross amount	Expiry date
Unabsorbed Depreciation	**11.95**	Untill fully abosrbed	11.95	Untill fully abosrbed
	15.28	Untill fully abosrbed	15.28	Untill fully abosrbed
	31.54	Untill fully abosrbed	31.54	Untill fully abosrbed
	31.48	Untill fully abosrbed	31.48	Untill fully abosrbed
	29.72	Untill fully abosrbed	29.72	Untill fully abosrbed
	21.60	Untill fully abosrbed	21.60	Untill fully abosrbed
	10.05	Untill fully abosrbed	10.05	Untill fully abosrbed
Total	**151.62**		151.62	

(All amounts in Indian ₹ Lakhs unless otherwise stated)

	31 March 2019		31 March 2018	
	Gross amount	Expiry date	Gross amount	Expiry date
short term Capital loss	**11.26**	31 March 2023	11.26	31 March 2023
	10.32	31 March 2026	10.32	31 March 2026
Total	**21.58**		21.58	

37 EARNINGS PER SHARE (EPS)

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

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

(All amounts in Indian ₹ Lakhs unless otherwise stated)

		31 March 2019	31 March 2018
i.	**Profit attributable to equity holders (₹ in Lakhs)**		
	Profit attributable to equity holders for basic and diluted EPS	**10,145.70**	9,575.92
		10,145.70	9,575.92
ii.	**Weighted average number of shares for calculating basic EPS**	**4,99,30,454**	4,96,26,960
iii.	**Effect of dilution**		
	Share options and warrants *	**99,432**	2,81,965
	Weighted average number of shares for calculating diluted EPS	**5,00,29,886**	4,99,08,925
iv.	**Basic earnings per share (₹)**	**20.32**	19.30
v.	**Diluted earnings per share (₹)**	**20.28**	19.19

* Following share options and share warrants were excluded from the calculation of diluted weighted average number of equity shares as their effect is anti-dilutive:

For the year ended 31 March 2018 - 10,80,400 share options

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 (Authorised, 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.

Notes to the Standalone financial statements for the year ended 31 March 2019 (Contd.)

38 FINANCIAL INSTRUMENTS – FAIR VALUES

A. Accounting classification and fair values

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

(All amounts in Indian ₹ Lakhs unless otherwise stated)

	As at 31 March 2019							
	Carrying amount				Fair value			
	FVTPL	FVOCI	Amortised Cost	Total	Level 1	Level 2	Level 3	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**
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**		**-**		**-**

Notes to the Standalone financial statements for the year ended 31 March 2019 (Contd.)

(All amounts in Indian ₹ Lakhs unless otherwise stated)

	As at 31 March 2018							
	Carrying amount				Fair value			
	FVTPL	FVOCI	Amortised Cost	Total	Level 1	Level 2	Level 3	Total
Non Current Financial assets								
"Non-current investments - Equity instruments (other than Subsidiaries, Joint ventures and Associates)**"	-	-	-	-	-	-	-	-
Non-current loans	-	-	258.68	258.68	-	-	-	-
Other non current financial assets	-	-	820.25	820.25	-	-	-	-
Derivative instruments	1,877.77	-	-	1,877.77	-	1,877.77	-	1,877.77
Current Financial assets								
Investment in mutual funds	2,765.73	-	-	2,765.73	-	2,765.73	-	2,765.73
Investment in Commercial Papers	-	1,975.65	-	1,975.65	-	1,975.65	-	1,975.65
Investment in Non-Convertible Debentures	-	2,010.28	-	2,010.28	-	2,010.28	-	2,010.28
Trade receivables	-	-	8,180.69	8,180.69	-	-	-	-
Cash and cash equivalents	-	-	2,069.08	2,069.08	-	-	-	-
Bank Balances other than Cash and cash equivalents	-	-	892.63	892.63	-	-	-	-
Current loans	-	-	2,061.86	2,061.86	-	-	-	-
Other current financial assets	-	-	196.51	196.51	-	-	-	-
	4,643.50	**3,985.93**	**14,479.70**	**23,109.13**	**-**	**8,629.43**	**-**	**8,629.43**
Non Current Financial liabilities								
Other non-current financial liabilities	-	-	243.07	243.07	-	-	-	-
Current Financial liabilities								
Trade payables	-	-	2,651.70	2,651.70	-	-	-	-
Other current financial liabilities	-	-	2,597.70	2,597.70	-	-	-	-
	-	**-**	**5,492.47**	**5,492.47**	**-**	**-**		**-**

**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 2018: ₹ 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.

Notes to the Standalone financial statements for the year ended 31 March 2019 (Contd.)

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
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 liquidity factor.	Not applicable	Not applicable
Investment in Non-Convertible Debentures	The fair value of Non-Convertible Debentures is derived through Stochastic Local Volatility process, where in yield is derived from trade data and pooled levels of similar instruments with similar maturity and credit rating that are traded in secondary market, adjusted by an liquidity factor.	Not applicable	Not applicable
Non current financial assets and liabilities measured at amortised 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

Type	Valuation technique	Significant unobservable inputs	Inter-relationship between significant unobservable inputs and fair value measurement
Desai Metropolis Health Services Private Limited - Call option	The Company has used Black-Scholes model to estimate the fair value of the options. Black-Scholes is a pricing model used to determine the fair price or theoretical value for a call or a put option based on six variables such as volatility, type of option, underlying stock price, time, strike price, and risk-free rate.	March 2019 ₹ Nil March 2018 * Equity value of unlisted company - ₹ 10,896 Lakhs * Volatility in share price of comparable companies - 16.70%	The estimated fair value would increase (decrease) if: • Equity value of unlisted Company increases/ (decreases); or • Increase / (decrease) of volatility in share price of comparable companies. Refer below for impact in P&L (net of tax)
Dr Patel Metropolis Healthcare Private Limited - Call option	The Company has used Black-Scholes model to estimate the fair value of the options. Black-Scholes is a pricing model used to determine the fair price or theoretical value for a call or a put option based on six variables such as volatility, type of option, underlying stock price, time, strike price, and risk-free rate.	March 2019 ₹ Nil March 2018 * Equity value of unlisted Company - ₹ 3,771 Lakhs * Volatility in share price of comparable companies - 17.00%	The estimated fair value would increase (decrease) if: • Equity value of unlisted Company increases/ (decreases); or • Increase / (decrease) of volatility in share price of comparable companies. Refer below for impact in P&L (net of tax)
Micron Metropolis Healthcare Private Limited - Call option	The Company has used Black-Scholes model to estimate the fair value of the options. Black-Scholes is a pricing model used to determine the fair price or theoretical value for a call or a put option based on six variables such as volatility, type of option, underlying stock price, time, strike price, and risk-free rate.	March 2019 ₹ Nil March 2018 * Equity value of unlisted Company - ₹ 2,446 Lakhs * Volatility in share price of comparable companies - 16.70%	The estimated fair value would increase (decrease) if: • Equity value of unlisted Company increases/ (decreases); or • Increase / (decrease) of volatility in share price of comparable companies. Refer below for impact in P&L (net of tax)
Lab One Metropolis Healthcare Services Private Limited - Call option	The Company has used Black-Scholes model to estimate the fair value of the options. Black-Scholes is a pricing model used to determine the fair price or theoretical value for a call or a put option based on six variables such as volatility, type of option, underlying stock price, time, strike price, and risk-free rate.	March 2019 ₹ Nil March 2018 * Equity value of unlisted Company - ₹ 1,257 Lakhs * Volatility in share price of comparable companies - 16.70%	The estimated fair value would increase (decrease) if: • Equity value of unlisted Company increases/ (decreases); or • Increase / (decrease) of volatility in share price of comparable companies. Refer below for impact in P&L (net of tax)

Notes to the Standalone financial statements for the year ended 31 March 2019 (Contd.)

Type	Valuation technique	Significant unobservable inputs	Inter-relationship between significant unobservable inputs and fair value measurement
R.V Metropolis Diagnostic & Healthcare Centre Private Limited - Call option	The Company has used Black-Scholes model to estimate the fair value of the options. Black-Scholes is a pricing model used to determine the fair price or theoretical value for a call or a put option based on six variables such as volatility, type of option, underlying stock price, time, strike price, and risk-free rate.	March 2019 ₹ Nil March 2018 * Equity value of unlisted company - ₹ 4,767 Lakhs * Volatility in share price of comparable companies - 17.00%	The estimated fair value would increase (decrease) if: • Equity value of unlisted Company increases/ (decreases); or • Increase / (decrease) of volatility in share price of comparable companies. Refer below for impact in P&L (net of tax)
Bokil Golwilkar Metropolis Health Services Private Limited - Call option	The Company has used Blacksholes model to estimate the fair value of the options. Black-Scholes is a pricing model used to determine the fair price or theoretical value for a call or a put option based on six variables such as volatility, type of option, underlying stock price, time, strike price, and risk-free rate.	March 2019 ₹ Nil March 2018 * Equity value of unlisted Company - ₹ 1,797.0 Lakhs * Volatility in share price of comparable companies - 17.00%	The estimated fair value would increase (decrease) if: • Equity value of unlisted Company increases/ (decreases); or • increase / (decrease) of volitality in share price of comparable companies.
Ekopath Metropolis Lab Services Private Limited - Call option	The Company has used Black-Scholes model to estimate the fair value of the options. Black-Scholes is a pricing model used to determine the fair price or theoretical value for a call or a put option based on six variables such as volatility, type of option, underlying stock price, time, strike price, and risk-free rate.	March 2019 * Equity value of unlisted Company - ₹ 1,047 Lakhs * Volatility in share price of comparable companies - 17.50% March 2018 * Equity value of unlisted Company - ₹ 585 Lakhs * Volatility in share price of comparable companies - 16.70%	The estimated fair value would increase (decrease) if: • Equity value of unlisted Company increases/ (decreases); or • Increase / (decrease) of volatility in share price of comparable companies. Refer below for impact in P&L (net of tax)
Raj Metropolis Healthcare Private Limited - Call option	The Company has used Black-Scholes model to estimate the fair value of the options. Black-Scholes is a pricing model used to determine the fair price or theoretical value for a call or a put option based on six variables such as volatility, type of option, underlying stock price, time, strike price, and risk-free rate.	March 2019 * Equity value of unlisted Company - ₹ 228 Lakhs * Volatility in share price of comparable companies - 18.40% March 2018 * Equity value of unlisted Company - ₹ 85 Lakhs * Volatility in share price of comparable companies - 17.00%	The estimated fair value would increase (decrease) if: • Equity value of unlisted Company increases/ (decreases); or • increase / (decrease) of volatility in share price of comparable companies. Refer below for impact in P&L (net of tax)

Transfers between Levels

There have been no transfers between levels during the reporting periods

Sensitivity analysis

(All amounts in Indian ₹ Lakhs unless otherwise stated)

	31 March 2019		31 March 2018	
	Impact in P&L (Net of tax)		Impact in P&L (Net of tax)	
	Increase by 10%	Decrease by 10%	Increase by 10%	Decrease by 10%
Call option on shares of subsidiary- Desai Metropolis Health Services Private Limited				
Movement in equity value of unlisted company by 10%	-	-	4.01	(4.65)
Volatility in share price of comparable companies by 10%	-	-	(0.56)	0.52
Call option on shares of subsidiary- Dr. Patel Metropolis Healthcare Private Limited				
Movement in equity value of unlisted company by 10%	-	-	1.17	(1.19)
Volatility in share price of comparable companies by 10%	-	-	(0.02)	0.01
Call option on shares of subsidiary- Lab One Metropolis Healthcare Services Private Limited				
Movement in equity value of unlisted company by 10%	-	-	1.36	(0.70)
Volatility in share price of comparable companies by 10%	-	-	(0.07)	0.06
Call option on shares of subsidiary- Micron Metropolis Healthcare Private Limited				
Movement in equity value of unlisted company by 10%	-	-	0.45	(0.82)
Volatility in share price of comparable companies by 10%	-	-	(0.18)	0.19
Call option on shares of subsidiary- R.V. Metropolis Diagnostic & Healthcare Centre Private Limited				
Movement in equity value of unlisted company by 10%	-	-	(0.11)	0.19
Volatility in share price of comparable companies by 10%	-	-	(0.01)	0.01
Call option on shares of subsidiary- Bokil Golwilkar Metropolis Health Services Private Limited				
Movement in equity value of unlisted company by 10%	-	-	4.10	(4.10)
Volatility in share price of comparable companies by 10%	-	-	(0.24)	0.24
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)**	5.28	(4.12)
Volatility in share price of comparable companies by 10%	**(0.67)**	**0.60**	(0.65)	0.66
Call option on shares of subsidiary- Raj Metropolis Healthcare Private Limited				
Movement in equity value of unlisted company by 10%	**3.24**	**(1.97)**	0.41	(0.28)
Volatility in share price of comparable companies by 10%	**0.32**	**(0.32)**	(0.07)	0.07

Notes to the Standalone financial statements for the year ended 31 March 2019 (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 2018 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.

(All amounts in Indian ₹ Lakhs unless otherwise stated)

	Gross carrying amount	
	31 March 2019	**31 March 2018**
Future dues not impaired		
Not due	**3,366.34**	1,758.58
Past due 0-90 days	**4,006.67**	2,256.76
Past due 91-180 days	**1,647.39**	1,315.53
Past due 181-365 days	**1,393.92**	1,313.99
More than 365 days	**3,281.62**	3,064.89
	13,695.94	9,709.75

The movement in the provision for bad and doubtful debts for the year ended 31 March 2019

(All amounts in Indian ₹ Lakhs unless otherwise stated)

	Amount
Balance as at 1 April 2017	**1,331.11**
Movement during the year	197.95
Balance as at 31 March 2018	**1,529.06**
Movement during the year	340.32
Balance as at 31 March 2019	**1,869.38**

b. Cash and cash equivalents and Other bank balances

The Company held cash and cash equivalents and other bank deposits as at 31 March 2019 ₹ 3,452.68 Lakhs (31 March 2018: ₹ 3,726.25 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 2019 ₹ 1,483.85 Lakhs (31 March 2018 ₹ 965.63 Lakhs). The Company does not expect any losses from non-performance by these counter-parties; The parties which have defaulted in the past is mainly on account of uncontrollable adverse local market conditions which has diluted parties credit worthiness.

The loans and advances majorly pertains to loans to subsidiaries, joint venture and associates. These loans and advances which are outstanding as at 31 March 2019 ₹ 1,308.42 Lakhs (31 March 2018: ₹ 1,390.72 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.

(All amounts in Indian ₹ Lakhs unless otherwise stated)

	Amount
Balance as at 1 April 2017	**207.73**
Movement during the year	1.11
Balance as at 31 March 2018	**208.84**
Movement during the year	-
Balance as at 31 March 2019	**208.84**

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:

(All amounts in Indian ₹ Lakhs unless otherwise stated)

As at 31 March 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**	**-**	**-**	**-**
Total	**8,805.38**	**8,850.70**	**8,588.70**	**242.00**	**20.00**	**-**

(All amounts in Indian ₹ Lakhs unless otherwise stated)

As at 31 March 2018	**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	922.92	984.00	700.00	284.00	-	-
Trade payables	2,651.70	2,651.70	2,651.70	-	-	-
Other current financial liabilities	1,917.85	1,917.85	1,917.85	-	-	-
Total	**5,492.47**	**5,553.55**	**5,269.55**	**284.00**	**-**	**-**

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

Notes to the Standalone financial statements for the year ended 31 March 2019 (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 2019 are as below:

(All amounts in Indian ₹ Lakhs unless otherwise stated)

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**

(All amounts in Indian ₹ Lakhs unless otherwise stated)

31- March-2018	USD	OMR
Financial assets (A)		
Trade and other receivables	845.83	30.62
Loans	811.64	-
Interest receivable	158.19	-
Advance given	6.33	-
Financial liabilities (B)		
Trade and other payables	23.66	-
Net exposure (A - B)	1,798.33	30.62

Sensitivity analysis

A reasonably possible strengthening (weakening) of the Indian Rupee against foreign currencies at 31 March 2019 and 31 March 2018 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.

(All amounts in Indian ₹ Lakhs unless otherwise stated)

Effect in INR	31 March 2019		31 March 2018	
	Strengthening	Weakening	Strengthening	Weakening
3% movement				
USD	**(82.45)**	**82.45**	(53.95)	53.95
OMR	**(0.98)**	**0.98**	(0.92)	0.92
	(83.43)	**83.43**	(54.87)	54.87

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.

(All amounts in Indian ₹ Lakhs unless otherwise stated)

	31 March 2019	31 March 2018
Fixed-rate instruments		
Financial assets	**5,537.91**	7,761.08
Financial liabilities	**(833.93)**	(922.92)
	4,703.98	6,838.16
Variable-rate instruments		
Financial assets	**-**	-
Financial liabilities	**(1,734.47)**	-
	(1,734.47)	-
Total	**2,969.51**	6,838.16

39 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 maximise 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
Mulay Metropolis Healthcare Private Limited (upto 26 September 2017)
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

Category II: Joint Venture:

Metropolis Histoxpert Digital Services Private Limited

Category III: Associates:

Star Metropolis Health Services Middle East LLC, Dubai

Category III: Key Management Personnel (KMP)

Dr. Sushil Kanubhai Shah, Chairman and Executive Director
Ms. Ameera Sushil Shah, Managing Director
Mr Vijender Singh, Chief Executive Officer
Mr Tushar Karnik, Chief Financial Officer
Mr Jayant Prakash, Company Secretary
Dr. Duru Sushil Shah, Non-Executive Director (upto 7 September 2018)
Mr. Mihir Jagdish Doshi, Independent Director (upto 7 September 2018)
Mr. Rajiv Devinder Sahney, Independent Director (upto 7 September 2018)
Mr. Neeraj Bharadwaj, Non-Executive Director (upto 24 September 2018)
Mr. Mihir Jagdish Doshi, Non-Executive Director (w.e.f. 7 September 2018)
Mr. Milind Shripad Sarwate, Independent Director (w.e.f. 7 September 2018)
Mr. Vivek Gambhir, Independent Director (w.e.f. 7 September 2018)
Mr. Sanjay Bhatnagar, Independent Director (w.e.f. 7 September 2018)

Category IV: Relatives of KMP

Dr. Duru Sushil Shah
Mr. Hemant Sachdev

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

Metz Advisory LLP
Metropolis Health Products Retail Private Limited
Chogori Distribution Private Limited
Centre for Digestive and Kidney Disease (India) Private Limited

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

(All amounts in Indian ₹ Lakhs unless otherwise stated)

		31 March 2019	31 March 2018
1)	**Services rendered**		
	Subsidiaries		
	Micron Metropolis Healthcare Private Limited	**188.61**	175.90
	Dr. Patel Metropolis Healthcare Private Limited	**255.73**	199.70
	Desai Metropolis Health Services Private Limited	**346.68**	301.75
	Sudharma Metropolis Health Services Private Limited	**519.65**	446.23
	Mulay Metropolis Healthcare Private Limited	**-**	14.76
	R.V. Metropolis Diagnostics & Health Care Center Private Limited	**505.19**	487.29
	Metropolis Star Lab Kenya Limited	**426.68**	306.54
	Metropolis Healthcare Ghana Limited	**208.13**	184.47
	Metropolis Bramser Lab Services (Mtius) Limited	**84.64**	123.85
	Lab One Metropolis Healthcare Services Private Limited	**80.93**	64.42
	Amin's Pathology Laboratory Private Limited	**24.44**	30.41
	Ekopath Metropolis Lab Services Private Limited	**65.50**	41.11
	Metropolis Healthcare (Mauritius) Limited	**120.06**	101.10
	Bokil Golwilkar Metropolis Healthcare Private Limited	**45.74**	46.92
	Raj Metropolis Healthcare Private Limited	**4.02**	4.13
	Metropolis Healthcare Lanka (Pvt) Limited (w.e.f. 1 April 2017)	**52.60**	40.24
	Joint Ventures		
	Metropolis Histoxpert Digital Services Private Limited	**5.55**	-
	Relatives of KMP		
	Dr. Duru Sushil Shah	**17.02**	16.41
	Other related parties		
	Centre for Digestive and Kidney Disease (India) Private Limited	**903.48**	1,126.26
2)	**Services received**		
	Subsidiaries		
	R.V. Metropolis Diagnostics & Health Care Center Private Limited	**136.04**	110.55
	Metropolis Healthcare Lanka (Pvt) Limited	**26.95**	25.97
3)	**Purchase of Goods**		
	Amin's Pathology Laboratory Private Limited	**152.31**	73.17
4)	**Rent paid**		
	Key Management Personnel		
	Dr. Sushil Kanubhai Shah	**102.91**	25.73
5)	**Compensation paid to Key Management Personnel**		
	Short-term employee benefits^	**1,159.27**	551.59
	Post employement benefit	**21.16**	20.12
	Share-based payments expense	**38.27**	72.33

(^As gratuity expense is based on acturial valuation, the same cannot be computed for individual employees. Hence not disclosed separately.)

6)	**Dividend income**		
	Subsidiaries		
	Dr. Patel Metropolis Healthcare Private Limited	**-**	79.88
	Lab One Metropolis Healthcare Services Private Limited	**-**	25.42

Notes to the Standalone financial statements for the year ended 31 March 2019 (Contd.)

(All amounts in Indian ₹ Lakhs unless otherwise stated)

		31 March 2019	31 March 2018
	R.V. Metropolis Diagnostics & Health Care Center Private Limited	-	378.87
	Micron Metropolis Healthcare Private Limited	-	141.24
	Desai Metropolis Health Services Private Limited	-	338.98
	Sudharma Metropolis Health Services Private Limited	**1,400.00**	-
7)	**Dividend paid**		
	Key Management Personnel		
	Dr Sushil Kanubhai Shah	**1,325.68**	-
	Ameera Sushil Shah	**24.11**	-
	Other related parties		
	Metz Advisory LLP	**1,939.95**	-
8)	**Director sitting fees**		
	Dr Duru Sushil Shah	**0.15**	0.70
	Mr. Mihir Jagdish Doshi	**15.75**	10.50
	Mr. Milind Shripad Sarwate	**7.25**	-
	Mr. Vivek Gambhir	**8.75**	-
	Mr. Rajiv Devinder Sahney	**5.00**	7.50
	Mr. Sanjay Bhatnagar	**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**	4.88
	Raj Metropolis Healthcare Private Limited	**0.31**	0.32
	Metropolis Healthcare (Mauritius) Limited	**51.15**	48.04
	Micron Metropolis Healthcare Private Limited	**6.02**	6.94
	Metropolis Healthcare Lanka (Pvt) Limited	**1.10**	1.10
11)	**Repayment of loan**		
	Subsidiaries		
	Amin's Pathology Laboratory Private Limited	**16.00**	160.00
	Micron Metropolis Healthcare Private Limited	**89.54**	-
	Bokil Golwilkar Metropolis Healthcare Private Limited	**49.00**	15.00
12)	**Investments made / (sold)**		
	Subsidiaries		
	Mulay Metropolis Healthcare Private Limited	-	(135.44)
	Desai Metropolis Health Services Private Limited	**2,356.70**	-
	Sudharma Metropolis Health Services Private Limited	**1,320.00**	-
	R.V. Metropolis Diagnostics & Health Care Center 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**	0.65

Notes to the Standalone financial statements for the year ended 31 March 2019 (Contd.)

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

(All amounts in Indian ₹ Lakhs unless otherwise stated)

	31 March 2019	31 March 2018
1) Trade payables		
Subsidiaries		
Amin's Pathology Laboratory Private Limited	**111.13**	54.35
Metropolis Healthcare Lanka (Pvt) Limited	**-**	23.38
R.V. Metropolis Diagnostics & Health Care Center Private Limited	**120.71**	95.50
Other related parties		
Metropolis Health Products Retail Private Limited	**1.87**	1.87
2) Trade receivables		
Subsidiaries		
Metropolis Star Lab Kenya Limited	**296.94**	528.11
Metropolis Bramser Lab Services (Mtius) Limited	**46.06**	19.47
Metropolis Healthcare Ghana Limited	**369.49**	152.53
Metropolis Healthcare (Mauritius) Limited	**163.25**	144.50
Micron Metropolis Healthcare Private Limited	**-**	28.59
Dr. Patel Metropolis Healthcare Private Limited	**38.19**	17.00
Desai Metropolis Health Services Private Limited	**26.77**	10.63
Sudharma Metropolis Health Services Private Limited	**43.69**	40.37
R.V. Metropolis Diagnostics & Health Care Center Private Limited	**-**	14.03
Lab One Metropolis Healthcare Services Private Limited	**35.19**	12.30
Ekopath Metropolis Lab Services Private Limited	**1.24**	-
Raj Metropolis Healthcare Private Limited	**3.06**	9.07
Bokil Golwilkar Metropolis Healthcare Private Limited	**12.72**	21.40
Metropolis Healthcare Lanka (Pvt) Limited (w.e.f. 1 April 2017)	**176.12**	116.09
Amin's Pathology Laboratory Private Limited	**2.61**	-
Joint Ventures		
Metropolis Histoxpert Digital Services Private Limited	**4.93**	-
Associates		
Star Metropolis Health Services Middle East LLC, Dubai	**598.54**	598.54
Relatives of KMP		
Dr. Duru Sushil Shah	**2.84**	2.18
Other related parties		
Metropolis Health Products Retail Private Limited	**41.05**	41.05
Centre for Digestive and Kidney Disease (India) Private Limited	**2,082.19**	1,529.41

Notes to the Standalone financial statements for the year ended 31 March 2019 (Contd.)

(All amounts in Indian ₹ Lakhs unless otherwise stated)

		31 March 2019	31 March 2018
3)	**Loans and advances including interest accrued**		
	Subsidiaries		
	Sudharma Metropolis Health Services Private Limited	**8.99**	8.99
	Micron Metropolis Healthcare Private Limited	**36.66**	125.48
	Amin's Pathology Laboratory Private Limited	**-**	16.00
	Ekopath Metropolis Lab Services Private Limited	**60.90**	64.01
	Metropolis Healthcare (Mauritius) Limited	**1,119.57**	1,005.06
	Metropolis Star Lab Kenya Limited	**91.13**	85.34
	Metropolis Healthcare Ghana Limited	**29.98**	28.08
	R.V. Metropolis Diagnostics & Health Care Center Private Limited	**-**	17.93
	Raj Metropolis Healthcare Private Limited	**19.04**	-
	Metropolis Healthcare Lanka (Pvt) Limited (w.e.f. 1 April 2017)	**58.19**	52.91
	Bokil Golwilkar Metropolis Healthcare Private Limited	**-**	85.65
	Associates		
	Star Metropolis Health Services Middle East LLC, Dubai	**42.35**	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 impairmental in value of investments**		
	Associates		
	Star Metropolis Health Services Middle East LLC, Dubai	**129.85**	129.85
6)	**Provision for doubtful trade receivables**		
	Associates		
	Star Metropolis Health Services Middle East LLC, Dubai	**598.54**	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**	42.35
	Other related parties		
	Metropolis Health Products Retail Private Limited	**44.00**	44.00
8)	**Other Receivable**		
	Dr. Sushil Kanubhai Shah	**383.35**	-

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;

(All amounts in Indian ₹ Lakhs unless otherwise stated)

	Amount					
	Sanket Metropolis Health services (India) Private Limited	**Golwilkar Metropolis Health services (India) Private Limited**	**Metroplis Healthcare (Chandigrah) Private Limited**	**Metroplis Healthcare (Jodhpur) Private Limited**	**Final Diagnosis Private Limited**	**Total**
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**

Notes to the Standalone financial statements for the year ended 31 March 2019 (Contd.)

(All amounts in Indian ₹ Lakhs unless otherwise stated)

	Amount					
	Sanket Metroplis Health services (India) Private Limited	**Golwilkar Metroplis Health services (India) Private Limited**	**Metroplis Healthcare (Chandigrah) Private Limited**	**Metroplis Healthcare (Jodhpur) Private Limited**	**Final Diagnosis Private Limited**	**Total**
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**
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 Metropolis Healthcare Services Private Limited and Bokil Golwilkar Metropolis Healthcare Private Limited were the subsidiaries of Sanket Metropolis Health Services (India) Private Limited and Golwilkar Metropolis Health Services (India) Private Limited respectively. During current year Sanket Metropolis Health Services (India) Private Limited and Golwilkar Metropolis Health Services (India) Private Limited merged with Metropolis Healthcare Limited (refer (i) above) and consequently these two companies become direct subsidiary of Metropolis Healthcare Limited.

Notes to the Standalone financial statements for the year ended 31 March 2019 (Contd.)

42 COMMITMENTS

(All amounts in Indian ₹ Lakhs unless otherwise stated)

	31 March 2019	31 March 2018
Capital commitments:		
Estimated amount of contracts remaining to be executed on capital account not provided for	**894.95**	1,041.54

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 ₹ 42,855.62 Lakhs (31 March 2018 ₹ 14,573.26 Lakhs) of which annual commitment for next year is ₹ 15,694.49 Lakhs (31 March 2018 ₹ 4,871.23 Lakhs) as per the terms of these arrangements.

43 CONTINGENT LIABILITIES NOT PROVIDED FOR

(All amounts in Indian ₹ Lakhs unless otherwise stated)

	31 March 2019	31 March 2018
Income tax liability disputed in appeals	**113.90**	113.90
Due to others	**162.93**	162.93
Claims against the Company not acknowledged as debt		
- Claims by suppliers/contractors /others	**138.37**	26.57
- Claims pending in Consumer Dispute Redressal Forum	**22.37**	9.60
Contingent consideration on acquisition of remaining stake of subsidiary*	**759.38**	759.38
Total	**1,196.95**	1,072.38

*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

(All amounts in Indian ₹ Lakhs unless otherwise stated)

	31 March 2019	31 March 2018
Statutory audit fees	**59.49**	62.07
Other services (including certification fees)	**10.30**	-
Total	**69.79**	62.07

In addition to above ₹ 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.

Notes to the Standalone financial statements for the year ended 31 March 2019 (Contd.)

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 current year amounts to ₹ 4,368.22 Lakhs (31 March 2018, ₹ 3,097.72 Lakhs). Future minimum rentals payable under non-cancellable operating leases are as follows:

(All amounts in Indian ₹ Lakhs unless otherwise stated)

	31 March 2019	31 March 2018
Not later than one year	**653.46**	514.00
Later than one year but not later than five years	**1,055.62**	1,165.03
Later than five years	**-**	110.45
Total	**1,709.08**	1,789.48

46 (a) DISCLOSURE AS PER IND AS 115 - REVENUE FROM CONTRACTS WITH CUSTOMERS

(All amounts in Indian ₹ Lakhs unless otherwise stated)

	31 March 2019	31 March 2018
Contract asset- unbilled revenue	**-**	-
Contract liabilities		
Advances from customers	**355.11**	262.46

46 (b) DISAGGREGATION OF REVENUE FROM CONTRACTS WITH CUSTOMERS

The Company derives revenue from the rendering of services over time in the following geographical regions

(All amounts in Indian ₹ Lakhs unless otherwise stated)

	31 March 2019	31 March 2018
India	**56,279.52**	46,801.63
Overseas	**1,740.37**	1,465.50
Total	**58,019.89**	48,267.13

47 MICRO AND SMALL ENTERPRISES

There are no micro and small enterprises, to whom the Company owes dues, which are outstanding for more than 45 days as at 31 March 2019. This information as required to be disclosed under the Micro, Small and Medium Enterprises Development Act, 2006, has been determined to the extent such parties have been identified on the basis of information available with the Company.

(All amounts in Indian ₹ Lakhs unless otherwise stated)

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

48 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:

(All amounts in Indian ₹ Lakhs unless otherwise stated)

		31 March 2019	31 March 2018
A.	**Amount recognised in the balance sheet**		
	Present value of the obligation as at the end of the year	**580.93**	556.41
	Fair value of plan assets as at the end of the year	**(20.32)**	(23.48)
	Net liability recognised in the balance sheet	**560.61**	532.93
	Out of which,		
	Non-current portion	**233.31**	272.50
	Current portion	**327.30**	260.43
B.	**Change in projected benefit obligation**		
	Projected benefit obligation at the beginning of the year	**526.13**	556.05
	Current service cost	**81.22**	84.56
	Past service cost	**-**	10.24
	Interest cost	**38.67**	38.09
	Actuarial loss	**(50.78)**	(0.57)
	Benefits paid	**(44.60)**	(131.96)
	Liability transfer in on acquisition	**30.29**	-
	Projected benefit obligation at the end of the year	**580.93**	556.41
C.	**Change in plan assets**		
	Fair value of plan assets at the beginning of the year	**6.70**	55.84
	Interest income	**0.49**	3.83
	Assets Transferred In/Acquisitions	**16.78**	-
	Return on Plan Assets, Excluding Interest Income	**0.61**	0.01
	Employer contributions	**1.00**	14.21
	Benefits paid	**(5.26)**	(50.41)
	Fair value of plan assets at the end of the year	**20.32**	23.48
D.	**Amount recognised in the statement of profit and loss**		
	Current service cost	**81.22**	84.56
	Past service cost	**-**	10.24
	Interest cost	**38.67**	38.09
	Expected returns on plan assets	**(0.49)**	(3.83)
	Expenses recognised in the statement of profit and loss	**119.40**	129.06
E.	**Amount recognised in other comprehensive income**		
	Actuarial (gain)/loss on Defined benefit obligation	**(50.78)**	(0.57)
	Acturial gain/loss on Plan assets	**(0.61)**	(0.01)
		(51.39)	(0.58)
F.	**Plan Assets include the following:**		
	1. Insurance funds		
G.	**Assumptions used**		
	Discount rate	**7.48%**	7.35%
	Long-term rate of compensation increase	**7.00%**	7.50%
	Rate of return on plan assets	**7.48%**	7.35%
	Attrition rate	For service 4 years and below 35.00% p.a. For service 5 years and above 4.00% p.a.	20.00%
	Mortality Rate	Indian Assured Lives Mortality (2006-08)	Indian Assured Lives Mortality (2006-08)

The weighted average duration of the defined benefit obligation is 12 years (31 March 2018 : 5 years) for all year presented above.

Notes to the Standalone financial statements for the year ended 31 March 2019 (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.

(All amounts in Indian ₹ Lakhs unless otherwise stated)

	31 March 2019		31 March 2018	
	Increase	**Decrease**	**Increase**	**Decrease**
Discount rate (1% movement)	**(56.60)**	**67.02**	(19.07)	20.77
Future salary growth (1% movement)	**63.76**	**55.30**	19.79	(18.57)
Employee Turnover (1% movement)	**0.79**	**1.21**	(2.55)	2.61

I. Expected future cash flows

(All amounts in Indian ₹ Lakhs unless otherwise stated)

	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**	**1,584.01**

(All amounts in Indian ₹ Lakhs unless otherwise stated)

	Less than a year	Between 1-2 years	Between 2-5 years	Over 5 years	Total
31 March 2018					
Defined benefit obligations (Gratuity)	91.89	83.97	216.36	350.78	743.00
Total	**91.89**	**83.97**	**216.36**	**350.78**	**743.00**

(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 ₹ 612.56 Lakhs (31 March 2018 ₹ 516.76 Lakhs).

(c) Employee Stock Option Schemes

Description of share-based payment arrangements:

As at 31 March 2019 and 31 March 2018 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.

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 1 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

(All amounts in Indian ₹ Lakhs unless otherwise stated)

	31 March 2019		31 March 2018	
	Weighted average exercise price	Number of options	Weighted average exercise price	Number of options
Outstanding at the beginning	**100**	**42,675**	100	65,875
Granted during the year	**100**	**-**	100	-
Exercised during the year (Pre bonus and split issue)	**100**	**32,800**	100	-
Lapsed/ forfeited /surrender/buyback	**100**	**9,875**	100	23,200
Outstanding at the end	**100**	**-**	100	42,675
Exercisable at the end	**100**	**-**	100	-

During the year ended 31 March 2019, 32,800 options were exercised by the employees (including ex-employees) against equity shares. Expense arising from surrender of 9,875 options against cash under MESOS 2007 scheme during the year ended 31 March 2019 ₹ 355.45 Lakhs.

Notes to the Standalone financial statements for the year ended 31 March 2019 (Contd.)

MESOS 2015

(All amounts in Indian ₹ Lakhs unless otherwise stated)

	31 March 2019		31 March 2018	
	Weighted average exercise price	Number of options	Weighted average exercise price	Number of options
Outstanding at the beginning	**3670 ***	**2,07,770**	3,670.00	27,800
Granted during the year	**-**	**-**	3,670.00	1,85,550
Granted due to bonus issue	**705.77**	**8,310**	-	-
Granted due to split of shares	**705.77**	**8,64,320**	-	-
Exercised during the period	**-**	**-**	-	-
Lapsed/ forfeited /surrendered	**-**	**-**	3,670.00	(5,580)
Outstanding at the end	**705.77**	**10,80,400**	3,670.00	2,07,770
Exercisable at the end	**705.77**	**-**	3,670.00	-

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

The options outstanding at 31 March 2019 have an exercise price of ₹ 705.77 (31 March 2018 ₹ 3,670) and a weighted average remaining contractual life of 6 months to 2 years (31 March 2018: 1 to 3 years)

The expense arising from MESOS 2015 scheme during the year is ₹ 88.44 Lakhs (31 March 2018 ₹ 166.01 Lakhs);

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:

	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 volatility of the option is based on historical volatility, during a period equivalent to the option life
Expected life (expected weighted average life)	1.64 years	4.05 years	
Expected dividends	3%	3%	Dividend yield of the options is based on recent dividend activity.
Risk-free interest rates (Based on government bonds)	6.35%	7.42%	Risk-free interest rates are based on the government securities yield in effect at the time of the grant.

49 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 CORPORATE SOCIAL RESPONSIBILITY (CSR)

The Company has spent ₹ 79.45 Lakhs (31 March 2018 ₹ 64.10 Lakhs) Lakhs towards various schemes of Corporate Social Responsibility as prescribed under section 135 of the Companies Act, 2013. The details are:

a) Gross amount required to be spent by the Company during the year is ₹ 223.33 Lakhs (31 March 2018 ₹ 190.90 Lakhs);

b) Amount spent during the period on;

	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

	31 March 2018		
	In Cash	Yet to be paid in Cash	Total
Construction / acquisition of any asset	-	-	-
On purposes other than (i) above	64.10	-	64.10

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:

(All amounts in Indian ₹ Lakhs unless otherwise stated)

	31 March 2019	31 March 2018
Metropolis Histoxpert Digital Services Private Limited *	194.35	1.00
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	-
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	1.00

* Investment of ₹ 0.35 Lakhs sold off during the year ended 31 March 2018

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.

Notes to the Standalone financial statements for the year ended 31 March 2019 (Contd.)

The deferred consideration of ₹ 2,300.00 Lakhs has been meaured at fair value (₹ 2,100.96 Lakhs) on initial recognition and the difference of ₹ 199.04 Lakhs (31 March 2018 : ₹ 199.04 Lakhs) will be recognise as finance cost on EIR basis over the payment tenure; During year ended 31 March 2019 ₹ 36.88 Lakhs (31 March 2018 ₹ 115.60 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 2019 ₹ 2.92 Lakhs (31 March 2018 ₹ Nil) 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 2019 ₹ 0.33 Lakhs (31 March 2018 ₹ Nil) charged to statement of profit and loss (refer note 33).

52 SALE OF INVESTMENT

During the previous year ended 31 March 2018 the company sold its investments in Mulay Metropolis Healthcare Private Limited, for aggregate considration of ₹ 62.16 Lakhs. Loss on disposal of said investment aggregating to ₹ 73.28 Lakhs has been recorded as other expenses (Refer Note 35)

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

As at 31 March 2019, the Company has an investment of ₹ 129.85 Lakhs (31 March 2018 ₹ 129.85 Lakhs) and receivable of ₹ 640.88 Lakhs (31 March 2018 ₹ 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.

54 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 predetemined 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 year ended 31 March 2019, such Share warrants were exercised by payment of warrant exercise price of ₹ 2,579/- per share.

55 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 2018. Management continues to believe that its international transactions post March 2018 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.

56 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 a 31 March 2019, Nawaloka is yet to surrender physical share certificates for cancellation to Metropolis Lanka. 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.

57 SUBSEQUENT EVENT

The Company has completed Initial Public Offering (IPO) of 13,685,095 Equity Shares of ₹ 2/- each at an issue price of ₹ 880.00 per equity share aggregating to ₹ 1,20,428.84 Lakhs consisting of an Offer for Sale of 62,72,335 Equity Shares by Dr. Sushil Kanubhai Shah (the "Promoter Selling Shareholder") and of 74,12,760 Equity Shares by CA Lotus Investments (the "Investor Selling Shareholders"). All the expenses in connection with the IPO were borne by the Selling Shareholders. The equity share of Company were listed on National Stock Exchange of India Limited (NSE) and BSE Limited (BSE) on 15 April 2019.

58 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.

59 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

For and on behalf of the Board of Directors

Dr. Sushil Shah
Chairman & Executive Director
DIN: 00179918

Ameera Shah
Managing Director
DIN: 00208095

Akeel Master
Partner
Membership No: 046768

Place : Mumbai
Date : 13 May 2019

Vijender Singh
Chief Executive Officer

Tushar Karnik
Chief Financial Officer
Membership No: 046817

Jayant Prakash
Company Secretary
Membership No: FCS 6742

Place : Mumbai
Date : 13 May 2019

INDEPENDENT AUDITORS' REPORT

To the Members of

Metropolis Healthcare Limited

Report on the Audit of Consolidated Financial Statements

Qualified Opinion

We have audited the consolidated financial statements of Metropolis Healthcare Limited (hereinafter referred to as the 'Holding Company") and its subsidiaries (Holding Company and its subsidiaries together referred to as "the Group"), its associate and its joint venture, which comprise the consolidated balance sheet as at 31 March 2019, and the consolidated statement of profit and loss (including other comprehensive income), consolidated statement of changes in equity and consolidated statement of cash flows for the year then ended, and notes to the consolidated financial statements, including a summary of significant accounting policies and other explanatory information (hereinafter referred to as "the consolidated financial statements").

In our opinion and to the best of our information and according to the explanations given to us, and based on the consideration of reports of other auditors on separate financial statements of such subsidiaries, as were audited by the other auditors, except for the matter described under basis of qualified opinion paragraph the aforesaid consolidated financial statements give the information required by the Companies Act, 2013 ("Act") in the manner so required and give a true and fair view in conformity with the accounting principles generally accepted in India, of the consolidated state of affairs of the Group, its associate, joint venture as at 31 March 2019, of its consolidated profit and other comprehensive income, consolidated changes in equity and consolidated cash flows for the year then ended.

Basis for Qualified Opinion

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

As explained in note 42(c) to the consolidated financial statements, the Holding Company has not consolidated the financial statements of an associate entity, Star Metropolis Health Services Middle East LLC, because of non- availability of adequate information, which is not in accordance with (Ind AS) -28: Investments in Associate and Joint Venture. Had the associate been consolidated, many elements in the accompanying financial statements would have been affected. These effects on the consolidated financial statements of the failure to consolidate have not been determined.

Other Information

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

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

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

Responsibilities of Management and Those Charged with Governance for the Consolidated Financial Statements

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

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

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

Auditor's Responsibilities for the Audit of the Consolidated Financial Statements

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

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

- Identify and assess the risks of material misstatement of the consolidated financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.

- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances. Under section 143(3)(i) of the Act, we are also responsible for expressing our opinion on whether the company has adequate internal financial controls with reference to financial statements in place and the operating effectiveness of such controls.

- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.

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

- Evaluate the overall presentation, structure and content of the consolidated financial statements, including the disclosures, and whether the consolidated financial statements represent the underlying transactions and events in a manner that achieves fair presentation.

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

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

Independent Auditors' Report (Contd.)

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

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

Other Matters

(a) We did not audit the financial statements of five subsidiaries whose financial statements reflect total assets of ₹ 4,071.91 lakhs as at 31 March 2019, total revenues of ₹ 3,902.22 lakhs and net cash flows amounting to ₹ 416.04 lakhs for the year ended on that date, as considered in the consolidated financial statements. These financial statements have been audited by other auditors whose reports have been furnished to us by the Management and our opinion on the consolidated financial statements, in so far as it relates to the amounts and disclosures included in respect of these subsidiaries, in so far as it relates to the aforesaid subsidiaries is based solely on the audit reports of the other auditors.

Our opinion on the consolidated financial statements, and our report on Other Legal and Regulatory Requirements below, is not modified in respect of the above matters with respect to our reliance on the work done and the reports of the other auditors.

Report on Other Legal and Regulatory Requirements

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

  a) except for the matter described in paragraph of the Basis for Qualified Opinion paragraph, we have sought and obtained all the information and explanations which to the best of our knowledge and belief were necessary for the purposes of our audit of the aforesaid consolidated financial statements;

  b) except for the matter described in paragraph of the Basis for Qualified Opinion paragraph, in our opinion, proper books of account as required by law relating to preparation of the aforesaid consolidated financial statements have been kept so far as it appears from our examination of those books and the reports of the other auditors;

  c) the consolidated balance sheet, the consolidated statement of profit and loss (including other comprehensive income), the consolidated statement of changes in equity and the consolidated statement of cash flows dealt with by this Report are in agreement with the relevant books of account maintained for the purpose of preparation of the consolidated financial statements;

  d) except for the matter described in paragraph of the Basis for Qualified Opinion paragraph, in our opinion, the aforesaid consolidated financial statements comply with the Ind AS specified under section 133 of the Act;

  e) the matters described in the Basis for Qualified Opinion paragraph above, in our opinion, may have an adverse effect on the functioning of the Group and its associate and its joint venture;

  f) on the basis of the written representations received from the directors of the Holding Company as on 31 March 2019 taken on record by the Board of Directors of the Holding Company and the reports of the statutory auditors of its subsidiary companies incorporated in India, none of the directors of the Group companies, and its joint venture incorporated in India is disqualified as on 31 March 2019 from being appointed as a director in terms of Section 164(2) of the Act;

  g) the qualification relating to the maintenance of accounts and other matters connected therewith are as stated in the Basis of Qualified Opinion paragraph above;

  h) with respect to the adequacy of the internal financial controls with reference to financial statements of the Holding Company, its subsidiary companies incorporated in India and the operating effectiveness of such controls, refer to our separate Report in "Annexure A".

B. with respect to the other matters to be included in the Auditor's Report in accordance with Rule 11 of the Companies (Audit and Auditor's) Rules, 2014, in our opinion and to the best of our information and according to the explanations given to us and based on the consideration of the reports of the other auditors on separate financial statements of the subsidiaries, its associate and and joint venture, as noted in the 'Other Matters' paragraph:

i. The consolidated financial statements disclose the impact of pending litigations as at 31 March 2019 on the consolidated financial position of the Group, its associate and joint venture. Refer Note 47 to the consolidated financial statements;

ii. The Group, its associate and joint venture did not have any material foreseeable losses on long-term contracts including derivative contracts during the year ended 31 March 2019;

iii. There are no amounts which are required to be transferred to the Investor Education and Protection Fund by the Holding Company or its subsidiary companies, associate company and joint venture incorporated in India during the year ended 31 March 2019; and

iv. The disclosures in the consolidated financial statements regarding holdings as well as dealings in specified bank notes during the period from 8 November 2016 to 30 December 2016 have not been made in the consolidated financial statements since they do not pertain to the financial year ended 31 March 2019

C. With respect to the matter to be included in the Auditor's report under section 197(16):

In our opinion and according to the information and explanations given to us, the remuneration paid during the current year by the Holding Company and its subsidiary companies, to its directors is in accordance with the provisions of Section 197 of the Act. The remuneration paid to any director by the Holding Company, and its subsidiary companies, 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 **B S R & Co. LLP**

Chartered Accountants

Firm Registration No: 101248W/W-100022

Akeel Master

Partner

Membership No: 046768

Place : Mumbai

Date : 13 May 2019

ANNEXURE A to the Independent Auditors' report on the consolidated financial statements of Metropolis Healthcare Limited for the year ended 31 March 2019

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

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

Opinion

In conjunction with our audit of the consolidated financial statements of the Company as of and for the year ended 31 March 2019, we have audited the internal financial controls with reference to consolidated financial statements of Metropolis Healthcare Limited (hereinafter referred to as "the Holding Company") and such companies incorporated in India under the Companies Act, 2013 which are its subsidiary companies, as of that date.

In our opinion, the Holding Company and such companies incorporated in India which are its subsidiary companies, have, in all material respects, adequate internal financial controls with reference to consolidated financial statements and such internal financial controls were operating effectively as at 31 March 2019, based on the internal financial controls with reference to consolidated financial statements criteria established by such companies considering the essential components of such internal controls stated in the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting issued by the Institute of Chartered Accountants of India (the "Guidance Note").

Management's Responsibility for Internal Financial Controls

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

Auditors' Responsibility

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

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

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

Meaning of Internal Financial controls with Reference to Consolidated Financial Statements

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

Inherent Limitations of Internal Financial controls with Reference to consolidated financial statements

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

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

Akeel Master
Partner
Membership No: 046768

Place : Mumbai
Date : 13 May 2019

CONSOLIDATED BALANCE SHEET as at 31 March 2019

(All amounts in Indian ₹ Lakhs unless otherwise stated)

	Note	31 March 2019	31 March 2018
ASSETS			
Non-current assets			
Property, plant and equipment	3	**11,667.14**	11,229.64
Goodwill	4	**7,855.08**	7,836.90
Other intangible assets	4	**1,758.68**	1,677.30
Intangible assets under development		**577.30**	-
Equity accounted investees	45 & 5	**51.98**	0.65
Financial Assets			
i) Investments	6	**175.28**	175.53
ii) Loans	7	**420.65**	332.02
iii) Other non-current financial assets	8	**1,019.90**	833.44
Deferred tax assets (net)	37	**365.71**	529.71
Other non-current assets	9	**155.01**	195.98
Non-current tax assets (net)	10	**745.06**	191.69
Total non-current assets		**24,791.79**	23,002.86
Current assets			
Inventories	11	**2,610.23**	2,118.72
Financial Assets			
i) Investments	12	**3,101.62**	10,041.89
ii) Trade receivables	13	**13,684.78**	10,068.41
iii) Cash and cash equivalents	14	**5,137.10**	4,346.76
iv) Bank balance other than cash and cash equivalents	15	**2,886.83**	1,666.83
v) Loans	16	**1,510.15**	1,082.02
vi) Other current financial assets	17	**843.31**	135.14
Other current assets	18	**698.24**	571.20
Total current assets		**30,472.26**	30,030.97
TOTAL ASSETS		**55,264.05**	53,033.83
EQUITY AND LIABILITIES			
Equity			
Equity Share Capital	19	**1,003.57**	954.36
Other Equity	20	**40,850.27**	40,522.32
Equity attributable to equity holders of the Company		**41,853.84**	41,476.68
Non-controlling Interests		**143.07**	1,436.57
Total Equity		**41,996.91**	42,913.25
Liabilities			
Non-current liabilities			
Financial liabilities			
i) Borrowings	21	**3.51**	20.07
ii) Other non-current financial liabilities	22	**208.89**	243.07
Provisions	23	**316.08**	351.90
Deferred tax liabilities (net)	37	**290.02**	444.61
Total non-current liabilities		**818.50**	1,059.65
Current liabilities			
Financial liabilities			
i) Borrowings	24	**1,757.86**	36.96
ii) Trade payables			
- Total outstanding dues of micro and small enterprises	25	**3.87**	-
- Total outstanding dues of creditors other than micro enterprises and small enterprises	25	**4,281.05**	3,533.80
iii) Other current financial liabilities	26	**4,183.49**	3,470.63
Other current liabilities	27	**803.85**	771.82
Provisions	23	**488.09**	437.24
Current tax liabilities (net)	28	**930.43**	810.48
Total Current liabilities		**12,448.64**	9,060.93
Total liabilities		**13,267.14**	10,120.58
Total Equity and Liabilities		**55,264.05**	53,033.83

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

As per our report of even date attached

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

For and on behalf of the Board of Directors

Dr. Sushil Shah
Chairman & Executive Director
DIN: 00179918

Ameera Shah
Managing Director
DIN: 00208095

Akeel Master
Partner
Membership No: 046768

Vijender Singh
Chief Executive Officer

Tushar Karnik
Chief Financial Officer
Membership No: 046817

Jayant Prakash
Company Secretary
Membership No: FCS 6742

Place : Mumbai
Date : 13 May 2019

Place : Mumbai
Date : 13 May 2019

CONSOLIDATED STATEMENT OF PROFIT & LOSS for the year ended 31 March 2019

(All amounts in Indian ₹ Lakhs unless otherwise stated)

	Note	31 March 2019	31 March 2018
Income			
Revenue from operations	29	**76,118.18**	64,716.43
Other income	30	**821.32**	776.82
Total Income		**76,939.50**	65,493.25
Expenses			
Cost of material consumed	31	**17,351.02**	14,589.71
Laboratory testing charges	32	**557.17**	567.50
Employee benefits expense	33	**17,620.71**	14,736.78
Finance costs	34	**53.11**	120.83
Depreciation and amortisation expense	35	**2,006.61**	1,901.75
Other expenses	36	**20,552.68**	17,208.63
Total Expenses		**58,141.30**	49,125.20
Profit before share of profit for equity accounted investees and income tax		**18,798.20**	16,368.05
Share of loss for equity accounted investees (net of tax)(Refer note 45(a))	45	**(143.02)**	-
Profit before tax		**18,655.18**	16,368.05
Income Tax expenses:	37		
1. Current tax		**6,309.03**	5,531.60
2. Deferred tax (income) /expense		**(15.13)**	(367.02)
3. Tax adjustments for earlier years		**-**	19.31
Total Income Tax expenses		**6,293.90**	5,183.89
Profit for the year		**12,361.28**	11,184.16
Other Comprehensive Income (OCI)			
(i) Items that will not be reclassified subsequently to profit and loss			
Remeasurements of the defined benefit plans	52 (a)	**74.50**	(30.12)
Income tax on above	37	**(24.54)**	7.03
		49.96	(23.09)
(ii) Items that will be subsequently reclassified to profit and loss			
Exchange differences in translating financial statements of foreign operations		**89.32**	102.10
Debt instruments through OCI - net change in fair value		**-**	0.41
Income tax on above	37	**-**	(0.14)
		89.32	102.37
Other comprehensive income for the year, net of tax		**139.28**	79.28
Total comprehensive income for the year		**12,500.56**	11,263.44
Profit attributable to:			
Owners of the Company		**12,014.79**	10,423.62
Non-controlling interest		**346.49**	760.54
Other comprehensive income attributable to:			
Owners of the Company		**138.14**	79.79
Non-controlling interest		**1.14**	(0.51)
Total comprehensive income attributable to:			
Owners of the Company		**12,152.93**	10,503.41
Non-controlling interest		**347.63**	760.03
Earnings per equity share			
Equity shares of face value of ₹ 2 each			
Basic earnings per share (₹)	38	**24.06**	21.00
Diluted earnings per share (₹)	38	**24.02**	20.89

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

As per our report of even date attached

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

Akeel Master
Partner
Membership No: 046768

Place : Mumbai
Date : 13 May 2019

For and on behalf of the Board of Directors

Dr. Sushil Shah
Chairman & Executive Director
DIN: 00179918

Ameera Shah
Managing Director
DIN: 00208095

Vijender Singh
Chief Executive Officer

Tushar Karnik
Chief Financial Officer
Membership No: 046817

Jayant Prakash
Company Secretary
Membership No: FCS 6742

Place : Mumbai
Date : 13 May 2019

CONSOLIDATED STATEMENT OF CHANGES IN EQUITY ('SOCIE') for the year ended 31 March 2019

A. Changes in Equity Share Capital (Refer Note 19)

(All amounts in Indian ₹ Lakhs unless otherwise stated)

	Number of shares	Amount (₹ in Lakhs)
Equity Share Capital		
Balance as at 01 April 2017	**95,43,646**	**954.36**
Changes in equity share capital during the year	-	-
Balance as at 31 March 2018	**95,43,646**	**954.36**
Changes in equity share capital during the year		
Issued under Metropolis Employee Stock Option Scheme 2007 (Refer note 52 (c))	32,800	3.28
Issued on exercise of share warrants (Refer note 56)	8,703	0.87
Issued to the Shareholders of Subsidiary Companies on acquisition of further stake (Refer note 43(ii)(vi)(vii)(ix))	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 58 b))	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 58 (b))	(26,57,730)	(265.77)
Issue of Bonus Shares (Refer Note 19(g))	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 19(g))	4,01,42,944	-
Balance as at 31 March 2019	**5,01,78,680**	**1,003.57**

B. Other Equity (Refer Note 20)

(All amounts in Indian ₹ Lakhs unless otherwise stated)

	Fully convertible share warrants (Refer 56)	Reserves & Surplus						Other comprehensive income (OCI)		Total other Equity attributable to owners of Company	Non-controlling Interest	Total other equity
		Securities premium	Capital redemption reserve	General reserve	Capital reserve	Employee stock options reserve	Retained earnings	Foreign Currency Translation reserves	Debt instruments fair valued through OCI			
Balance as at 1 April 2017	**0.20**	**5,831.61**	**32.37**	**1,750.98**	**-**	**4.33**	**23,505.11**	**41.27**	**-**	**31,165.88**	**2,085.95**	**33,251.83**
Profit for the year	-	-	-	-	-	-	10,423.62	-	-	10,423.62	760.54	11,184.16
Gain/loss on re-measurement of defined benefit plans	-	-	-	-	-	-	(22.58)	-	-	(22.58)	(0.51)	(23.09)
Exchange differences in translating financial statements of foreign operations	-	-	-	-	-	-	-	102.10	-	102.10	-	102.10
Debt instruments fair valued through OCI (net of tax)	-	-	-	-	-	-	-		0.27	0.27	-	0.27
Total comprehensive income	**-**	**-**	**-**	**-**	**-**	**-**	**10,401.04**	**102.10**	**0.27**	**10,503.41**	**760.03**	**11,263.44**
Interim dividend paid	-	-	-	-	-	-	-	-	-		(274.85)	(274.85)
Tax on interim dividend	-	-	-	-	-	-	(196.34)	-	-	(196.34)	(55.79)	(252.13)
Acquisition of stake from NCI (refer note 43(b)(iii)(iv)(v))	-	-	-	-	-	-	(1,270.64)	-	-	(1,270.64)	(1,025.53)	(2,296.16)
Acquisition of subsidiary ((refer note 43 (a))	-	-	-	-	69.13	-	-	-	-	69.13	-	69.13
Sale of subsidiary	-	-	-	-	-	-	-	-	-	-	(53.24)	(53.24)
Written put options over NCI	-	-	-	-	-	-	84.87	-	-	84.87	-	84.87
Share based payments (Refer note 33)	-	-	-	-	-	166.01	-	-	-	166.01	-	166.01
Balance as at 31 March 2018	**0.20**	**5,831.61**	**32.37**	**1,750.98**	**69.13**	**170.34**	**32,524.04**	**143.37**	**0.27**	**40,522.32**	**1,436.57**	**41,958.89**

CONSOLIDATED Statement of Changes in Equity ('SOCIE') for the year ended 31 March 2019 (Contd.)

(All amounts in Indian ₹ Lakhs unless otherwise stated)

	Fully convertible share warrants (Refer 56)	Reserves & Surplus						Other comprehensive income (OCI)		Total other Equity attributable to owners of Company	Non-controlling Interest	Total other equity
		Securities premium	Capital redemption reserve	General reserve	Capital reserve	Employee stock options reserve	Retained earnings	Foreign Currency Translation reserves	Debt instruments fair valued through OCI			
Balance as at 1 April 2018	**0.20**	**5,831.61**	**32.37**	**1,750.98**	**69.13**	**170.34**	**32,524.04**	**143.37**	**0.27**	**40,522.32**	**1,436.57**	**41,958.89**
Profit for the year	-	-	-	-	-	-	12,014.79	-		12,014.79	346.49	12,361.28
Gain/loss on re-measurement of defined benefit plans	-	-	-	-	-	-	48.82	-	-	48.82	1.14	49.96
Exchange differences in translating financial statements of foreign operations	-	-	-	-	-	-	-	89.32		89.32	-	89.32
Total comprehensive income	**-**	**-**	**-**	**-**	**-**	**-**	**12,063.61**	**89.32**	**-**	**12,152.93**	**347.63**	**12,500.56**
Interim dividend	-	-	-	-	-	-	(6,653.69)	-	-	(6,653.69)	-	(6,653.69)
Tax on Interim dividend	-	-	-	-	-	-	(1,655.46)	-	-	(1,655.46)	-	(1,655.46)
Acquisition of stake from NCI (refer note 43(b)(i)(ii)(vi)(vii)(viii)(ix)(x))	-	-	-	-	-	-	(6,446.07)	-	-	(6,446.07)	(1,641.13)	(8,087.20)
Utlilised during the year pursuant to the scheme of Amalgamation with Bacchus Hospitality Services and Real Estate Private Limited (Refer note 58 (b))	-	(0.00)^	-	-	-	-	-	-	-	-	-	-
Utilised on issue of bonus shares	-	(6.55)	(32.04)	-	-	-	-	-	-	(38.59)	-	(38.59)
Share options exercised under Metropolis Employee Stock Option Scheme 2007 (Refer note 52 (c))	-	29.52	-	-	-	-	-	-	-	29.52	-	29.52
Share warrants exercised during the year (Refer note 56)	(0.20)	223.58	-	-	-	-	-	-	-	223.38	-	223.38
Shares issued to the Shareholders of Subsidiary Companies on acquisition of further stake (refer note 43(b)(ii)(vi)(vii)(ix))	-	2,627.77	-	-	-	-	-	-	-	2,627.77	-	2,627.77
Share based payments (Refer note 33)	-	-	-	-	-	88.44	-	-	-	88.44	-	88.44
Transfer to statement of profit and loss									(0.27)	(0.27)		(0.27)
Balance as at 31 March 2019	**-**	**8,705.93**	**0.33**	**1,750.98**	**69.13**	**258.78**	**29,832.43**	**232.69**	**-**	**40,850.27**	**143.07**	**40,993.34**

^ Amount is below ₹ 10

As per our report of even date attached

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

Akeel Master
Partner
Membership No: 046768

Place : Mumbai
Date : 13 May 2019

For and on behalf of the Board of Directors

Dr. Sushil Shah
Chairman & Executive Director
DIN: 00179918

Ameera Shah
Managing Director
DIN: 00208095

Vijender Singh
Chief Executive Officer

Tushar Karnik
Chief Financial Officer
Membership No: 046817

Jayant Prakash
Company Secretary
Membership No: FCS 6742

Place : Mumbai
Date : 13 May 2019

CONSOLIDATED STATEMENT OF CASH FLOWS for the year ended 31 March 2019

(All amounts in Indian ₹ Lakhs unless otherwise stated)

		31 March 2019	31 March 2018
A	**CASH FLOW FROM OPERATING ACTIVITIES**		
	Profit before tax	**18,655.18**	16,368.05
	Adjustments for :		
	Depreciation and amortisation expense	**2,006.61**	1,901.75
	(Profit) on sale of property plant and equipments (net)	**(3.05)**	(27.20)
	(Gain) on redemption of mutual fund investments	**-**	(673.26)
	Loss on sale of non current investment	**-**	184.09
	Provision for bad and doubtful debts	**508.15**	346.64
	Provision for bad and doubtful advances	**3.84**	3.36
	Loss on sale of debt instrument measured at FVOCI	**3.79**	-
	Foreign exchange (gain)/ loss (net)	**(20.71)**	37.58
	Employee share based payment expenses	**88.44**	166.01
	Credit impaired trade receivables written off	**24.43**	115.96
	Sundry balance written (back)	**-**	(359.71)
	Interest income	**(346.53)**	(236.91)
	Loss on impairment of Goodwill	**-**	274.99
	Changes in fair value of current investments	**(330.59)**	358.88
	Provision for impairment of current investments	**144.20**	-
	Dividend income from mutual fund	**(96.24)**	(163.52)
	Loss on fair value of equity accounted investment	**-**	25.41
	Share of Loss of equity accounted investment	**143.02**	-
	Interest expense	**53.11**	120.83
	Operating profit before working capital changes	**20,833.65**	18,442.95
	Working capital adjustments:		
	(Increase) in loans	**(491.58)**	(54.25)
	(Increase) in inventories	**(491.51)**	(540.50)
	(Increase) in trade receivables	**(4,128.25)**	(2,039.59)
	(Increase)/Decrease in other assets	**(908.28)**	26.26
	Increase in provisions	**89.54**	5.74
	Increase/(Decrease) in trade payables	**751.12**	(157.27)
	Increase in other financial liabilities	**68.76**	247.10
	Increase in other liabilities	**32.03**	220.30
	Cash generated from operating activities	**15,755.48**	16,150.74
	Income Taxes (paid)	**(6,740.40)**	(5,757.25)
	Net cash generated from operating activities (A)	**9,015.08**	10,393.49
B	**CASH FLOWS FROM INVESTING ACTIVITIES**		
	Purchase of property, plant and equipment and capital work-in-progress (Including capital advances and capital creditors)	**(1,955.80)**	(1,566.41)
	Proceeds from sale of property, plant and equipment	**26.53**	168.85
	Purchase consideration paid towards acquisition of business	**(129.12)**	(1,242.72)
	Purchase of other intangible assets	**(418.50)**	(423.06)
	Proceeds from sale of stake in joint venture	**-**	0.35
	Proceeds from sale of Subsidiary	**-**	62.16
	Proceeds from sale of non-current investment	**0.25**	-
	Proceeds from sale of current investments	**11,527.87**	46,023.91
	Purchase of current investments	**(4,405.00)**	(42,349.76)
	Purchase of stake in joint venture	**(194.35)**	(1.00)
	Interest received	**206.17**	128.63

Consolidated Statement of Cash flows for the year ended 31 March 2019 (Contd.)

(All amounts in Indian ₹ Lakhs unless otherwise stated)

		31 March 2019	31 March 2018
	Dividend received	**96.24**	163.52
	Net investments in bank deposits (having original maturity of more than three months)	**(1,220.00)**	(776.29)
	Net cash generated from investing activities (B)	**3,534.29**	188.18
C	**CASH FLOW FROM FINANCING ACTIVITIES**		
	Proceeds from Share warrants exercise (Refer note 56)^	**224.45**	-
	Share based payments	**(355.45)**	-
	Proceeds from issue of shares to ESOP holders (ESOP 2007)	**32.80**	-
	Repayment of long-term borrowings	**(16.30)**	(26.92)
	Repayment of short-term borrowings	**1,720.90**	-
	Payment of dividend	**(6,653.69)**	(5,274.84)
	Payment of dividend tax	**(1,655.46)**	(1,116.39)
	Acquisition of non-controlling interests	**(5,098.87)**	(2,296.17)
	Interest expense	**(13.07)**	(5.02)
	Payment towards buy back of shares by Group Company	**-**	(11.04)
	Net cash (used in) Financing activities (C)	**(11,814.69)**	(8,730.38)
	Net Increase in cash and cash equivalents (A) + (B) + (C)	**734.68**	1,851.29
	Effect of exchange rate changes on cash and cash equivalents	**55.66**	23.06
	Cash and cash equivalents taken over on acquisition of subsidiary	**-**	18.64
	Less: cash and cash equivalents held on sale of subsidiary	**-**	(97.08)
	Net Increase in cash and cash equivalents	**790.34**	1,795.91
	Cash and Cash Equivalents at the beginning of the year (Refer note 14)	**4,346.76**	2,550.85
	Cash and Cash Equivalents at the end of the year (Refer note 14)	**5,137.10**	4,346.76

Notes:

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

(All amounts in Indian ₹ Lakhs unless otherwise stated)

	31 March 2019	31 March 2018
Balance as at the beginning of the year	**73.32**	92.58
Cashflows	**1,704.60**	(26.92)
Non cash changes	**0.01**	7.66
Balance as at the end of the year	**1,777.93**	73.32

Note:

^ During the year ended March 2019, 64,596 shares for total non cash consideration of ₹ 2,634.22 Lakhs at premium of ₹ 4,068 were issued to shareholders of subsidiary companies for acquiring balance stake and (Refer note 43)

^ During the year ended 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 58)

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

As per our report of even date attached

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

Akeel Master
Partner
Membership No: 046768

Place : Mumbai
Date : 13 May 2019

For and on behalf of the Board of Directors

Dr. Sushil Shah
Chairman & Executive Director
DIN: 00179918

Ameera Shah
Managing Director
DIN: 00208095

Vijender Singh
Chief Executive Officer

Tushar Karnik
Chief Financial Officer
Membership No: 046817

Jayant Prakash
Company Secretary
Membership No: FCS 6742

Place : Mumbai
Date : 13 May 2019

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS for the year ended 31 March 2019

1 BACKGROUND OF COMPANY AND NATURE OF THE OPERATION

Metropolis Healthcare Limited (the 'Company' or the 'Holding Company'), was incorporated as Pathnet India Private Limited in the year 2000. These consolidated financial statements comprise the Company and its subsidiaries (referred to collectively as the 'Group') and the Group's interest in associate and joint ventures. The Group is primarily involved in providing pathology and related healthcare services. The registered office of the Company is located at 250-D, Udyog Bhavan, Hind Cycle Marg, Worli, Mumbai. The Company got listed on Bombay Stock Exchange (BSE) and National Stock Exchange (NSE) on 15 April 2019 through sale of equity shares by Dr. Sushil Kanubhai Shah and CA Lotus Investments.

2 BASIS OF PREPARATION, MEASUREMENT AND SIGNIFICANT ACCOUNTING POLICIES

2.1 Basis of preparation and measurement

a Statement of compliance

(i) The Consolidated Balance Sheet of the Group as at 31 March 2019 and the Consolidated Statement of Profit and Loss (including Other Comprehensive Income), the Consolidated Statement of Changes in Equity and the Consolidated Statement of Cash flows for the year ended 31 March 2019, summary of significant accounting policies and other financial information (together referred as 'Consolidated Financial Statements') has been prepared under Indian Accounting Standards ('Ind AS') notified under Section 133 of the Companies Act, 2013 read with the Companies (Indian Accounting Standards) Rules, 2015 as amended.

The consolidated financial Information were authorised for issue by the Company's Board of Directors on May 13, 2019.

The financial statements of all subsidiaries considered in the consolidated financial statements, are drawn upto 31 March 2019 except for Metropolis Bramser Lab Services (Mtius) Limited, Metropolis Healthcare Ghana Limited, Metropolis Healthcare Tanzania Limited and Metropolis Star Kenya Limited which are drawn upto 31 December 2018. The financial statements of Metropolis Bramser Lab Services (Mtius) Limited, Metropolis Healthcare Ghana Limited, Metropolis Healthcare Tanzania Limited and Metropolis Star Kenya Limited are not adjusted for the period between 31 December 2018 and the date of the Holding Company's financial statements being 31 March 2019 since there were no significant transactions and events that occured in this period.

b Current vs non-current classification:

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

Assets:

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

a) it is expected to be realised in, or is intended for sale or consumption in, the Group's normal operating cycle;

b) it is held primarily for the purpose of being traded;

c) it is expected to be realised within twelve months after the reporting date; or

d) it is cash or cash equivalent unless it is restricted from being exchanged or used to settle a liability for at least twelve months after the reporting date.

Liabilities:

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

a) it is expected to be settled in the Group's normal operating cycle;

b) it is held primarily for the purpose of being traded;

c) it is due to be settled within twelve months after the reporting date; or

d) the Group does not have an unconditional right to defer settlement of the liability for at least twelve months after the reporting date. Terms of a liability that could, at the option of the counterparty, result in its settlement by the issue of equity instruments do not affect its classification.

Operating cycle:

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

c Functional and presentation currency

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

- Star Labs Kenya – Kenya Shillings (Kshs)
- Metropolis Healthcare (Mauritius) Ltd - United States Dollar (US$)
- Metropolis Bramser Lab Services (MTUIS) Ltd – Mauritian ₹ (MUR)
- Metropolis Healthcare Ghana Limited - Ghanaian cedi (GH¢)
- Metropolis Healthcare Lanka Private Limited – Sri Lankan ₹
- Metropolis Healthcare Tanzania Limited - Tanzanian Shilling (TZS)

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

d Basis of measurement

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

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

e Use of estimates and judgements

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

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

The areas involving critical estimates or judgements are:

i. Assessment of functional currency (Note 2.2(n))

ii. Determination of useful lives of property, plant and equipment and intangibles; (Note 2.2(b))

iii. Impairment test of non-financial assets (Note 2.2(d))

iv. Recognition of deferred tax assets; (Note 2.2(m))

v. Recognition and measurement of provisions and contingencies; (Note 2.2(h))

vi. Fair value of financial instruments (Note 2.2 (e))

vii. Impairment of financial assets (Note 2.2 (e))

viii. Measurement of defined benefit obligations; (Note 2.2(k))

ix. Fair valuation of employee share options; (Note 2.2(k))

xi. Fair value measurement of consideration and net assets acquired as part of business combination (Note 2.2(a))

f Measurement of fair values

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

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

Fair values are categorised 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).

Notes to the consolidated financial statements for the year ended 31 March 2019 (Contd.)

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

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

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

- Financial instruments (Note 39)
- Share-based payment arrangements (Note 52 (c))
- Business combination (Note 43)

2.2 Significant Accounting Policies

a) Principles of consolidation

Subsidiaries

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

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

The consolidated financial statements are prepared by adopting uniform accounting policies for like transactions and other events in similar circumstances and are presented to the extent possible, in the same manner as the parent Company's separate financial statements unless stated otherwise. Refer note 42 (a) for subsidiaries considered for consolidation.

Non-controlling interests (NCI):

NCI are measured at their proportionate share of the acquiree's net identifiable assets at the date of acquisition.

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

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

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

Investment in associates and joint ventures

An associate is an entity over which the Group has significant influence. Significant influence is the power to participate in the financial and operating policy decision of the investee, but is not control or joint control over those policies.

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

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

Under the equity method, the investment in an associates or joint venture is initially recognised at cost. The carrying amount of the investment is adjusted to recognised changes in the Group's share of net assets of the associates or joint ventures since the acquisition date. Goodwill relating to the associates or a joint venture is included in the carrying amount of the investment and is not tested for impairment individually. Refer note 42 (b) & (c) for joint ventures and associates considered for consolidation.

Business combinations

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

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

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

b) **Property plant and equipment**

Recognition and measurement:

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

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

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

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

Subsequent expenditure:

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

Depreciation:

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

	Management's estimate of useful life	Useful life as per Schedule II
Laboratory Equipment's (Plant & Equipment's) :	13 years	10 years
(Electrical Machinery, X-ray & diagnostic equipment's namely Cat-stan, Ultrasound , ECG monitors.)		
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.

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

Laboratory equipment's - 6 years

Furniture and fixtures - 6 years

Office equipment's - 6 years

Computers - 3 years

Vehicles - 3 years

Leasehold improvements - 5 years

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

Notes to the consolidated financial statements for the year ended 31 March 2019 (Contd.)

c) Intangible assets

Goodwill

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

Other Intangible assets:

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

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

Amortisation

Goodwill is not amortised and is tested for impairment annually.

Amortisation 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 recognised in profit or loss.

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

Computer software - 5 years

Brand - 10 years

Customer relationship - 5 years

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

d) Impairment of non-financial assets

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

The recoverable amount of an individual asset (or where applicable, that of cash generating unit (CGU) to which the asset belongs) is the higher of its value in use and its fair value less costs to sell.

Value in use is based on the estimated future cash flows, discounted to their present value using a pre-tax discount rate that reflects current market assessments of the time value of money and the risks specific to the asset (or CGU).

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

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

e) Financial Instruments

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

Financial assets

Initial recognition and measurement

Financial assets are initially recognised when the Group 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 recognised 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:

- Amortised 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

Amortised cost :

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

After initial measurement, such financial assets are subsequently measured at amortised cost using the effective interest rate (EIR) method.

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

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

Fair value through Other Comprehensive Income ('FVOCI')

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

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

- collecting contractual cash flows and selling financial assets and

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

After initial measurement, these assets are subsequently measured at fair value. Dividends, Interest income under effective interest method, foreign exchange gains and losses and impairment losses are recognised in the consolidated statement of Profit and Loss. Other net gains and losses are recognised 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 derecognised (i.e. removed from the Group's balance sheet) when:

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

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

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

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

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

Impairment of financial assets

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

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

Initial recognition and measurement

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

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

Subsequent measurement

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

Notes to the consolidated financial statements for the year ended 31 March 2019 (Contd.)

<u>Financial Liabilities at Fair Value through Profit or Loss (FVTPL):</u>

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

<u>Financial Liabilities at amortised cost:</u>

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

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

Derecognition

A financial liability is derecognised 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 recognised in the consolidated statement of profit or loss.

Offsetting of financial instruments

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

f) Inventories

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

g) Cash and Cash Equivalents

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

h) Provisions, Contingent Liabilities and Contingent Assets

A provision is recognised 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 recognised as finance cost.

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

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

i) Revenue Recognition

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

Effective 1 April 2018 the Group has applied Ind AS 115 which replaces Ind AS 18 revenue recognition.

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

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

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

j) Other income

Interest income

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

Dividend income

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

k) Employee Benefits

(i) Short-term Employee benefits

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

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

(ii) Share-based payments

The cost of equity settled transactions is determined by the fair value at the grant date which is based on the Black Scholes model. The grant date fair value of options granted to employees is recognised 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 is recorded separately for each vesting portion of the award as if the award ,in substance, was multiple awards.

When the terms of an equity-settled award are modified, the minimum expense recognised is the expense had the terms had not been modified, if the original terms of the awards are met. An additional expense is recognised for any modification that increases the total fair value of the share-based payment transaction, or is otherwise beneficial to the employee as measured at the date of modification.

(iii) Post-Employment Benefits

Defined Contribution Plans:

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

Notes to the consolidated financial statements for the year ended 31 March 2019 (Contd.)

Defined Benefit Plans:

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

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

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

l) Leases:

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

Operating lease:

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

m) Income-tax

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

<u>Current Tax</u>

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

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

<u>Deferred Tax</u>

Deferred tax is recognised 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 recognised 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 utilised. 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 utilised such reductions are reversed when it becomes probable that sufficient taxable profits will be available.

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

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

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

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

Deferred tax assets and liabilities are offset only if:

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.

n) Foreign currency

Foreign currency transactions:

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

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

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

Foreign operations:

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

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

0) Dividend

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

p) Earnings per share:

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

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

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

q) Segment Reporting

Operating segments are reported in a manner consistent with the internal reporting provided to the chief operating decision maker (CODM) as defined in Ind AS-108 'Operating Segments' for allocating resources and assessing performance.

The Group operates in one reportable business segment i.e. "Pathology services".Further the geographic segments are not applicable since assets are only in India.

Refer note 53 in the financial statements for additional disclosures on segment reporting.

r) Recent amendments:

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

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

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

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

Ind AS 109 – Prepayment Features with Negative Compensation

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

Ind AS 19 – Plan Amendment, Curtailment or Settlement

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

Ind AS 23 – Borrowing Costs

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

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

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

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

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

Ind AS 116- Leases:

Ind AS 116 will replace the existing leases standard, Ind AS 17 Leases. Ind AS 116 sets out the principles for the recognition, measurement, presentation and disclosure of leases for both lessees and lessors. It introduces a single, on-balance sheet lessee accounting model for lessees. A lessee recognises right-of-use asset representing its right to use the underlying asset and a lease liability representing its obligation to make lease payments. The standard also contains enhanced disclosure requirements for lessees. Ind AS 116 substantially carries forward the lessor accounting requirements in Ind AS 17.

The Group will adopt Ind AS 16, effective annual reporting period beginning 1 April 2019. The Group will apply the standard to its leases using modified retrospective approach, with the cumulative effect of initially applying the standard, recognised on the date of initial application (1 April 2019). Accordingly, the Group will not restate comparative information, instead on that date, the Group will recognise a lease liability measured at the present value of the remaining lease payments. The right-of-use asset asset is measured at an amount equal to thelease liability, adjusted by the amount of any prepaid or accrued lease payments relating to that lease recognised in the balance sheet immediately before the date of initial application.

On transition, the Group will be using the practical expedient provided the standard and therefore, will not reassess whether a contract, is or contains a lease, at the date of initial application. The Group is in the process of finalising changes to systems and processes to meet the accounting and reporting requirements of the standard.

With effect from April 01, 2019, the Group will recognise new assets and liabilities for its operating leases of premises and other assets. The nature of expenses related to those leases will change from lease rent in previous periods to a) amortisation change for the right-to-use asset, and b) interest accrued on lease liability. Previously, the Group recognised operating lease expense on a straight-line basis over the term of the lease, and recognised assets and liabilities only to the extent that there was a timing difference between actual lease payments and the expense recognised. The Group is currently evaluating the effect of this accounting standard.

Notes to the consolidated financial statements for the year ended 31 March 2019 (Contd.)

3 PROPERTY, PLANT AND EQUIPMENT

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

(All amounts in Indian ₹ Lakhs unless otherwise stated)

	Freehold land	Building	Leasehold improvement	Furniture & fixtures	Laboratory equipments	Office equipment	Computers	Vehicles	Total
Cost as at 1 April 2018	1,035.40	5,258.48	445.32	1,531.46	4,001.00	1,124.72	851.11	310.96	14,558.45
Additions during the year ended 31 March 2019	-	23.22	128.80	118.41	1,358.00	167.08	229.57	89.05	2,114.13
Disposals during the year ended 31 March 2019	-	(3.96)	-	(2.24)	(46.67)	-	(2.93)	(30.72)	(86.52)
Exchange differences on translation of foreign operations	-	(2.76)	1.50	7.17	9.55	1.50	3.03	0.23	20.22
Cost as at 31 March 2019 (A)	**1,035.40**	**5,274.98**	**575.62**	**1,654.80**	**5,321.88**	**1,293.30**	**1,080.78**	**369.52**	**16,606.28**
Accumulated depreciation as at 1 April 2018	-	493.47	179.04	456.65	1,200.46	446.29	436.21	116.69	3,328.81
Depreciation charged during the year ended 31 March 2019	-	239.12	132.91	175.92	664.69	215.75	183.80	57.29	1,669.48
Disposals during the year ended 31 March 2019	-	(0.25)	-	(1.20)	(35.69)	-	(2.26)	(23.65)	(63.05)
Exchange differences on translation of foreign operations	-	(0.40)	0.16	1.52	1.09	0.23	1.39	(0.09)	3.90
Accumulated depreciation as at 31 March 2019 (B)	**-**	**731.94**	**312.11**	**632.89**	**1,830.55**	**662.27**	**619.14**	**150.24**	**4,939.14**
Net carrying amount as at 31 March 2019 (A) - (B)	**1,035.40**	**4,543.04**	**263.51**	**1,021.91**	**3,491.33**	**631.03**	**461.64**	**219.28**	**11,667.14**

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

(All amounts in Indian ₹ Lakhs unless otherwise stated)

	Freehold land	Building	Leasehold improvement	Furniture & fixtures	Laboratory equipments	Office equipment	Computers	Vehicles	Total
Cost as at 1 April 2017	1,035.40	4,718.28	354.68	1,216.89	3,127.23	822.84	712.14	188.19	12,175.65
Additions during the year	-	496.05	90.59	287.00	799.01	303.26	137.37	101.61	2,214.89
Disposals during the year	-	-	-	(23.75)	(157.73)	(0.07)	(12.71)	(6.59)	(200.85)
Additions on account of business combination (Refer 43(a))	-	49.98	-	57.57	283.68	-	18.71	30.75	440.69
Disposal on sale of subsidiary (Refer 46)	-	-	-	(0.86)	(34.96)	(0.42)	(1.94)	(0.02)	(38.20)
Exchange differences on translation of foreign operations	-	(5.83)	0.05	(5.39)	(16.23)	(0.89)	(2.46)	(2.98)	(33.73)
Cost as at 31 March 2018 (A)	**1,035.40**	**5,258.48**	**445.32**	**1,531.46**	**4,001.00**	**1,124.72**	**851.11**	**310.96**	**14,558.45**
Accumulated depreciation as at 1 April 2017	-	240.70	95.69	229.94	583.34	214.01	248.69	47.47	1,659.84
Depreciation charged during the year	-	250.84	83.34	227.23	632.62	232.67	188.53	67.21	1,682.44
Disposals during the year	-	-	-	(6.45)	(45.35)	(0.07)	(4.52)	(2.81)	(59.20)
Additions on account of business combination (Refer 43(a))	-	2.24	-	7.31	38.91	-	5.34	5.76	59.56
Disposal on sale of subsidiary (Refer 46)	-	-	-	(0.18)	(5.19)	(0.18)	(0.73)	(0.01)	(6.29)
Exchange differences on translation of foreign operations	-	(0.31)	0.01	(1.20)	(3.87)	(0.14)	(1.10)	(0.93)	(7.54)
Accumulated depreciation as at 31 March 2018 (B)	**-**	**493.47**	**179.04**	**456.65**	**1,200.46**	**446.29**	**436.21**	**116.69**	**3,328.81**
Net carrying amount as at 31 March 2018 (A) - (B)	**1,035.40**	**4,765.02**	**266.28**	**1,074.81**	**2,800.55**	**678.43**	**414.91**	**194.27**	**11,229.64**

4 INTANGIBLE ASSETS

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

(All amounts in Indian ₹ Lakhs unless otherwise stated)

	Goodwill	Other Intangible Assets			
		Computer Software	Brand name	Customer Relationships	Total other intangible assets
Cost as at 1 April 2018	**8,111.89**	**493.93**	**1,170.00**	**311.00**	**1,974.93**
Additions during the year	**-**	**418.50**	**-**	**-**	**418.50**
Exchange differences on translation of foreign operations	**18.18**	**0.03**	**-**	**-**	**0.03**
Cost as at 31 March 2019 (A)	**8,130.07**	**912.46**	**1,170.00**	**311.00**	**2,393.46**
Accumulated amortisation / impairment as at 1 April 2018	**274.99**	**88.56**	**136.50**	**72.57**	**297.63**
Amortisation recognised for the year	**-**	**157.93**	**117.00**	**62.20**	**337.13**
Exchange differences on translation of foreign operations	**-**	**0.02**	**-**	**-**	**0.02**
Accumulated amortisation / impairment as at 31 March 2019 (B)	**274.99**	**246.51**	**253.50**	**134.77**	**634.78**
Net carrying amount as at 31 March 2019 (A) - (B)	**7,855.08**	**665.95**	**916.50**	**176.23**	**1,758.68**

Changes in the carrying value of intangibles for the year ended 31 March 2018:

(All amounts in Indian ₹ Lakhs unless otherwise stated)

	Goodwill	Other Intangible Assets			
		Computer Software	Brand name	Customer Relationships	Total other intangible assets
Cost as at 1 April 2017	8,246.09	70.89	1,170.00	311.00	1,551.89
Additions during the year	-	423.06	-	-	423.06
Disposal on sale of subsidiary (Refer 46)	(122.02)	-	-	-	-
Exchange differences on translation of foreign operations	(12.18)	(0.02)	-	-	(0.02)
Cost as at 31 March 2018 (A)	**8,111.89**	**493.93**	**1,170.00**	**311.00**	**1,974.93**
Accumulated amortisation/ impairment as at 1 April 2017	-	48.47	19.50	10.37	78.34
Amortisation recognised for the year	-	40.11	117.00	62.20	219.31
Impairment during the year (Refer note 36)	274.99	-	-	-	-
Exchange differences on translation of foreign operations	-	(0.02)	-	-	(0.02)
Accumulated amortisation / impairment as at 31 March 2018 (B)	**274.99**	**88.56**	**136.50**	**72.57**	**297.63**
Net carrying amount as at 31 March 2018 (A) - (B)	**7,836.90**	**405.37**	**1,033.50**	**238.43**	**1,677.30**

Notes to the consolidated financial statements for the year ended 31 March 2019 (Contd.)

Impairment

Carrying amount of goodwill which is allocated to the pathology division as at 31 March 2019 is ₹ 7,855.08 Lakhs (31 March 2018 is ₹ 7,836.90 Lakhs). This goodwill is acquired on account of business acquisition and on consolidation of subsidiaries.

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

(All amounts in Indian ₹ Lakhs unless otherwise stated)

Entity	31 March 2019	31 March 2018
Metropolis Healthcare Limited	**4,880.90**	4,593.94
Sudharma Metropolis Health Services Private Limited	**57.70**	57.70
Desai Metropolis Health Services Private Limited	**836.93**	836.93
R.V. Metropolis Diagnostic & Health Care Center Private Limited	**258.83**	258.83
Golwilkar Metropolis Health Services (India) Private Limited	**-**	286.96
Micron Metropolis Healthcare Private Limited	**319.96**	319.96
Dr. Patel Metropolis Healthcare Private Limited	**90.71**	90.71
Raj Metropolis Healthcare Private Limited	**30.37**	30.37
Lab One Metropolis Healthcare Services Private Limited	**278.31**	278.31
Metropolis Bramser Lab Services (Mtius) Limited	**0.06**	0.06
Metropolis Healthcare Ghana Limited	**41.76**	41.76
Metropolis Healthcare (Mauritius) Limited	**1.80**	1.80
Metropolis Star Lab Kenya Limited	**277.96**	259.78
Amins Pathology Laboratory Private Limited	**588.20**	588.20
Ekopath Metropolis Lab Services Private Limited	**44.04**	44.04
Bokil Golwilkar Metropolis Healthcare Private Limited	**147.55**	147.55
Total	**7,855.08**	7,836.90

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

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

Key assumptions used in the value-in-use calculations

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

(All amounts in Indian ₹ Lakhs unless otherwise stated)

	31 March 2019	31 March 2018
Pre tax risk adjusted discount rate	**12.50%**	12.50%
Terminal value growth rate	**6.00%**	6.00%
Budgeted EBITDA growth rate	**15-20%**	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 2019, the estimated receivable amount of CGU exceeds its carrying amount and accordingly , no impairment was recognised.

As at 31 March 2018, an impairment loss of ₹ 274.99 Lakhs is recognised in relation to goodwill allocated to Sanket Metropolis Health Services (India) Private Limited of ₹ 216.92 Lakhs, Metropolis Healthcare (Jodhpur) Private Limited of ₹ 30.01 Lakhs and Metropolis Healthcare (Chandigarh) Pvt Ltd of ₹ 28.06 Lakhs. The loss is mainly on account of uncontrollable adverse local market conditions which has diluted the credit worthiness of the CGUs (Refer note 36)

Further the Company sold Mulay Metropolis Healthcare Private Limited during the year ended 31 March 2018. Accordingly goodwill of ₹ 122.02 Lakhs which was created on consolidation was reversed.

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

5 EQUITY ACCOUNTED INVESTEES

(All amounts in Indian ₹ Lakhs unless otherwise stated)

	31 March 2019	31 March 2018
Investment in joint ventures		
Unquoted equity shares at cost		
Metropolis Histoxpert Digital Services Private Limited	**51.98**	0.65
1,950,000 (31 March 2018: 6,500) Equity shares of Face value of ₹ 10 each (Fully paid up)		
	51.98	0.65
Investment in Associates		
Unquoted equity shares at cost		
Star Metropolis Health Services Middle East LLC, Dubai	**129.85**	129.85
1,020 (31 March 2018: 1,020) Equity shares of AED of 1,000 each (Fully Paid up) (Refer note 55)**		
	129.85	129.85
Total value of investments	**181.83**	130.50
Less : Provision for impairment**	**(129.85)**	(129.85)
Total	**51.98**	0.65
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	**181.83**	130.50
Aggregate amount of impairment in value of investments	**129.85**	129.85

Notes to the consolidated financial statements for the year ended 31 March 2019 (Contd.)

6 NON-CURRENT INVESTMENTS

(All amounts in Indian ₹ Lakhs unless otherwise stated)

	31 March 2019	31 March 2018
Unquoted equity shares at Fair Value through Other comprehensive income		
Centre for Digestive and Kidney Disease Private Limited	**175.00**	175.00
1,750,000 (31 March 2018: 1,750,000) Equity shares (Face value of ₹ 10 each fully paid up)		
Textiles Traders Co-operative Bank Limited	**0.28**	0.28
1,100 (31 March 2018: 1,100) Equity shares (Face value of ₹ 25 each fully paid up)		
The Saraswat Co-operative Bank Limited	**-**	0.25
Nil (31 March 2018: 2500) Equity shares (Face value of ₹ 10 each fully paid up)		
Total	**175.28**	175.53
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	**175.28**	175.53
Aggregate amount of impairment in value of investments	**-**	-

7 NON-CURRENT LOANS

(All amounts in Indian ₹ Lakhs unless otherwise stated)

	31 March 2019	31 March 2018
(Unsecured,considered good)		
Security deposits	**329.29**	242.85
Other advances	**91.36**	89.17
	420.65	332.02
(Unsecured,considered doubtful)		
Security deposits		
- significant increase in credit risk	**-**	-
- credit impaired	**61.08**	61.08
	61.08	61.08
Less : Provision for advances having significant increase in credit risk	**-**	-
Less : Provision for advances which are credit impaired	**(61.08)**	(61.08)
Total	**420.65**	332.02

8 OTHER NON-CURRENT FINANCIAL ASSETS

(All amounts in Indian ₹ Lakhs unless otherwise stated)

	31 March 2019	31 March 2018
(Unsecured,considered good)		
Fixed Deposits with banks^	**1,019.90**	833.44
Total	**1,019.90**	833.44

^ Includes ₹ 1009.40 Lakhs (31 March 2018: ₹ 824.44 Lakhs) of fixed deposits pledged against bank guarantee.

Notes to the consolidated financial statements for the year ended 31 March 2019 (Contd.)

9 OTHER NON-CURRENT ASSETS

(All amounts in Indian ₹ Lakhs unless otherwise stated)

	31 March 2019	31 March 2018
(Unsecured, considered good unless otherwise stated)		
Capital advances	**131.84**	168.72
Prepaid expenses	**23.17**	27.26
Total	**155.01**	195.98

10 NON-CURRENT TAX ASSETS (NET)

(All amounts in Indian ₹ Lakhs unless otherwise stated)

	31 March 2019	31 March 2018
Advance taxes (net of provision for taxes -31 March 2019: ₹ 13,721.42 Lakhs ,31 March 2018: ₹ 14,236.18 Lakhs)	**745.06**	191.69
Total	**745.06**	191.69

11 INVENTORIES

(All amounts in Indian ₹ Lakhs unless otherwise stated)

	31 March 2019	31 March 2018
(At lower of cost and net realisable value)		
Raw materials	**2,604.97**	2,118.72
(Reagents, chemicals, diagnostic kits, medicines and consumables)		
Traded Goods	**5.26**	-
Total	**2,610.23**	2,118.72

12 CURRENT INVESTMENTS

(All amounts in Indian ₹ Lakhs unless otherwise stated)

	31 March 2019	31 March 2018
(Non-trade, Unquoted at Fair Value through Profit or Loss)		
Investments in mutual funds		
Axis - Liquid Fund - Daily Dividend Reinvestment - Nil (31 March 2018 - 3,963) Units of Face Value ₹ 1,000 each	**-**	39.68
BSL Cash Manager Growth Plan- Nil (31 March 2018 -16,484) Units of Face Value ₹ 100 each	**-**	68.83
Birla SL - ST Opportunities Fund Reg (G) Nil (31 March 2018 - 213,422,) Units of Face Value of ₹ 10 each	**-**	61.58
Birla Sun Life Cash Plus Growth - 7,473.38 (31 March 2018 - 7,473.38) Units of Face Value ₹ 100 each	**22.35**	20.79
Birla Sunlife Life Income Plus (Growth) - 192,079 (31 March 2018 - 192,079) Units of Face Value ₹ 100 each	**155.92**	145.96
BNP Paribas Bond Fund Growth - 1,229,791 (31 March 2018- 1,229,79) Units of Face Value ₹ 10 each	**285.54**	268.98
BNP Paribas Flexi Debt Fund - Growth - Nil (31 March 2018 -724,793.74) Units of Face Value ₹ 10 each	**-**	214.97
BNP Paribas Short Term Income Fund - Growth - 107,428 (31 March 2018 - 107,428) Units of Face Value ₹ 100 each	**22.86**	21.34
DSP BlackRock Liquidity Fund- Growth - 30,547 (31 March 2018 -26,971) Units of Face Value ₹ 1000 each	**812.11**	667.25
DSP - Low Duration Fund Reg (G) - 37,66,707 (31 March 2018 -Nil) Units of Face Value ₹ 10 each	**512.04**	-
Franklin India US Bond Fund DDR- Nil (31 March 2018 - 1,040,585) Units of Face Value ₹ 10 each	**-**	104.87

Notes to the consolidated financial statements for the year ended 31 March 2019 (Contd.)

(All amounts in Indian ₹ Lakhs unless otherwise stated)

	31 March 2019	31 March 2018
Franklin STIF GR (G) - Nil (31 March 2018 - 1,691) Units of Face Value ₹ 1,000 each	-	62.08
HDFC - Cash Mgmt Treasury Advantage Plan Daily Dividend -Nil (31 March 2018 - 1,538,939) Units of Face Value ₹ 10 each	-	156.09
HDFC cash Management Fund Growth- 319 (31 March 2018 -573,598) Units of Face Value ₹ 10 each	**12.39**	209.86
HDFC Cash Management Fund - Saving plan - Nil (31 March 2018 -318.96) Units of Face Value ₹ 1,000 each	-	11.48
HDFC High Interest Dynamic Plan - Growth -123,045 (31 March 2018 - 123,045) Units of Face Value ₹ 100 each	**74.24**	72.50
HSBC flexi debt fund (Growth) - Nil (31 March 2018 - 500,058) Units of Face Value ₹ 100 each	-	113.77
ICICI Prudential Flexible Income Plan G- 92,546 (31 March 2018 - 356,692) Units of Face Value ₹ 100 each	**331.99**	1,188.91
ICICI Prudential Flexible Income - Daily Dividend - 3,17,096 (31 March 2018-818,207) Units of Face Value ₹ 100 each	**335.42**	865.61
ICICI Prudential Liquid Plan - Daily Dividend - Nil (31 March 2018 - 39,419) Units of Face Value ₹ 100 each	-	39.50
ICICI Prudential Short-term Plan Nil (31 March 2018 - 203,987) Units of Face Value ₹ 100 each	-	73.87
IDFC - DBF Regular Plan Nil (31 March 2018 - 591,300) Units of Face Value ₹ 17 each	-	122.05
IDFC - Ultra Short Term Fund Reg (DD) - Nil (31 March 2018 - 2,087,176) Units of Face Value ₹ 10 each	-	210.32
IDFC Super Saver Income Fund - Investment Plan - Growth - 2,47,116 (31 March 2018 - 247,116) Units of Face Value ₹ 100 each	**77.16**	71.88
IDFC Super Saver Income Fund-Medium Term Plan Nil (31 March 2018 - 242,992) Units of Face Value ₹ 10 each	-	70.68
Kotak Liquid Plan DDR- Nil (31 March 2018 - 6,170) Units of Face Value of ₹ 1,000 each	-	75.45
Kotak - Treasury Advantage Fund (DD) - Nil (31 March 2018 - 1,589,461) Units of Face Value of ₹ 10 each	-	160.21
Kotak Bond Plan A (Growth) - 242,270 (31 March 2018 - 242,270) Units of Face Value ₹ 100 each	**123.12**	115.23
L&T - Ultra STF (DD) Rein Nil (31 March 2018 - 1,546,520) Units of face value of ₹ 10 each	-	158.71
L&T FMP Series 10 - Plan S (1500 Days) - Growth - Nil (31 March 2018 - 500,102) Units of Face Value ₹ 10 each	-	68.87
L&T Short-term Income Fund - Nil (31 March 2018 - 399,939) Units of Face Value ₹ 10 each	-	74.70
SBI - Ultra ST Debt Fund Reg (DD) - Nil (31 March 2018 - 15,582) Units of Face Value ₹ 1,000 each	-	157.06
Tata USTF DDR - Nil (31 March 2018 -26,360) Units of Face Value ₹ 1,000 each	-	264.68
Tata Fixed Maturity Plan Series 47 Scheme C - Plan A- Nil (31 March 2018 - 500,099) Units of Face Value ₹ 10 each	-	68.96
Templeton India Short-term Income Plan- Nil (31 March 2018 - 486) Units of Face Value ₹ 1,000 each	-	17.82
UTI-Money Market Fund Ins Plan Growth - Nil (31 March 2018 - 589) Units of Face Value ₹ 1,000 each	-	11.42
	2,765.14	6,055.96

(All amounts in Indian ₹ Lakhs unless otherwise stated)

	31 March 2019	31 March 2018
(Non-trade, Unquoted at Fair Value through Other Comprehensive Income)		
i) Investments in Non-convertible debentures		
IndoStar Capital Finance Ltd - Nil (31 March 2018 - 100) Units of Face Value ₹ 1,000,000 each	-	1,004.33
Ashirvad Micro Finance Ltd - Nil (31 March 2018 - 100) Units of Face Value ₹ 1,000,000 each	-	1,005.95
ii) Investments in Commercial Papers		
Reliance Securities - Nil (31 March 2018 - 200) Units of Face Value ₹ 500,000 each	-	989.69
Kotak Mahindra Securities Ltd - Nil (31 March 2018 - 200) Units of Face Value ₹ 500,000 each	-	985.96
Infrastructure Leasing & Financial Services Limited - 100 (31 March 2018 - Nil) Units of Face Value ₹ 500,000 each**	480.68	-
	480.68	3,985.93
Less : Provision for impairment**	(144.20)	-
	336.48	3,985.93
Total	3,101.62	10,041.89
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	3,245.83	10,041.89
Aggregate amount of impairment in value of investments	144.20	-

13 TRADE RECEIVABLES

(All amounts in Indian ₹ Lakhs unless otherwise stated)

	31 March 2019	31 March 2018
Unsecured considered good*	13,684.78	10,068.41
Unsecured - significant increase in credit risk	-	-
Unsecured - credit impaired	2,707.38	2,199.23
	16,392.16	12,267.64
Less: Provision for debts having significant increase in credit risk	-	-
Less: Provision for debts which are credit impaired	(2,707.38)	(2,199.23)
Total	13,684.78	10,068.41

*It includes amount receivable from related parties (Refer note 41)

14 CASH AND CASH EQUIVALENTS

(All amounts in Indian ₹ Lakhs unless otherwise stated)

	31 March 2019	31 March 2018
Balances with banks		
- in current accounts	4,446.02	3,835.75
- in EEFC account	0.62	142.63
- in deposit accounts (with less than 3 months original maturity)	504.80	266.88
Cash on hand	185.66	101.50
Total	5,137.10	4,346.76

Notes to the consolidated financial statements for the year ended 31 March 2019 (Contd.)

15 BANK BALANCES OTHER THAN CASH AND CASH EQUIVALENTS

(All amounts in Indian ₹ Lakhs unless otherwise stated)

	31 March 2019	31 March 2018
Fixed deposits with original maturity of more than 3 months but less than 12 months of reporting date *^	**2,886.83**	1,666.83
Total	**2,886.83**	1,666.83

* Includes 31 March 2019: ₹ 939.99 Lakhs, (31 March 2018: ₹ 5.00) Lakhs pledged against bank guarantee.

^ Includes 31 March 2019: ₹ 762.57 Lakhs, (31 March 2018: ₹ 78.44) Lakhs fixed deposits under lien.

16 CURRENT LOANS

(All amounts in Indian ₹ Lakhs unless otherwise stated)

	31 March 2019	31 March 2018
(Unsecured, considered good)		
Security deposits	**1,501.50**	1,050.96
Other advances	**8.65**	31.06
	1,510.15	1,082.02
(Unsecured, considered doubtful)		
Security deposits		
- significant increase in credit risk	**-**	-
- credit impaired	**14.00**	14.00
Advances to related parties (Refer note 41)		
- significant increase in credit risk	**-**	-
- credit impaired	**86.35**	86.34
Other advances		
- significant increase in credit risk	**-**	-
- credit impaired	**3.83**	-
	104.18	100.34
Less : Provision for advances having significant increase in credit risk	**-**	-
Less : Provision for advances which are credit impaired	**(104.18)**	(100.34)
Total	**1,510.15**	1,082.02

17 OTHER CURRENT FINANCIAL ASSETS

(All amounts in Indian ₹ Lakhs unless otherwise stated)

	31 March 2019	31 March 2018
(Unsecured, considered good)		
Interest accrued but not due		
- On investments	-	60.18
- From bank deposits	28.34	74.96
- From others	33.48	-
Other receivables*	781.49	-
Total	**843.31**	**135.14**

* Other receivables includes amount receivable from related party - Refer Note 41

18 OTHER CURRENT ASSETS

(All amounts in Indian ₹ Lakhs unless otherwise stated)

	31 March 2019	31 March 2018
(Unsecured, considered good)		
Advance to suppliers	**107.87**	77.51
Advance to employees	**82.38**	43.79
Other advances	**113.57**	110.88
Prepaid expenses	**394.42**	339.02
	698.24	571.20
(Unsecured, considered doubtful)		
Advance to suppliers	**14.62**	17.08
Advance to employees	**3.90**	-
Other advances	**63.95**	67.98
	82.47	85.06
Less : Provision for doubtful advances	**(82.47)**	(85.06)
Total	**698.24**	571.20

19 EQUITY SHARE CAPITAL

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

(All amounts in Indian ₹ Lakhs unless otherwise stated)

	31 March 2019		31 March 2018	
	Number of equity shares	Amount (₹ in Lakhs)	Number of equity shares	Amount (₹ in Lakhs)
(a) Authorised share capital				
Equity shares of the par value of ₹ 2 each (Previous year par value of ₹ 10 each) (Refer note (h) below)	**29,57,54,015**	**5,915.08**	5,50,00,000	5,500.00
	29,57,54,015	**5,915.08**	5,50,00,000	5,500.00
(b) Issued, subscribed and paid up				
Equity shares of the par value of ₹ 2 each (Previous year par value of ₹ 10 each) (Refer note (h) below)	**5,01,78,680**	**1,003.57**	95,43,646	954.36
	5,01,78,680	**1,003.57**	95,43,646	954.36

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

(All amounts in Indian ₹ Lakhs unless otherwise stated)

	31 March 2019		31 March 2018	
	Number of equity shares	Amount (₹ in Lakhs)	Number of equity shares	Amount (₹ in Lakhs)
Equity :				
Outstanding at the beginning	**95,43,646**	**954.36**	95,43,646	954.36
Issued under Metropolis Employee Stock Option Scheme 2007 (Refer note 52 (c))	**32,800**	**3.28**	-	-
Issued on exercise of share warrants [Refer note 56]	**8,703**	**0.87**	-	-
Issued to the Shareholders of Subsidiary Companies on acquisition of further stake (Refer note 43(b)(ii)(vi)(vii)(ix)	**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 58 (b))	**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 58 (b))	**(26,57,730)**	**(265.77)**	-	-
Issue of Bonus Shares (Refer note (g) below)	**3,85,990**	**38.60**	-	-
Outstanding before sub-division of shares	**1,00,35,736**	**1,003.57**	**95,43,646**	**954.36**

Notes to the consolidated financial statements for the year ended 31 March 2019 (Contd.)

(All amounts in Indian ₹ Lakhs unless otherwise stated)

	31 March 2019		31 March 2018	
	Number of equity shares	Amount (₹ in Lakhs)	Number of equity shares	Amount (₹ in Lakhs)
Adjustment for Sub-Division of Equity Shares (Refer below note (g) below)	**4,01,42,944**	**-**	-	-
Outstanding at the end	**5,01,78,680**	**1,003.57**	**95,43,646**	**954.36**

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

(All amounts in Indian ₹ Lakhs unless otherwise stated)

Name of Shareholder	31 March 2019		31 March 2018	
	Number of equity shares*	Percentage	Number of equity shares	Percentage
Dr. Sushil Shah	**99,97,590**	**19.92%**	32,90,700	34.48%
CA Lotus Investments	**1,56,53,435**	**31.20%**	30,10,276	31.54%
Bacchus Hospitality and Services Real Estate Private Limited	**-**	**-**	26,57,730	27.85%
Metz Advisory LLP	**1,46,30,125**	**29.16%**	-	-
Dr. Duru Sushil Shah	**92,09,230**	**18.35%**	-	-

* Number of equity shares as on March 2019 are after adjusting sub-division of equity shares.

(e) Terms/rights attached to equity shares :

The Company has only one class of Equity shares having a par value of ₹ 2 per share. Each holder of equity share is entitled to one vote per share. The Company declares and pays dividend in Indian ₹. 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.

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

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

- During the year ended 31 March 2019, 1 share (before split with face value of ₹ 10 each) has been allotted to the Shareholders of Bacchus Hospitality Services and Real Estate Private Limited pursuant to the scheme of amalgamation (Refer note 58 b))

- During the year ended 31 March 2019, 64,596 shares (before split with face value of ₹ 10 each) have been allotted as consideration for swap of shares with the shareholders of subsidiary companies on acquisition of further stake (Refer note 43(b)(ii)(vi)(vii)(ix))

- Buy-back of 320,484 shares (before split with face value of ₹ 10 each) which was brought back pursuant to section 68 of the Companies Act, 2013 during the year ended 31 March 2016.

(g) Pursuant to Shareholder's resolution passed at the Extraordinary General Meeting (EGM) held on 14 September 2018, the Shareholders approved issuance of Bonus shares to the existing shareholders in the ratio of 1:25 i.e. one bonus equity shares for twenty five existing equity shares. Further in the same meeting, the equity share capital (Authorised, Issued and Paid-up) of the Company was subdivided from ₹ 10/- (₹ ten) each to equity shares of ₹ 2/- (₹ two) 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 year ended 31 March 2019, the authorised share capital of the Company has increased as per clause 15 of the scheme of amalgamation as follows.(Refer note 59) for further details

(All amounts in Indian ₹ Lakhs unless otherwise stated)

	31 March 2019		31 March 2018	
	Number of equity shares	Amount (₹ in Lakhs)	Number of equity shares	Amount (₹ in Lakhs)
(i) Bacchus Hospitality Services and Real Estate Private Limited	**28,30,803**	**28.31**	-	-
(ii) Metropolis Healthcare (Chandigarh) Private Limited	**10,000**	**0.10**	-	-
(iii) Metropolis Healthcare (Jodhpur) Private Limited	**10,000**	**0.10**	-	-
(iv) Final Diagnosis Private Limited	**9,50,000**	**9.50**	-	-
(v) Sanket Metropolis Health Services (India) Private Limited	**2,50,000**	**2.50**	-	-
(vi) Golwilkar Metropolis Health Services (India) Private Limited	**1,00,000**	**1.00**	-	-
(vi) Metropolis Healthcare Limited	**5,50,00,000**	**550.00**	5,50,00,000	550.00
	5,91,50,803	**591.51**	5,50,00,000	550.00
Impact of split from ₹ 10 per share to ₹ 2 per share	**23,66,03,212**	**-**	-	-
Total authorised share capital	**29,57,54,015**	**591.51**	5,50,00,000	550.00

20 OTHER EQUITY

(All amounts in Indian ₹ Lakhs unless otherwise stated)

	31 March 2019	31 March 2018
Fully convertible share warrants (Refer note 56)	**-**	0.20
Securities premium	**8,705.93**	5,831.61
Capital redemption reserve	**0.33**	32.37
General reserve	**1,750.98**	1,750.98
Capital reserve	**69.13**	69.13
Employee stock options reserve	**258.78**	170.34
Retained earnings	**29,832.43**	32,524.04
Foreign currency translation reserve	**232.69**	143.37
Debt instruments fair valued through other comprehensive income	**-**	0.27
Total	**40,850.27**	40,522.32
Movement in balances of Other equity:		
Securities Premium		
Balance as at the beginning of the year	**5,831.61**	5,831.61
Utlilised during the period pursuant to the scheme of Amalgamation with Bacchus Hospitality Services and Real Estate Private Limited (Refer note 58 (b))*	**(0.00)^**	-
Utilised on issue of bonus shares	**(6.55)**	-
Share options exercised under Metropolis Employee Stock Option Scheme 2007 (Refer note 52 (c))	**29.52**	-
Share warrants exercised during the period (Refer note 56)	**223.58**	-
Shares issued to the Shareholders of Subsidiary Companies on acquisition of further stake (Refer note 43(ii)(vi)(vii)(ix))	**2,627.77**	-
Balance as at the end of the year	**8,705.93**	5,831.61

* 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 Securities Premium arising, if any, on issue of new equity shares.

^ Amount below ₹ 10,000

Notes to the consolidated financial statements for the year ended 31 March 2019 (Contd.)

(All amounts in Indian ₹ Lakhs unless otherwise stated)

	31 March 2019	31 March 2018
Capital redemption reserve		
Balance as at the beginning of the year	**32.37**	32.37
Utilised on issue of bonus shares	**(32.04)**	-
Balance as at the end of the year	**0.33**	32.37
General reserve		
Balance as at the beginning and at the end of the year	**1,750.98**	1,750.98
Capital reserve		
Balance as at the beginning and at the end of the year	**69.13**	69.13
Employee stock options reserve		
Balance as at the beginning	**170.34**	4.33
Share based payments (Refer note 52 (c))	**88.44**	166.01
Balance as at the end of the year	**258.78**	170.34
Retained earnings		
Balance as at the beginning of the year	**32,524.04**	23,505.11
Transferred from statement of profit and loss	**12,014.79**	10,423.62
Interim dividend paid	**(6,653.69)**	-
Tax on dividend distributed	**(1,655.46)**	(196.34)
Acquisition of stake from NCI (refer note 43(b)(i)(ii)(vi)(vii)(viii)(ix)(x))	**(6,446.07)**	(1,270.64)
Written put option	**-**	84.87
Other comprehensive income		
Gain/loss on re-measurement of defined benefit plans	**48.82**	(22.58)
Balance as at the end of the year	**29,832.43**	32,524.04
Other comprehensive Income-		
(i) Foreign currency translation reserve		
Balance as at the beginning of the year	**143.37**	41.27
Exchange differences in translating financial statements of foreign operations	**89.32**	102.10
Balance as at the end of the year	**232.69**	143.37
(ii) Debt instruments fair valued through other comprehensive income		
Balance as at the beginning and end of the year	**0.27**	0.27
Transfer to statement of profit and loss	**(0.27)**	
Balance as at the end of the year	**-**	0.27

Nature and purpose of reserves

Securities Premium

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

Capital redemption reserve

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

General reserve

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

Capital reserve

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

Employee stock options reserve

The Group has established equity settled share based payment plan for certain categories of employees. (Refer note 52 (c))

Retained Earnings

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

Foreign currency translation reserve

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

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 Group transfers amounts from such component of equity to retained earnings when the relevant debt instruments are derecognised.

21 NON-CURRENT BORROWINGS

(All amounts in Indian ₹ Lakhs unless otherwise stated)

	31 March 2019	31 March 2018
Secured loan		
From Banks		
- Vehicle loans (Refer note 21.1 and note 26)	**3.51**	20.07
Total	**3.51**	20.07

21.1 TERMS OF BORROWINGS:

Vehicle loan

(i) Vehicle Loan of ₹ 2.53 Lakhs as at 31 March 2019 (31 March 2018: 4.87 Lakhs) is from HDFC bank carrying an interest rate of 8.51% The loan is repayable in 36 monthly installments along with interest, from the date of loan i.e. 5 April 2017. The end date of the loan is 5 March 2020 and the loan is secured way of hypothecation of the respective vehicle.

(iii) Vehicle Loan of ₹ 17.53 Lakhs (31 March 2018: ₹ 31.50 Lakhs) is from HDFC bank carrying an interest rate of 9.63% The loan is repayable in 60 monthly installments along with interest, from the date of loan i.e. 5 July 2015. The end date of the loan is 5 June 2020 and the loan is secured way of hypothecation of the vehicle.

22 OTHER NON-CURRENT FINANCIAL LIABILITIES

(All amounts in Indian ₹ Lakhs unless otherwise stated)

	31 March 2019	31 March 2018
Deferred purchase consideration payable (Refer note43(b)(viii)(x)(xi))	**208.89**	243.07
Total	**208.89**	243.07

Notes to the consolidated financial statements for the year ended 31 March 2019 (Contd.)

23 NON-CURRENT PROVISIONS

(All amounts in Indian ₹ Lakhs unless otherwise stated)

	31 March 2019	31 March 2018
Non-Current		
Provision for employee benefits		
Gratuity (Refer note 52 (a))	**316.08**	351.90
(A)	**316.08**	351.90
Current		
Provision for employee benefits		
-Gratuity (Refer note 52 (a))	**454.99**	387.83
-Compensated absences	**33.10**	49.41
(B)	**488.09**	437.24
Total (A)+(B)	**804.17**	789.14

24 CURRENT BORROWINGS

(All amounts in Indian ₹ Lakhs unless otherwise stated)

	31 March 2019	31 March 2018
Secured Loan		
Cash Credit (Refer Note (iii) below)	**1,734.47**	-
Unsecured loan		
From directors of subsidiary companies (Refer Note (i) below)	**3.01**	16.90
From others (Refer Note (ii) below)	**20.38**	20.06
Total	**1,757.86**	36.96

Terms of borrowings:

i) From Directors and Shareholders

Interest free loan taken by subsidiary companies from their directors/ shareholders are repayable on demand.

ii) From Others

Interest free loan taken by a subsidiary Company from Interaf S.A. Ltd is repayable on demand.

iii) From Cash Credit

Company has availed cash credit facility from HDFC Bank Limited which is secured by charge over stock in trade and book debts of the Company and interest is chargeable as approved by HDFC Bank Limited (which is currently 9.75%).

25 TRADE PAYABLES

(All amounts in Indian ₹ Lakhs unless otherwise stated)

	31 March 2019	31 March 2018
Trade payables		
Total outstanding dues of micro and small enterprises (Refer note 25.1)	**3.87**	-
Total outstanding dues of creditors other than micro enterprises and small enterprises*	**4,281.05**	3,533.80
Total	**4,284.92**	3,533.80

* Trade payables include amount payable to companies where Director of the Company is a director (Refer note 41).

Notes to the consolidated financial statements for the year ended 31 March 2019 (Contd.)

25.1 MICRO AND SMALL ENTERPRISES

There are no micro and small enterprises, to whom the Group owes dues, which are outstanding for more than 45 days as at 31 March 2019. This information as required to be disclosed under the Micro, Small and Medium Enterprises Development Act, 2006, has been determined to the extent such parties have been identified on the basis of information available with the group.

(All amounts in Indian ₹ Lakhs unless otherwise stated)

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

26 OTHER CURRENT FINANCIAL LIABILITIES

(All amounts in Indian ₹ Lakhs unless otherwise stated)

	31 March 2019	31 March 2018
Current maturities of long-term borrowings		
- Vehicle loans (Refer note 21)	**16.55**	16.30
Acrued expenses	**1,055.23**	1,005.44
Interest accrued and due on borrowings	**0.12**	0.21
Capital creditors	**784.34**	85.60
Employee related dues	**1,552.80**	1,541.71
Security deposits	**111.97**	141.52
Deferred purchase consideration payable (Refer note43(b)(viii)(x)(xi))	**625.04**	679.85
Other liabilities	**37.44**	-
Total	**4,183.49**	3,470.63

27 OTHER CURRENT LIABILITIES

(All amounts in Indian ₹ Lakhs unless otherwise stated)

	31 March 2019	31 March 2018
Statutory dues #	**424.33**	496.64
Advance from customers	**379.52**	275.18
Total	**803.85**	771.82

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

28 CURRENT TAX LIABILITIES (NET)

(All amounts in Indian ₹ Lakhs unless otherwise stated)

	31 March 2019	31 March 2018
Provision for taxation (net of advance tax -31 March 2019: ₹ 11,688.05 Lakhs, 31 March 2018: ₹ 14,236.18 Lakhs)	**930.43**	810.48
Total	**930.43**	810.48

Notes to the consolidated financial statements for the year ended 31 March 2019 (Contd.)

29 REVENUE FROM OPERATIONS

(All amounts in Indian ₹ Lakhs unless otherwise stated)

	31 March 2019	31 March 2018
Service income (Refer note 51)	**76,005.59**	64,356.72
Other Operating revenue		
Provision for doubtful debts written back	**-**	359.71
Sundry balances written back	**112.59**	-
Total	**76,118.18**	64,716.43

30 OTHER INCOME

(All amounts in Indian ₹ Lakhs unless otherwise stated)

	31 March 2019	31 March 2018
Interest		
- from banks	**170.22**	98.06
- on income tax refund	**2.04**	4.93
- on investments	**134.77**	90.42
- on term loans	**14.32**	-
- others	**25.19**	43.50
Dividend		
- from mutual fund	**96.24**	163.52
Fair value gain on mutual funds measured at FVTPL	**330.59**	314.38
Profit on sale of property, plant and equipment (net)	**3.66**	27.20
Foreign exchange gain (net)	**20.71**	-
Miscellaneous income	**23.58**	34.81
Total	**821.32**	776.82

31 COST OF MATERIAL CONSUMED

(All amounts in Indian ₹ Lakhs unless otherwise stated)

	31 March 2019	31 March 2018
Opening stock (Refer note 11)	**2,118.72**	1,412.96
Add: Purchase of traded goods	**23.77**	-
Add: Purchases during the year	**17,818.76**	15,295.47
	19,961.25	16,708.43
Less: Closing stock (Refer note 11)	**(2,610.23)**	(2,118.72)
Total	**17,351.02**	14,589.71

32 LABORATORY TESTING CHARGES

(All amounts in Indian ₹ Lakhs unless otherwise stated)

	31 March 2019	31 March 2018
Laboratory testing charges	**557.17**	567.50
Total	**557.17**	567.50

Notes to the consolidated financial statements for the year ended 31 March 2019 (Contd.)

33 EMPLOYEE BENEFITS EXPENSE

(All amounts in Indian ₹ Lakhs unless otherwise stated)

	31 March 2019	31 March 2018
Salaries, wages and bonus	**15,594.05**	12,950.81
Gratuity expenses (Refer note 52 (a))	**164.60**	186.66
Contribution to provident and other funds (Refer note 52 (b))	**818.18**	750.04
Share based payment expenses (Refer note 52 (c))*	**443.89**	166.01
Staff welfare expenses	**599.99**	683.26
Total	**17,620.71**	14,736.78

* During the 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 buyback of 9,875 options against payment made is directly recognised in the consolidated statement of profit and loss.

34 FINANCE COSTS

(All amounts in Indian ₹ Lakhs unless otherwise stated)

	31 March 2019	31 March 2018
Interest on short term loan	**12.98**	5.23
Interest on deferred purchase consideration measured at amortised cost (Refer note43(b)(viii)(x)(xi))	**40.13**	115.60
Total	**53.11**	120.83

35 DEPRECIATION AND AMORTISATION EXPENSE

(All amounts in Indian ₹ Lakhs unless otherwise stated)

	31 March 2019	31 March 2018
Depreciation on Property, Plant and Equipment (Refer note 3)	**1,669.48**	1,682.44
Amortisation of intangible assets (Refer note 4)	**337.13**	219.31
Total	**2,006.61**	1,901.75

36 OTHER EXPENSES

(All amounts in Indian ₹ Lakhs unless otherwise stated)

	31 March 2019	31 March 2018
Accreditation expenses	**98.31**	97.01
Laboratory expenses	**140.80**	84.95
Power and fuel	**1,100.03**	998.91
Rent (Refer note 50(a))	**5,780.78**	3,988.90
Repairs and maintenance		
Buildings	**69.36**	32.44
Plant and equipment	**711.07**	566.00
Others	**347.73**	535.85
Insurance	**144.13**	113.09
Rates and taxes	**803.14**	677.41
Bank charges	**358.81**	233.66
Sample Collection Charges	**155.63**	136.74
Legal and professional*	**3,324.72**	3,610.10
Travelling and conveyance	**1,142.97**	1,027.38
Printing and stationery	**683.23**	591.64
Provision for bad and doubtful debts (net)	**508.15**	346.64

Notes to the consolidated financial statements for the year ended 31 March 2019 (Contd.)

(All amounts in Indian ₹ Lakhs unless otherwise stated)

	31 March 2019	31 March 2018
Provision for doubtful advances (net)	**3.84**	3.36
Credit impaired trade receivables written off	**24.43**	115.96
Postage and courier	**2,162.11**	1,020.02
Communication	**421.31**	432.87
Advertisement and sales promotion expenses	**1,434.93**	1,233.64
Facility maintenance charges	**386.83**	270.95
Loss on sale of debt instrument measured at FVOCI	**3.79**	-
Loss on impairment of Goodwill (Refer note 4)	**-**	274.99
Provision for impairment of current investments	**144.20**	-
Loss on sale of Non-current investments (Refer note 46(i))	**-**	184.09
Loss on sale of property, plant and equipment	**0.61**	-
Loss on fair value of equity accounted investment	**-**	25.41
Payments to auditors (Refer note 49)	**108.66**	93.25
Donation	**3.33**	1.33
Corporate social responsibility expenses (Refer note 54)	**79.45**	75.11
Directors' sitting fee (Refer note 41)	**41.40**	18.70
Office Expenses	**33.64**	2.59
Foreign exchange loss (net)	**-**	37.58
Sundry balance written off	**0.05**	-
Miscellaneous expenses	**335.24**	378.06
Total	**20,552.68**	17,208.63

* includes merger related expenses of ₹ 131.00 lakhs (31 March 2018: ₹ Nil)

37 TAXATION

i. Income Tax expense

(All amounts in Indian ₹ Lakhs unless otherwise stated)

	31 March 2019	31 March 2018
Current tax expense		
Current year	**6,309.03**	5,531.60
Tax adjustments for earlier years	**-**	19.31
Total current tax	**6,309.03**	5,550.91
Deferred tax expense		
Relating to addition & reversal of temporary differences	**(14.97)**	(318.45)
Relating to change in tax rate*	**(0.16)**	(48.57)
Total deferred tax	**(15.13)**	(367.02)
Total tax expense	**6,293.90**	5,183.89

* Effective Income tax rate applicable to Metropolis Healthcare Limited and other Indian subsidiaries for 2017-18 has changed on account of increase in the rate of health and education cess from 3% to 4% w.e.f. 1 April 2018. as per Finance Act, 2018. Accordingly the deferred tax rate applicable for 2017-18 & 2018-19 has been changed.

ii. Tax charge recognised directly to Other Comprehensive Income

(All amounts in Indian ₹ Lakhs unless otherwise stated)

	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	**74.50**	**(24.54)**	**49.96**
Items that will subsequently be reclassified to profit or loss			
Exchange differences in translating financial statements of foreign operations	**89.32**	**-**	**89.32**
Total tax charge recognised directly to Other Comprehensive Income	**163.82**	**(24.54)**	**139.28**

(All amounts in Indian ₹ Lakhs unless otherwise stated)

	31 March 2018		
	Before tax	Tax (expense) benefit	Net of tax
Items that will not be reclassified to profit or loss			
Remeasurements of the defined benefit plans	(30.12)	7.03	(23.09)
Items that will subsequently be reclassified to profit or loss			
Exchange differences in translating financial statements of foreign operations	102.10	-	102.10
Fair valuation of Debt instruments measured at FVOCI	0.41	(0.14)	0.27
Total tax charge recognised directly to Other Comprehensive Income	**72.39**	**6.89**	**79.28**

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

(All amounts in Indian ₹ Lakhs unless otherwise stated)

	31 March 2019	31 March 2018
Profit before tax	**18,655.18**	16,368.05
Income tax expense at tax rates applicable to individual entities	**6,738.25**	5,530.75
Tax effect of adjustments to reconcile expected Income Tax Expense to reported Income Tax Expense:		
Expenses not allowed under Income tax	**46.78**	141.52
Income not subject to tax	**(495.42)**	(383.54)
Income taxable at a different rate	**(38.83)**	(67.50)
Tax adjustment of earlier years	**-**	19.31
Deferred tax not created on losses	**-**	39.19
Others	**43.12**	(95.85)
Total tax expense	**6,293.90**	5,183.89
Income tax expense as per statement of consolidated Profit and loss	**6,293.90**	5,183.89

Notes to the consolidated financial statements for the year ended 31 March 2019 (Contd.)

iv. Movement in deferred tax balances

As at 31 March 2019

(All amounts in Indian ₹ Lakhs unless otherwise stated)

	Net balance 1 April 2018	Recognised in profit or loss	Recognised in OCI	Net deferred tax asset/ (liability)	Deferred tax asset	Deferred tax (liability)
Property, plant, equipment and intangibles	(988.54)	(379.98)	-	(1,368.52)	99.78	(1,468.30)
Current investments	(78.93)	79.96	-	1.03	(47.68)	48.71
Provision for bad and doubtful debts	763.15	231.77	-	994.92	183.71	811.21
Provision for bad and doubtful advances / deposits	0.28	1.06	-	1.34	1.34	-
Provision for employee benefits	317.52	57.22	(24.54)	350.20	131.37	218.83
Share based payments	59.52	23.20	-	82.72	-	82.72
Others	12.10	1.90	-	14.00	(2.82)	16.81
Tax Assets (Liabilities)	**85.10**	**15.13**	**(24.54)**	**75.69**	**365.71**	**(290.02)**

As at 31 March 2018

(All amounts in Indian ₹ Lakhs unless otherwise stated)

	Net balance 1 April 2017	Recognised in profit or loss	Recognised in OCI	Increase due to acquisition	Foreign currency translation	Net deferred tax asset/ (liability)	Deferred tax asset	Deferred tax (liability)
Property, plant, equipment and intangibles	(953.36)	18.75	-	(53.94)	-	(988.54)	(702.57)	(285.97)
Current investments	(199.39)	120.60	(0.14)	-	-	(78.93)	(56.07)	(22.86)
Provision for bad and doubtful debts	587.98	175.17	-	-	-	763.15	959.39	(196.24)
Provision for bad and doubtful advances / deposits	9.37	(9.09)	-	-	-	0.28	0.28	-
Provision for employee benefits	303.30	(1.08)	7.03	8.27	-	317.52	316.97	0.55
Mat credit entitlement	0.93	(0.93)	-	-	-	-	-	-
Share based payments	1.50	58.02	-	-	-	59.52	-	59.52
Others	4.84	5.57	-	-	1.69	12.10	11.71	0.39
Tax Assets (Liabilities)	**(244.83)**	**367.02**	**6.89**	**(45.67)**	**1.69**	**85.10**	**529.71**	**(444.61)**

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

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

As at 31 March 2019, undistributed earning of subsidiaries, to the extent attributable to the Group amounted to ₹ 10,380.94 Lakhs (31 March 2018: ₹ 11,102.18 Lakhs) The corresponding deferred tax liability of ₹ 1,976.92 Lakhs (31 March 2018: ₹ 2,088.03 Lakhs) was not recognised because the Group controls the dividend policy of its subsidiaries and is able to veto the payment of dividends of its joint ventures - i.e. the Group controls the timing of reversal of the related taxable temporary differences and management is satisfied that they will not reverse in the foreseeable future.

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

Tax losses carried forward

Deferred tax assets are recognised to the extent that it is probable that taxable profit will be available against which the deductible temporary differences, carry forward of unabsorbed depreciation and tax losses can be utilised. Accordingly, in view of uncertainty, Deferred tax assets have not been recognised in respect of the following items, because it is not probable that future capital gains profit / taxable profits will be available against which the Group can use the benefits therefrom.

(All amounts in Indian ₹ Lakhs unless otherwise stated)

	31 March 2019		31 March 2018	
	Gross amount	Expiry date (Assessment year)	Gross amount	Expiry date (Assessment year)
Long term Capital loss	**-**	31-Mar-21	-	31-Mar-21
	4.31	31-Mar-22	4.31	31-Mar-22
	6.96	31-Mar-23	6.96	31-Mar-23
Total	**11.27**		11.27	

(All amounts in Indian ₹ Lakhs unless otherwise stated)

	31 March 2019		31 March 2018	
	Gross amount	Expiry date	Gross amount	Expiry date
Business Loss*	**-**	31-Mar-19	20.13	31-Mar-19
	7.29	31-Mar-20	6.81	31-Mar-20
	142.88	31-Mar-21	133.52	31-Mar-21
	74.76	31-Mar-22	71.52	31-Mar-22
	25.13	31-Mar-23	25.13	31-Mar-23
	117.35	31-Mar-24	78.47	31-Mar-24
	141.68	31-Mar-25	141.68	31-Mar-25
	77.44	31-Mar-26	77.44	31-Mar-26
	67.52	31-Mar-27	41.47	31-Mar-27
Total	**654.05**		596.17	

(All amounts in Indian ₹ Lakhs unless otherwise stated)

	31 March 2019		31 March 2018	
	Gross amount	Expiry date	Gross amount	Expiry date
Unabsorbed Depreciation	**158.78**	No expiry date	151.63	No expiry date
Total	**158.78**		151.63	

(All amounts in Indian ₹ Lakhs unless otherwise stated)

	31 March 2019		31 March 2018	
	Gross amount	Expiry date	Gross amount	Expiry date
Short term Capital loss	**11.06**	31-Mar-23	11.26	31-Mar-23
	10.52	31-Mar-26	10.32	31-Mar-26
Total	**21.58**		21.58	

*Includes carried forward losses of foreign subsidiaries

Notes to the consolidated financial statements for the year ended 31 March 2019 (Contd.)

38 EARNINGS PER SHARE

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

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

[I] Earnings per equity share

(All amounts in Indian ₹ Lakhs unless otherwise stated)

		31 March 2019	31 March 2018
i.	**Profit attributable to equity holders (₹ in Lakhs)**		
	Profit attributable to equity holders for basic and diluted EPS	**12,014.79**	10,423.62
ii.	**Weighted average number of shares for calculating basic**	**4,99,30,454**	4,96,26,960
iii.	**Effect of dilution**		
	Utilised on issue of bonus shares		
	Share options and warrants*	**99,432**	2,81,965
	Weighted average number of shares for calculating diluted EPS	**5,00,29,886**	4,99,08,925
iv.	**Basic earnings per share (₹)**	**24.06**	21.00
v.	**Diluted earnings per share (₹)**	**24.02**	20.89

* Following share options and share warrants were excluded from the calculation of diluted weighted average number of equity shares as their effect is anti-dilutive:

For the year ended 31 March 2018 - 10,80,400 share options

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 (Authorised, Issued and Paid-up) of the Company was subdivided from ₹ 10/- (₹ ten) each to equity shares of ₹ 2/- (₹ two) each.

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 AND RISK MANAGEMENT

A. Accounting classification and fair values

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

(All amounts in Indian ₹ Lakhs unless otherwise stated)

	31 March 2019							
	Carrying amount				Fair value			
	Fair value through profit and loss	Fair value through other comprehensive income	Amortised Cost	Total	Level 1	Level 2	Level 3	Total
Non-current Financial assets								
Non-current investments - Unquoted equity instruments in others**	-	-	-	-	-	-	-	-
Non-current Loans- Security Deposits	-	-	329.29	329.29	-	-	-	-
Other Non-current Loans	-	-	91.36	91.36	-	-	-	-
Other non current financial assets	-	-	1,019.90	1,019.90	-	-	-	-
Current Financial assets								
Investment in mutual funds	2,765.14	-	-	2,765.14	-	2,765.14	-	2,765.14
Investment in Commercial Papers	-	336.48	-	336.48	-	336.48	-	336.48
Trade receivables	-	-	13,684.78	13,684.78	-	-	-	-
Cash and cash equivalents	-	-	5,137.10	5,137.10	-	-	-	-
Bank Balances other than Cash and cash equivalents	-	-	2,886.83	2,886.83	-	-	-	-
Current loans	-	-	1,510.15	1,510.15	-	-	-	-
Other current financial assets	-	-	843.31	843.31	-	-	-	-
	2,765.14	**336.48**	**25,502.72**	**28,604.35**	**-**	**3,101.62**	**-**	**3,101.62**
Non-current Financial liabilities								
Borrowings	-	-	3.51	3.51	-	-	-	-
Other non-current financial liabilities	-	-	208.89	208.89	-	-	-	-
Current Financial liabilities								
Borrowings	-	-	1,757.86	1,757.86	-	-	-	-
Trade payables	-	-	4,284.92	4,284.92	-	-	-	-
Other current financial liabilities	-	-	4,183.49	4,183.49	-	-	-	-
	-	**-**	**10,438.67**	**10,438.67**	**-**	**-**	**-**	**-**

Notes to the consolidated financial statements for the year ended 31 March 2019 (Contd.)

(All amounts in Indian ₹ Lakhs unless otherwise stated)

	31 March 2018							
	Carrying amount				Fair value			
	Fair value through profit and loss	Fair value through other comprehensive income	Amortised Cost	Total	Level 1	Level 2	Level 3	Total
Non-current Financial assets								
Non-current investments - Unquoted equity instruments in others**	-	-	-	-	-	-	-	-
Non-current Loans- Security Deposits	-	-	242.85	242.85	-	242.85	-	242.85
Other Non-current Loans	-	-	89.17	89.17	-	-	-	-
Other non current financial assets	-	-	833.44	833.44	-	-	-	-
Current Financial assets								
Investment in mutual funds	6,055.96	-	-	6,055.96	-	6,055.96	-	6,055.96
Investment in Non-Convertible Debentures	-	2,010.28	-	2,010.28	-	2,010.28	-	2,010.28
Investment in Commercial Papers	-	1,975.65	-	1,975.65	-	1,975.65	-	1,975.65
Trade receivables	-	-	10,068.41	10,068.41	-	-	-	-
Cash and cash equivalents	-	-	4,346.76	4,346.76	-	-	-	-
Bank Balances other than Cash and cash equivalents	-	-	1,666.83	1,666.83	-	-	-	-
Current loans	-	-	1,082.02	1,082.02	-	-	-	-
Other current financial assets	-	-	135.14	135.14	-	-	-	-
	6,055.96	**3,985.93**	**18,464.62**	**28,506.51**	**-**	**10,284.74**	**-**	**10,284.74**
Non-current Financial liabilities								
Borrowings	-	-	20.07	20.07	-	-	-	-
Other non-current financial liabilities	-	-	243.07	243.07	-	-	-	-
Current Financial liabilities								
Borrowings	-	-	36.96	36.96	-	-	-	-
Trade payables	-	-	3,533.80	3,533.80	-	-	-	-
Other current financial liabilities	-	-	3,470.63	3,470.63	-	-	-	-
	-	**-**	**7,304.53**	**7,304.53**	**-**	**-**	**-**	**-**

** The fair value in respect of the unquoted equity investments cannot be reliably estimated. The Group has currently measured them at cost, i.e. ₹ 175.28 Lakhs (31 March 2018: ₹175.53 Lakhs.)

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

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

B. Fair value hierarchy

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

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

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

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

Financial instruments measured at fair value

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

Type	Valuation technique	Significant unobservable inputs	Inter-relationship between significant unobservable inputs and fair value measurement
Investment in mutual funds	The fair value of the units of mutual fund scheme are based on net asset value at each reporting date.	Not applicable	Not applicable
Investment in Commercial Papers	The fair value of commercial papers is derived through Stochastic Local Volatility process, where in yield is derived from trade data and pooled levels of similar instruments with similar maturity and credit rating that are traded in secondary market, adjusted by an illiquidity factor.	Not applicable	Not applicable
Investment in Non-Convertible Debentures	The fair value of Non-Convertible Debentures is derived through Stochastic Local Volatility process, where in yield is derived from trade data and pooled levels of similar instruments with similar maturity and credit rating that are traded in secondary market, adjusted by an illiquidity factor.	Not applicable	Not applicable
Non current financial assets and liabilities measured at amortised cost (including written put option liability)	Discounted cash flows: Under Discounted cash flow method, future cash flows are discounted by using rates which reflect market risks. The valuation requires management to make certain assumptions about the model inputs, including forecast cash flows, discount rate and credit risk. The probabilities of the various estimates within the range can be reasonably assessed and are used in management's estimate of fair value.	Not applicable	Not applicable

Transfers between Levels

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

Notes to the consolidated financial statements for the year ended 31 March 2019 (Contd.)

Financial risk management

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

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

a. Trade receivables

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

The Company does not have any significant concentration of credit risk. Further, Company has two customer (31 March 2018: one Customer) which accounts for 10% or more of the total trade receivables at each reporting date.

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

(All amounts in Indian ₹ Lakhs unless otherwise stated)

	Gross carrying amount	
	31 March 2019	**31 March 2018**
Future dues not impaired		
Not due	**4,072.93**	2,432.44
Past due 0-90 days	**5,025.30**	2,726.26
Past due 91-180 days	**1,658.04**	1,638.92
Past due 181-365 days	**1,396.67**	1,558.91
More than 365 days	**4,239.22**	3,911.11
	16,392.16	12,267.64

The movement in the provision for debts having significant increase in credit risk and which are credit impaired for the year ended 31 March 2019 and years ended 31 March 2018 is as follows:

(All amounts in Indian ₹ Lakhs unless otherwise stated)

	Amount (₹ in Lakhs)
Balance as at 31 March 2017	**1,852.59**
Movement during the year	346.64
Balance as at 31 March 2018	**2,199.23**
Movement during the year	508.15
Balance as at 31 March 2019	**2,707.38**

b. Cash and cash equivalents and Other bank balances

The Group held cash and cash equivalents and other bank balances of ₹ 8,858.17 Lakhs at 31 March 2019 (31 March 2018: ₹ 6,745.52 Lakhs). The cash and cash equivalents are held with bank with good credit ratings.

c. Investments

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

d. Loans and advances

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

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

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

The movement in the provision for advances having significant increase in credit risk and which are credit impaired for the year ended 31 March 2019:

(All amounts in Indian ₹ Lakhs unless otherwise stated)

	Amount (₹ in Lakhs)
Balance as at 31 March 2017	**158.06**
Movement during the year	3.36
Balance as at 31 March 2018	**161.42**
Movement during the year	3.84
Balance as at 31 March 2019	**165.26**

Liquidity risk:

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

Maturities of financial liabilities

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

(All amounts in Indian ₹ Lakhs unless otherwise stated)

As at 31 March 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	-
Non-current Borrowings	20.07	20.07	16.55	3.51	-	-
Interest payable on borrowings	-	1.29	1.23	0.06	-	-
Current borrowings	1,757.86	1,757.86	1,757.86	-	-	-
Trade payables	4,284.92	4,284.92	4,284.92	-	-	-
Other current financial liabilities	3,541.89	3,541.89	3,541.89	-	-	-
Total	**10,438.67**	**10,485.28**	**10,219.70**	**245.57**	**20.00**	**-**

Notes to the consolidated financial statements for the year ended 31 March 2019 (Contd.)

(All amounts in Indian ₹ Lakhs unless otherwise stated)

As at 31 March 2018	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	922.92	984.00	700.00	284.00	-	-
Non-current Borrowings	36.37	36.37	16.30	20.07	-	-
Interest payable on borrowings	-	4.13	2.84	1.29	-	-
Current borrowings	36.96	36.96	36.96	-	-	-
Trade payables	3,533.80	3,533.80	3,533.80	-	-	-
Other current financial liabilities	2,774.48	2,774.48	2,774.48	-	-	-
Total	**7,304.53**	**7,369.74**	**7,064.38**	**305.36**	**-**	**-**

The outflows disclosed in the above table represent the total contractual undiscounted cash flows, which also includes total interest payables on borrowings.

Market risk:

Market risk is the risk that changes in market prices – such as foreign exchange rates, interest rates and equity prices – will affect the Group's income or the value of its holdings of financial instruments..The Group 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 our foreign currency revenues and costs.

a. Currency risk

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

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

The currency profile of financial assets and financial liabilities as at 31 March 2019 and 31 March 2018 are as below:

(All amounts in Indian ₹ Lakhs unless otherwise stated)

31- March-2019	US$	SAR	OMR
Financial assets (A)			
Trade and other receivables	**399.14**	**-**	**39.13**
Financial liabilities (B)			
Advance taken	**12.44**	**-**	**6.59**
Net exposure (A - B)	**386.70**	**-**	**32.54**

(All amounts in Indian ₹ Lakhs unless otherwise stated)

31- March-2018	US$	SAR	OMR
Financial assets (A)			
Trade and other receivables	275.03	-	30.62
Advance given	6.33	-	-
Financial liabilities (B)			
Trade and other payables	0.29	3.76	-
Net exposure (A - B)	**281.07**	**(3.76)**	**30.62**

Sensitivity analysis

A reasonably possible strengthening (weakening) of the Indian ₹ against foreign currencies at 31 March 2019 and 31 March 2018 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.

(All amounts in Indian ₹ Lakhs unless otherwise stated)

Effect in ₹	31 March 2019		31 March 2018	
	Strengthening	Weakening	Strengthening	Weakening
3% movement				
US$	**(11.60)**	**11.60**	(8.43)	8.43
SAR	**-**	**-**	0.11	(0.11)
OMR	**(0.98)**	**0.98**	(0.92)	0.92
	(12.58)	**12.58**	(9.24)	9.24

Interest rate risk

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

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

(All amounts in Indian ₹ Lakhs unless otherwise stated)

	Gross carrying amount	
	31 March 2019	31 March 2018
Fixed-rate instruments		
Financial assets	**5,948.80**	7,240.96
Financial liabilities	**(2,568.40)**	(922.92)
	3,380.40	6,318.04
Variable-rate instruments		
Financial assets	**-**	-
Financial liabilities	**(20.07)**	(36.37)
	(20.07)	(36.37)
Total	**3,360.33**	6,281.67

Cash flow sensitivity analysis for variable-rate instruments

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

(All amounts in Indian ₹ Lakhs unless otherwise stated)

₹	Profit or loss	
	100 bp increase	100 bp decrease
For the year ended 31 March 2019		
Variable-rate instruments	(0.20)	0.20
Cash flow sensitivity (net)	**(0.20)**	**0.20**
For the year ended 31 March 2018		
Variable-rate instruments	(0.36)	0.36
Cash flow sensitivity (net)	**(0.36)**	**0.36**

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

Notes to the consolidated financial statements for the year ended 31 March 2019 (Contd.)

40 CAPITAL MANAGEMENT

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

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

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

A.	Relationships :	31 March 2019
a.	Joint Venture:	Metropolis Histoxpert Digital Services Private Limited
b.	Associate	Star Metropolis Health Services Middle East LLC, Dubai
c.	Key Management Personnel (KMP)	Dr. Sushil Kanubhai Shah, Chairman
		Ms. Ameera Sushil Shah, Managing director
		Mr Vijender Singh, Chief executive officer
		Mr Tushar Karnik, Chief financial officer
		Mr Jayant Prakash, Company Secretary
		Dr. Duru Sushil Shah, Non-Executive Director (upto 7 September 2018)
		Mr. Mihir Jagdish Doshi, Independent Director (upto 7 September 2018)
		Mr. Rajiv Devinder Sahney, Independent Director (upto 7 September 2018)
		Mr. Neeraj Bharadwaj, Non-Executive Director (upto 24 September 2018)
		Mr. Mihir Jagdish Doshi, Non-Executive Director (w.e.f. 7 September 2018)
		Mr. Milind Shripad Sarwate, Independent Director (w.e.f. 7 September 2018)
		Mr. Vivek Gambhir, Independent Director (w.e.f. 7 September 2018)
		Mr. Sanjay Bhatnagar, Independent Director (w.e.f. 7 September 2018)
d.	Relatives of KMP	Dr. Duru Sushil Shah
		Hemant Sachdeva
e.	Category V: Companies in which key management personnel or their relatives have significant influence (Other related parties)	Metropolis Health Product Retail Private Limited
		Metz Advisory LLP
		Chogri Distributors private Limited
		Centre for Digestive and Kidney Disease (India) Private Limited

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

(All amounts in Indian ₹ Lakhs unless otherwise stated)

		31 March 2019	31 March 2018
1)	**Services rendered**		
	Joint Venture		
	Metropolis Histoxpert Digital Services Pvt. Ltd.	**5.55**	-
	Relatives of KMP		
	Dr. Duru Sushil Shah	**17.02**	16.41
	Other related parties		
	Centre for Digestive and Kidney Disease (India) Private Limited	**903.48**	1,126.26
2)	**Rent paid**		
	Key Management Personnel		
	Dr. Sushil Kanubhai Shah	**102.91**	25.73

(All amounts in Indian ₹ Lakhs unless otherwise stated)

		31 March 2019	31 March 2018
3)	**Compensation paid to Key Management Personnel**		
	Short-term employee benefits^	**1,159.27**	551.59
	Post employement benefit	**21.16**	20.12
	Share-based payments expense	**38.27**	72.33
	^As gratuity expense is based on acturial valuation, the same cannot be computed for individual employees. Hence, not disclosed separately.		
4)	**Reimbursement of expenses (net)**		
	Other related parties		
	Metropolis Health Retail Products Private Limited	**-**	4.65
5)	**Dividend paid**		
	Key Management Personnel		
	Dr Sushil Kanubhai Shah	**1,325.68**	-
	Ameera Sushil Shah	**24.11**	-
	Other related parties		
	Metz Advisory LLP	**1,939.95**	-
	Relatives of KMP		
	Dr Duru Sushil Shah	**1,221.14**	-
6)	**Director sitting fees**		
	Dr Duru Sushil Shah	**0.15**	0.70
	Mr. Mihir Jagdish Doshi	**15.75**	10.50
	Mr. Milind Shripad Sarwate	**7.25**	-
	Mr. Vivek Gambhir	**8.75**	-
	Mr. Rajiv Devinder Sahney	**5.00**	7.50
	Mr. Sanjay Bhatnagar	**4.50**	-
7)	**Advance paid**		
	Other related parties		
	Chogori Distribution Private Limited	**12.00**	-
8)	**Investments made /(sold)**		
	Joint Venture		
	Metropolis Histoxpert Digital Services Private Limited	**194.35**	0.65

Notes to the consolidated financial statements for the year ended 31 March 2019 (Contd.)

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

(All amounts in Indian ₹ Lakhs unless otherwise stated)

	31 March 2019	31 March 2018
1) Trade payable and other liabilities		
Other related parties		
Metropolis Health Product Retail Private Limited	**1.87**	1.87
2) Trade receivables		
Joint Venture		
Metropolis Histoxpert Digital Services Private Limited	**4.93**	-
Associate		
Star Metropolis Health Services Middle East LLC, Dubai	**598.54**	598.54
Relatives of KMP		
Dr. Duru Sushil Shah	**2.84**	2.18
Other related parties		
Metropolis Health Product Retail Private Limited	**41.05**	41.05
Centre for Digestive and Kidney Disease (India) Private Limited	**2,082.19**	1,529.41
3) Loans and advances including interest accrued		
Joint Venture		
Associate		
Star Metropolis Health Services Middle East LLC, Dubai	**42.35**	42.35
Other related parties		
Metropolis Health Product Retail Private Limited	**44.00**	44.00
4) Provision for impairment in value of investments		
Associate		
Star Metropolis Health Services Middle East LLC, Dubai	**129.85**	129.85
5) Provision for doubtful trade receivables		
Associate		
Star Metropolis Health Services Middle East LLC, Dubai	**598.54**	598.54
Other related parties		
Metropolis Health Product Retail Private Limited	**41.05**	41.05
6) Provision for doubtful advances		
Associate		
Star Metropolis Health Services Middle East LLC, Dubai	**42.35**	42.35
Other related parties		
Metropolis Health Product Retail Private Limited	**44.00**	44.00
7) Other receivables		
Dr. Sushil Kanubhai Shah	**383.35**	-

42 DETAILS OF SUBSIDIARIES, JOINT VENTURES AND ASSOCIATES

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

(All amounts in Indian ₹ Lakhs unless otherwise stated)

Name of the subsidiary	Country of incorporation	Proportion of ownership interest	
		31 March 2019	31 March 2018
Sudharma Metropolis Health Services Private Limited	India	**100.00%**	90.00%
Golwilkar Metropolis Health Services (India) Private Limited **	India	**-**	100.00%
Bokil Golwilkar Metropolis Healthcare Private Limited	India	**100.00%**	76.00%
Sanket Metropolis Health Services (India) Private Limited **	India	**-**	100.00%
Raj Metropolis Healthcare Private Limited	India	**51.00%**	51.00%
Desai Metropolis Health Services Private Limited	India	**100.00%**	81.60%
R.V. Metropolis Diagnostics & Healthcare Centre Private Limited	India	**100.00%**	76.74%
Final Diagnosis Private Limited **	India	**-**	100.00%
Metropolis Healthcare (Jodhpur) Private Limited **	India	**-**	100.00%
Metropolis Healthcare (Chandigarh) Private Limited **	India	**-**	100.00%
Micron Metropolis Healthcare Private Limited	India	**100.00%**	85.00%
Dr. Patel Metropolis Healthcare Private Limited	India	**100.00%**	70.00%
Lab One Metropolis Healthcare Services Private Limited	India	**100.00%**	51.00%
Amins Pathology Laboratory Private Limited	India	**100.00%**	100.00%
Ekopath Metropolis Lab Services Private Limited	India	**60.00%**	60.00%
Metropolis Healthcare (Mauritius) Limited	Mauritius	**100.00%**	100.00%
Metropolis Star Lab Kenya Limited	Kenya	**100.00%**	100.00%
Metropolis Healthcare Ghana Limited	Ghana	**100.00%**	100.00%
Metropolis Healthcare Lanka Private Limited	Sri Lanka	**100.00%**	100.00%
Metropolis Bramser Lab Services (Mtius) Limited	Mauritius	**100.00%**	100.00%

** Subsidiaries which are now merged with Metropolis Healthcare Limited (Holding Company)

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

(All amounts in Indian ₹ Lakhs unless otherwise stated)

Name of Joint ventures	Country of incorporation	Proportion of ownership interest	
		31 March 2019	31 March 2018
Metropolis Histoxpert Digital Services Private Limited	India	**65.00%**	65.00%

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

(All amounts in Indian ₹ Lakhs unless otherwise stated)

Name of Associates	Country of incorporation	Proportion of ownership interest	
		31 March 2019	31 March 2018
Star Metropolis Health Services Middle East LLC^	Dubai	**34.00%**	34.00%

^ Associate is not accounted in the consolidated financial statements because of non-availability of adequate financial information

Notes to the consolidated financial statements for the year ended 31 March 2019 (Contd.)

43 BUSINESS COMBINATIONS

(a) Acquisition of Metropolis Healthcare Lanka Private Limited

On 1 April 2017, Group's Joint venture entity - Metropolis Healthcare Lanka Private Limited, completed the buy back of 250,000 ordinary shares held by Nawaloka Hospitals PLC (Co - joint venturer). As a result the Group's holding in Metropolis Healthcare Lanka Private Limited has increased to 100% resulting in becoming subsidiary of the Company.

Untill 31 March 2017, the Group consolidated Metropolis Healthcare Lanka Private Limited as joint venture and its investment was accounted using the equity method.

A. Fair value of Equity-accounted investees

On 1 April 2017, the fair value of investments in Metropolis Healthcare Lanka Private Limited is ₹ 57.76 lakhs

B. Buy back related costs

No legal fees and due diligence cost was incurred on buy back of Metropolis Healthcare Lanka Private Limited.

C. Identifiable assets acquired and liabilities assumed

The following table summaries the recognised amounts of assets acquired and liabilities assumed at fair value at the date of buy back

	Amount (₹ in Lakhs)
Property, plant and equipments	381.14
Other net assets	265.59
Total net identifiable assets aquired	**646.73**

Measurement of fair values

The valuation techniques used for measuring the fair value of material assets acquired were as follows:

Assets acquired	Valuation techniques
Property, plant and equipments	Market comparison technique and cost technique: The valuation model considers market prices for similar nature when they are available, and depreciated replacement cost when appropriate.

If new information obtained within one year of the date of acquistion about facts and circumstances that existed at the date of acquistion identifies adjustments to the above amonts or any additional provisions that existed at the date of acquistion, then the accounting for the acquistion will be revised.

D. Capital reserve

Capital reserve arising from the acquisition has been determined as follows:

	Amount (₹ in Lakhs)
Fair value of Equity- accounted investees	577.59
Fair value of net identifiable assets	(646.73)
Capital reserve	**(69.13)**

Difference between fair value of investment in equity accounted investees and net identifiable assets on the day of buy back is recorded under Capital reserves.

(b) Acquisition of Non controlling interest

(i) Micron Metropolis Healthcare Private Limited

On 6 September 2018, Group acquired additional 15 percent in Micron Metropolis Healthcare Private Limited for ₹ 283.70 Lakhs in cash, increasing its ownership from 85 percent to 100 percent. The carrying amount of Micron Metropolis Healthcare Private Limited net assets in the group's consolidated financial statements on the date of the acquisition was ₹ 238.60 Lakhs. The group consequently recognised a decrease in NCI of ₹ 35.80 Lakhs. The decrease of ₹ 247.90 Lakhs represents a decrease in retained earnings.

The following table summarises the acquisition date transaction:

	Amount (₹ in Lakhs)
Carrying value of NCI acquired	35.80
Consideration paid to NCI	283.70
Decrease in equity attributable to owners of the Company	(247.90)

(ii) Desai Metropolis Health Services Private Limited

On 6 September 2018, Group acquired additional 18.40 percent in Desai Metropolis Health Services Private Limited for total consideration of ₹ 2,356.70 Lakhs, out of which ₹ 1,460.88 Lakhs is paid in cash and ₹ 895.86 Lakhs by issue of equity shares of Metropolis Healthcare Limited to non controlling shareholders, increasing its ownership from 81.60 percent to 100 percent. The carrying amount of Desai Metropolis Health Services Private Limited net assets in the group's consolidated financial statements on the date of the acquisition was ₹ 1,698.37 Lakhs. The group consequently recognised a decrease in NCI of ₹ 312.50 Lakhs. The decrease of ₹ 2,044.20 Lakhs represents a decrease in retained earnings.

The following table summarises the acquisition date transaction:

	Amount (₹ in Lakhs)
Carrying value of NCI acquired	312.50
Consideration paid / payable to NCI	2,356.70
Decrease in equity attributable to owners of the Company	(2,044.20)

(iii) Metropolis Healthcare (Jodhpur) Private Limited

On 1 December 2017, Group acquired additional 30 percent in Metropolis Healthcare (Jodhpur) Private Limited for ₹ 15 Lakhs in cash, increasing its ownership from 70 percent to 100 percent. The carrying amount of Metropolis Healthcare (Jodhpur) Private Limited' net assets in the group's consolidated financial statements on the date of the acquisition was ₹ (145.44) Lakhs. The group consequently receognised a decrease in NCI of ₹ (43.63) Lakhs. The decrease of ₹ 58.63 Lakhs represents a decrease in retained earnings.

The following table summarises the acquisition date transaction:

	Amount (₹ in Lakhs)
Carrying value of NCI acquired	(43.63)
Consideration paid to NCI	15.00
Decrease in equity attributable to owners of the Company	(58.63)

(iv) Golwilkar Metropolis Health Services (India) Private Limited

On 19 January 2018, Group acquired additional 30 percent in Golwilkar Metropolis Health Services (India) Private Limited for ₹ 2,278.13 Lakhs in cash, increasing its ownership from 70 percent to 100 percent. The carrying amount of Golwilkar Metropolis Health Services (India) Private Limited net assets in the group's consolidated financial statements on the date of the acquisition was ₹ 3,233.80 Lakhs. The group consequently recognised a decrease in NCI of ₹ 984.60 Lakhs. The decrease of ₹ 1,293.53 Lakhs represents a decrease in retained earnings.

The following table summarises the acquisition date transaction:

	Amount (₹ in Lakhs)
Carrying value of NCI acquired	984.60
Consideration paid to NCI	2,278.13
Decrease in equity attributable to owners of the Company	(1,293.53)

(v) Metropolis Bramser Lab Services (Mtius) Limited

On 12 December 2017, Group acquired additional 30 percent in Metropolis Bramser Lab Services (Mtius) Limited for ₹ 3.04 Lakhs in cash, increasing its ownership from 70 percent to 100 percent. The carrying amount of Metropolis Bramser Lab Services (Mtius) Limited' net assets in the group's consolidated financial statements on the date of the acquisition was ₹ 281.87 Lakhs. The group consequently receognised a decrease in NCI of ₹ 84.56 Lakhs. The increase of ₹ 81.52 Lakhs represents an increase in retained earnings.

The following table summarises the acquisition date transaction:

	Amount (₹ in Lakhs)
Carrying value of NCI acquired	84.56
Consideration paid to NCI	3.04
Increase in equity attributable to owners of the Company	81.52

Notes to the consolidated financial statements for the year ended 31 March 2019 (Contd.)

(vi) Sudharma Metropolis Health Services Private Limited

On 6 September 2018, Group acquired additional 10 percent in Sudharma Metropolis Health Services Private Limited for total consideration of ₹ 1,320.00 Lakhs, out of which ₹ 795.90 Lakhs is paid in cash and ₹ 524.10 Lakhs by issue of equity shares of Metropolis Healthcare Limited to non controlling shareholders, increasing its ownership from 90 percent to 100 percent. The carrying amount of Sudharma Metropolis Health Services Private Limited net assets in the group's consolidated financial statements on the date of the acquisition was ₹ 3,769.40 Lakhs. The group consequently recognised a decrease in NCI of ₹ 376.90 Lakhs. The decrease of ₹ 943.10 Lakhs represents a decrease in retained earnings.

The following table summarises the acquisition date transaction:

	Amount (₹ in Lakhs)
Carrying value of NCI acquired	376.90
Consideration paid to NCI	1,320.00
Decrease in equity attributable to owners of the Company	(943.10)

(vii) R.V. Metropolis Diagnostics & Healthcare Centre Private Limited

On 6 September 2018, Group acquired additional 23.26 percent in R.V. Metropolis Diagnostics & Healthcare Centre Private Limited for total consideration of ₹ 2,016.70 lakhs, out of which ₹ 1,192.10 lakhs is paid in cash and ₹ 824.60 lakhs by issue of equity shares of Metropolis Healthcare Limited to non controlling shareholders, increasing its ownership from 76.74 percent to 100 percent. The carrying amount of R.V. Metropolis Diagnostics & Healthcare Centre Private Limited net assets in the group's consolidated financial statements on the date of the acquisition was ₹ 1,760.50 lakhs. The group consequently recognised a decrease in NCI of ₹ 409.50 lakhs. The decrease of ₹ 1,607.20 lakhs represents a decrease in retained earnings.

The following table summarises the acquisition date transaction:

	Amount (₹ in Lakhs)
Carrying value of NCI acquired	409.50
Consideration paid to NCI	2,016.70
Decrease in equity attributable to owners of the Company	(1,607.20)

(viii) Dr. Patel Metropolis Healthcare Private Limited

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

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

The deferred consideration of ₹ 100 Lakhs has been meaured at fair value (₹ 80.40 Lakhs) on initial recognition and the difference of ₹ 19.60 Lakhs will be recognised as finance cost on EIR basis over the payment tenure (Refer note 34).

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

The following table summarises the acquisition date transaction:

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

(ix) Lab One Metropolis Healthcare Services Private Limited

On 6 September 2018, Group acquired additional 49 percent in Lab One Metropolis Healthcare Services Private Limited for total consideration of ₹ 1,073.50 Lakhs, out of which ₹ 683.90 Lakhs is paid in cash and ₹ 389.60 Lakhs by issue of equity shares of Metropolis Healthcare Limited to non controlling shareholders, increasing its ownership from 51% percent to 100 percent. The carrying amount of Lab One Metropolis Healthcare Services Private Limited net assets in the group's consolidated financial statements on the date of the acquisition was ₹ 366.90 Lakhs. The group consequently recognised a decrease in NCI of ₹ 179.80 Lakhs. The decrease of ₹ 893.70 Lakhs represents a decrease in retained earnings.

The following table summarises the acquisition date transaction:

	Amount (₹ in Lakhs)
Carrying value of NCI acquired	179.80
Consideration paid to NCI	1,073.50
Decrease in equity attributable to owners of the Company	(893.70)

(x) Bokil Golwilkar Metropolis Healthcare Private Limited

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

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

The deferred consideration of ₹ 60 Lakhs has been meaured at fair value (₹ 55.22 Lakhs) on initial recognition and the difference of ₹ 4.78 Lakhs will be recognised as finance cost on EIR basis over the payment tenure (Refer note 34).

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

The following table summarises the acquisition date transaction:

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

(xi) Acqusition of Sanjeevani Pathology Laboratory

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 meaured at fair value (₹ 2,100.96 lakhs) on initial recognition and the difference of ₹ 199.04 lakhs (31 March 2018 : ₹ 199.04 lakhs) will be recognise as finance cost on EIR basis over the payment tenure; During year ended 31 March 2019 ₹ 36.88 lakhs (31 March 2018 ₹ 115.60 lakhs) charged to statement of profit and loss (refer note 34).

Notes to the consolidated financial statements for the year ended 31 March 2019 (Contd.)

44 NON CONTROLLING INTERESTS

(All amounts in Indian ₹ Lakhs unless otherwise stated)

Name	Country of incorporation	Proportion of ownership interest	
		31 March 2019	**31 March 2018**
Sudharma Metropolis Health Services Private Limited	India	**-**	10.00%
Bokil Golwilkar Metropolis Healthcare Private Limited	India	**-**	24.00%
Raj Metropolis Healthcare Private Limited	India	**49.00%**	49.00%
Desai Metropolis Health Services Private Limited	India	**-**	18.40%
R.V. Metropolis Diagnostics & Healthcare Centre Private Limited	India	**-**	23.26%
Micron Metropolis Healthcare Private Limited	India	**-**	15.00%
Dr. Patel Metropolis Healthcare Private Limited	India	**-**	30.00%
Lab One Metropolis Healthcare Services Private Limited	India	**-**	49.00%
Ekopath Metropolis Lab Services Private Limited	India	**40.00%**	40.00%

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

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

45 EQUITY ACCOUNTED INVESTEES

(All amounts in Indian ₹ Lakhs unless otherwise stated)

Name	Country of incorporation	Amount of investment	
		31 March 2019	**31 March 2018**
Investment in Joint ventures			
Metropolis Histoxpert Digital Services Private Limited	India	**51.98**	0.65
1,950,000 (31 March 2018:6,500) Equity shares of Face value of ₹ 10 each (Fully paid up)			
Investment in Associates			
Star Metropolis Health Services Middle East LLC ^	United Arab Emirates	**-**	-
1,020 (31 March 2018: 1,020) Equity shares of AED of 1,000 each (Fully Paid up)			
		51.98	0.65

^ The value of investment in associate Star Metropolis Health Services Middle East LLC is ₹ 129.85 Lakhs (31 March 2018: ₹ 129.85 Lakhs). The same has been fully provided. The associate is not accounted in the consolidated financial statements as per Ind AS 28 because of non-availability of adequate information (Refer note 55).

Investment in Joint Ventures

a) Metropolis Histoxpert Digital Services Private Limited

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

(All amounts in Indian ₹ Lakhs unless otherwise stated)

	31 March 2019	31 March 2018
Percentage ownership interests	**65%**	65%
Non-current assets	**4.30**	-
Current assets (including cash and cash equivalents 31 March 2019: ₹ 101.57 Lakhs; 31 March 2018: ₹ 0.1 Lakhs)	**109.49**	1.00
Current liabilities	**33.82**	-
(Current financial liabilities other than trade payables and other financial liabilities and provisions - 31 March 2019: Nil Lakhs (31 March 2018 - Nil)"		
Net Assets	**79.97**	1.00
Group's share of net assets (65%)	**51.98**	0.65
Carrying value of interest in Joint Ventures	**51.98**	0.65

(All amounts in Indian ₹ Lakhs unless otherwise stated)

	31 March 2019	31 March 2018
Percentage ownership interests	**65%**	65%
Revenue	**17.44**	-
Depreciation and amortisation	**0.66**	-
Interest expense	**-**	-
Income tax expense	**-**	-
Profit/(Loss)	**(220.03)**	-
Other comprehensive income	**-**	-
Total comprehensive income	**(220.03)**	-
Group share of profits (65%)	**(143.02)**	-
Group share of OCI (65%)	**-**	-
Group share of total comprehensive income (65%)	**(143.02)**	-

Notes to the consolidated financial statements for the year ended 31 March 2019 (Contd.)

46 SIGNIFICANT TRANSACTIONS

i. During the year ended 31 March 2018, the Company has sold its investment in subsidiary Company, Mulay Metropolis Healthcare Private Limited. The details of consideration received, assets and liabilities over which control was lost (net asset disposed off) and loss on disposal recorded in financial statement is as follows:

(All amounts in Indian ₹ Lakhs unless otherwise stated)

	26 September 2017
A. Consideration received	
Fair value of consideration received	62.16
B. Net assets disposed off	
Non-current assets	
Property, plant and equipment	31.91
Non-current Investments	0.25
Non-Current Tax Assets (Net)	2.45
Current Assets	
Inventories	3.98
Cash and cash equivalents	100.54
Trade receivables	36.64
Other current financial assets	0.34
Other current assets	17.21
Total Assets (a)	**193.32**
Non-current liabilities	
Deferred tax liabilities (net)	0.76
Current liabilities	
Trade payable	8.21
Other current financial liabilities	5.43
Other current liabilities	1.46
Total Liabilities (b)	**15.86**
Net assets disposed off (a-b)	**177.46**
C. Goodwill on consolidation	**122.02**
D. Minority interest	**53.24**
E. Loss on disposal (Refer Note 36) (A+D-B-C)	**184.09**
F. Net cash outflow on disposal	
Consideration received in cash and cash equivalent	62.16
Less: cash and cash equivalents held by the entity	100.54
	(38.38)

47 CONTINGENT LIABILITIES NOT PROVIDED FOR

(All amounts in Indian ₹ Lakhs unless otherwise stated)

	As at 31 March 2019	As at 31 March 2018
Income tax liability disputed in appeals	**139.90**	139.90
Employee related dues	**232.36**	232.36
Claims against the Group not acknowledged as debt :		
- Claims by suppliers/contractors /others	**138.37**	-
- Claims pending in Consumer Dispute Redressal Forum	**40.60**	274.94
Contingent consideration on acquisition of remaining stake from NCI*	**759.38**	759.38
	1,310.61	1,406.58

*The Holding Company has entered into a share purchase agreement to buy remaining 30% stake of Golwilkar Metropolis Health Services (India) Private Limited. For purchase of remaining stake, consideration to be paid as per valuation of Golwilkar has been determined to be ₹ 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 Holding Company has filed an application before a sole arbitrator- Justice A.V. Nirgude (Retired) at Mumbai against Dr. Ajit S. Golwilkar, Dr. Awanti T. Mehendale and Dr. Vinanti N. Patankar ("Respondents"), claiming 25% of consideration determined i.e. ₹ 759.38 Lakhs as damages. The matter is currently pending before the arbitrator.

48 COMMITMENTS

(All amounts in Indian ₹ Lakhs unless otherwise stated)

	31 March 2019	31 March 2018
Capital commitments:		
Estimated amount of contracts remaining to be executed on capital account not provided for	**953.40**	1,078.42

Other commitments:

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

(ii) The value of purchase commitments for the remaining number of years are ₹ 42,855.62 Lakhs (31 March 2018: ₹ 14,573.26 Lakhs) of which annual commitment for next year is ₹ 15,694.49 Lakhs (31 March 2018: ₹ 4,871.23 Lakhs) as per the terms of these arrangements.

49 AUDITORS' REMUNERATION*

(All amounts in Indian ₹ Lakhs unless otherwise stated)

	31 March 2019	31 March 2018
Statutory audit fees	**98.66**	93.14
Other Services	**10.00**	
Tax audit fees	**-**	0.11
Total	**108.66**	93.25

*In addition to above ₹ 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.

50 OPERATING LEASE OBLIGATIONS

(a) The Group has taken various commercial properties on leases for its offices, laboratories and staff accommodation. The lease expenses in current year amounts to March 31, 2019: ₹ 5,780.78 lakhs (March 31, 2018: ₹ 3,988.90 lakhs). Future minimum rentals payable under non-cancellable operating leases are as follows:

(All amounts in Indian ₹ Lakhs unless otherwise stated)

	31 March 2019	31 March 2018
Not later than one year	815.29	688.91
Later than one year but not later than five years	1,642.19	1,748.86
Later than five years	-	183.81
Total	**2,457.48**	**2,621.58**

Notes to the consolidated financial statements for the year ended 31 March 2019 (Contd.)

51 (a) DISCLOSURE AS PER IND AS 115 - REVENUE FROM CONTRACTS WITH CUSTOMERS

(All amounts in Indian ₹ Lakhs unless otherwise stated)

	31 March 2019	31 March 2018
Contract asset- unbilled revenue	**-**	-
Contract liabilities		
Advances from customers	**379.52**	275.18

51 (b) DISAGGREGATION OF REVENUE FROM CONTRACTS WITH CUSTOMERS.

The group derives revenue from the transfer of services over point of time in the following geographical regions:

(All amounts in Indian ₹ Lakhs unless otherwise stated)

	31 March 2019	31 March 2018
India	**71,167.53**	59,149.52
Overseas	**4,838.06**	5,207.20
Total	**76,005.59**	64,356.72

52 EMPLOYEE BENEFITS

(a) Defined benefits plan

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

(All amounts in Indian ₹ Lakhs unless otherwise stated)

		31 March 2019	31 March 2018
A.	**Amount recognised in the balance sheet**		
	Present value of the obligation as at the end of the year	882.56	889.28
	Fair value of plan assets as at the end of the year	(111.49)	(149.55)
	Net liability recognised in the balance sheet	**771.07**	**739.73**
	Out of which,		
	Non-current portion	316.08	351.90
	Current portion	454.99	387.83
B.	**Change in projected benefit obligation**		
	Projected benefit obligation at the beginning of the year	889.28	814.88
	On Acquisition of Subsidiary	-	68.90
	Current service cost	111.51	113.14
	Past service cost	-	28.80
	Interest cost	62.84	56.84
	Actuarial loss/(gain)	(75.34)	30.42
	Benefits paid	(101.75)	(222.84)
	Foreign Currency Translation reserve	-	(0.86)
	Liability transferred out	(3.98)	-
	Projected benefit obligation at the end of the year	**882.56**	**889.28**
C.	**Change in plan assets**		
	Fair value of plan assets at the beginning of the year	149.55	176.90
	Interest income	9.76	-
	Expected return on plan assets (Interest inome)	(0.84)	12.12
	Actuarial gain (loss)	-	0.30
	Employer contributions	12.86	35.89
	Benefits paid	(59.84)	(75.66)
	Fair value of plan assets at the end of the year	**111.49**	**149.55**

(All amounts in Indian ₹ Lakhs unless otherwise stated)

		31 March 2019	31 March 2018
D.	**Amount recognised in the statement of profit and loss**		
	Current service cost	111.51	113.14
	Interest cost	53.09	56.84
	Past service cost	-	28.80
	Expected returns on plan assets	-	(12.12)
	Expenses recognised in the statement of profit and loss	**164.60**	**186.66**
E.	**Amount recognised in other comprehensive income**		
	Actuarial loss/(gain) on Defined benefit obligation	(75.34)	30.42
	Acturial gain/(loss) on Plan assets	0.84	(0.30)
		(74.50)	**30.12**
F.	**Plan Assets include Insurance Funds**		
G.	**Assumptions used**		
	Discount rate	6.96%-7.64%	7.35%-10%
	Long-term rate of compensation increase	7.00%	7.50%-10%
	Rate of return on plan assets	6.96%-7.64%	7.35%
	Attrition rate	For service 4 years and below 35.00% p.a. For service 5 years and above 4.00% p.a.	20.00%
	Mortality Rate	Indian Assured Lives Mortality (2006-08)	Indian Assured Lives Mortality (2006-08)

The weighted average duration of the defined benefit obligation is 12 years (31 March 2018 : 5 years) for all year presented above.

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.

(All amounts in Indian ₹ Lakhs unless otherwise stated)

	31 March 2019		31 March 2018	
	Increase	Decrease	Increase	Decrease
Discount rate (1% movement)	**(79.65)**	**94.02**	(10.14)	11.99
Future salary growth (1% movement)	**90.63**	**(78.65)**	11.19	(10.54)
Employee Turnover (1% movement)	**1.31**	**0.55**	(0.79)	0.83

I. Expected future cash flows

(All amounts in Indian ₹ Lakhs unless otherwise stated)

	Less than a year	Between 1-2 years	Between 2-5 years	Over 5 years	Total
31 March 2019					
Defined benefit obligations (Gratuity)	76.95	63.20	160.51	1,981.37	2,282.03
Total	**76.95**	**63.20**	**160.51**	**1,981.37**	**2,282.03**

(All amounts in Indian ₹ Lakhs unless otherwise stated)

	Less than a year	Between 1-2 years	Between 2-5 years	Over 5 years	Total
31 March 2018					
Defined benefit obligations (Gratuity)	88.33	57.83	145.07	184.96	476.19
Total	**88.33**	**57.83**	**145.07**	**184.96**	**476.19**

Notes to the consolidated financial statements for the year ended 31 March 2019 (Contd.)

(b) Defined contribution plan

The Group entities domicled in India contributes towards statutory provident fund as per the Employees Provident Funds and Miscellaneous Provisions Act, 1952 and towards employee state insurance as per the Employees' State Insurance Act, 1948. Entities of the Group domicled outside India also contributes to social security schemes as per the relevant regulations of the country for the welfare of the employees. These are defined contribution plans as per Ind AS - 19. The amount of contribution to provident fund and Employee State Insurance Scheme (as applicable) recognised as expenses during the year 31 March 2019: ₹ 818.18 Lakhs (31 March 2018: ₹ 750.04 Lakhs).

(c) Employee Stock Option Schemes

Description of share-based payment arrangements:

As at 31 March 2019, 31 March 2018 the Group had the 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 & Remuneration Committee. All the options which were granted under this scheme are vested as of 31 March 2016.

MESOS 2015 -

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

On 19 September 2017, consent was given by the Nomination & 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 1 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 and 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

(All amounts in Indian ₹ Lakhs unless otherwise stated)

	31 March 2019		31 March 2018	
	Weighted average exercise price	Number of options	Weighted average exercise price	Number of options
Outstanding at the beginning of the year	100	42,675	100	65,875
Granted during the year	100	-	100	-
Exercised during the year (pre bonus and split issue)	100	(32,800)	100	-
Lapsed/ forfeited /buy back	100	(9,875)	100	(23,200)
Outstanding at the end of the year	100	-	100	42,675
Exercisable at the end of the year	100	-	100	-

MESOS 2015

(All amounts in Indian ₹ Lakhs unless otherwise stated)

	31 March 2019		31 March 2018	
	Weighted average exercise price*	Number of options	Weighted average exercise price	Number of options
Outstanding at the beginning of the year	706	2,07,770	3,670	27,800
Granted during the year	-	-	3,670	1,85,550
Granted due to bonus issue	706	8,310	-	-
Granted due to split of shares	706	8,64,320	-	-
Exercised during the year	-	-	3,670	-
Lapsed/ forfeited /surrendered	-	-	3,670	(5,580)
Outstanding at the end of the year	706	10,80,400	3,670	2,07,770
Exercisable at the end of the year	706	-	3,670	-

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

Measurement of Fair value

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

	MESOS 2015		Description of inputs used
Grant date	**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 volatility of the option is based on historical volatility, during a period equivalent to the option life
Expected life (expected weighted average life)	1.64 years	4.05 years	
Expected dividends	3%	3%	Dividend yield of the options is based on recent dividend activity.
Risk-free interest rates (Based on government bonds)	6.35%	7.42%	Risk-free interest rates are based on the government securities yield in effect at the time of the grant.

Notes to the consolidated financial statements for the year ended 31 March 2019 (Contd.)

MESOS 2007

During the year ended 31 March 2019, 32,800 options were exercised by the employees (including ex-employees) against equity shares. Expense arising from surrender of 9,875 options against cash under MESOS 2007 scheme during the year ended 31 March 2019 ₹ 355.45 Lakhs.

MESOS 2015

The options outstanding at 31 March 2019 have an exercise price of ₹ 705.77 (31 March 2018: ₹ 3,670) and a weighted average remaining contractual life of 6 months to 2.5 years (31 March 2018: 1 to 3 years).

The expense arising from MESOS 2015 scheme during the year is ₹ 88.44 Lakhs (31 March 2018: ₹ 166.01 Lakhs).

53 SEGMENT REPORTING

a. Basis for segmentation

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

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

b. Geographic information

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

(All amounts in Indian ₹ Lakhs unless otherwise stated)

	31 March 2019	31 March 2018
Revenue from external customers		
India	**71,167.53**	59,149.52
Overseas	**4,838.06**	5,207.20
Total	**76,005.59**	64,356.72

(All amounts in Indian ₹ Lakhs unless otherwise stated)

	31 March 2019	31 March 2018
Non-current assets (other than financial instruments and deferred tax assets)		
India	**21,964.75**	20,339.80
Overseas	**845.50**	767.23

c. Major customers

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

54 CORPORATE SOCIAL RESPONSIBILITY (CSR)

The Group has spent during the year ended March 31, 3019: ₹ 79.45 Lakhs, year ended 31 March 2018: ₹ 75.11 Lakhs towards various schemes of Corporate Social Responsibility as prescribed under section 135 of the Companies Act, 2013.

a) Gross amount required to be spent by the Group during the year ended March 31, 3019: ₹ 293.79 Lakhs (31 March 2018: ₹ 228.46 Lakhs)

b) Amount spent during the year on;

	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**

	31 March 2018		
	In Cash	**Yet to be paid in Cash**	**Total**
Construction / acquisition of any asset	-	-	-
On purposes other than (i) above	75.11	-	75.11

55 INVESTMENT AND RECEIVABLE FROM STAR METROPOLIS HEALTH SERVICES MIDDLE EAST LLC

As at 31 March 2019, the Holding Company has an investment of ₹ 129.85 Lakhs (31 March 2018: ₹ 129.85 Lakhs) and receivable of ₹ 640.88 Lakhs (31 March 2018: ₹ 640.88 Lakhs) from Star Metropolis Health Services Middle East LLC ('Star Metropolis'), an associate of the Holding Company. Due to non availability of finanical information from the associate entity, due to which the said assocaiate could not accounted in the consolidated financial statements in accordance with Ind AS -28 "Investments in Associates and Joint Ventures and also 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.

56 SHARE WARRANTS ISSUED

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, ₹ 0.02 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 predetemined 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 year ended 31 March 2019, such share warrants were exercised by payment of warrant exercise price of ₹ 2,579/- per share.

57 TRANSFER PRICING

The Group's management is of the opinion that its international and domestic transactions are at arm's length as per the independent accountants report for the year ended 31 March 2018. Management continues to believe that its international transactions post 31 March 2018 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.

Notes to the consolidated financial statements for the year ended 31 March 2019 (Contd.)

58 AMALGAMATION

Pursuant to the Scheme of Amalgamation (the Scheme) sanctioned by the Hon'ble National Company Law Tribunal (NCLT) vide its order dated 31 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, Golwilkar Metropolis Health Services (India) Private Limited have been merged with the Holding Company with effect from 1 April 2018 (the appointed date). The said Scheme was sanctioned by the Hon'ble NCLT, Mumbai Bench vide its order dated 31 August 2018.

a) Pursuant to scheme of merger of wholly owned subsidiaries, the entire business and all assets and liabilities, income and expense shall be deemed to have been carried out by Metropolis Healthcare Limited with effect from appointed date of 1 April 2018.

b) Bacchus holds 26,57,730 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, 9,57,713 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.

59 SHAREHOLDING IN THE SUBSIDIARY COMPANY

Metropolis Healthcare Lanka Private Limited (Metropolis Lanka) has bought back 250,000 ordinary shares held by Nawaloka Hospitals PLC ("Nawaloka") in Metropolis Lanka pursuant to memorandum of understanding (MOU) dated 31 March 2017. As per the MOU, the buy-back consideration payable by Metropolis Lanka was adjusted against certain receivables payable by Nawaloka to Metropolis Lanka. as at 31 March 2019, Nawaloka is yet to surrender physical share certificates for cancellation to Metropolis Lanka. 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.

60 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.

61 SUBSEQUENT EVENT:

The Company has completed Initial Public Offering (IPO) of 13,685,095 Equity Shares of ₹ 2/- each at an issue price of ₹ 880.00 per equity share aggregating to ₹ 1,20,428.84 Lakhs consisting of an Offer for Sale of 62,72,335 Equity Shares by Dr. Sushil Kanubhai Shah (the "Promoter Selling Shareholder") and of 74,12,760 Equity Shares by CA Lotus Investments (the "Investor Selling Shareholders"). All the expenses in connection with the IPO were borne by the Selling Shareholders. The equity share of Company were listed on National Stock Exchange of India Limited (NSE) and BSE Limited (BSE) on 15 April 2019.

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

Net Assets (Total Assets minus Total Liabilities)

Name of the Company	As at 31 March 2019		As at 31 March 2018	
	As % of Consolidated net assets	Net Assets	As % of Consolidated net assets	Net Assets
Holding Company				
Metropolis Healthcare Limited	**99.25%**	**41,540.41**	84.88%	35,206.05
Indian Subsidiaries				
Direct Subsidiaries				
Sudharma Metropolis Health Services Private Limited	**6.43%**	**2,689.82**	8.18%	3,392.98
Sanket Metropolis Health Services (India) Private Limited*	**0.00%**	**-**	-0.17%	(71.14)
Desai Metropolis Health Services Private Limited	**5.27%**	**2,204.92**	3.31%	1,373.08
R.V. Metropolis Diagnostic & Health Care Center Private Limited	**5.03%**	**2,105.57**	3.71%	1,539.01
Final Diagnosis Private Limited*	**0.00%**	**-**	0.18%	75.94
Golwilkar Metropolis Health Services (India) Private Limited*	**0.00%**	**-**	8.64%	3,582.58
Metropolis Healthcare (Jodhpur) Private Limited*	**0.00%**	**-**	-0.39%	(161.13)
Metropolis Healthcare (Chandigarh) Pvt. Ltd.*	**0.00%**	**-**	-0.38%	(156.89)
Micron Metropolis Healthcare Private Limited	**0.85%**	**354.50**	0.42%	175.79
Dr. Patel Metropolis Healthcare Private Limited	**2.26%**	**947.44**	1.31%	541.97
Amin's Pathology Laboratory Private Limited	**1.89%**	**792.36**	1.50%	622.37
Ekopath Metropolis Lab Services Private Limited	**0.52%**	**218.52**	0.31%	128.86
Lab One Metropolis Healthcare Services Private Limited	**1.12%**	**468.04**	0.61%	254.78
Indirect Subsidiaries				
Bokil Golwilkar Metropolis Healthcare Private Limited	**1.10%**	**462.00**	0.84%	348.85
Raj Metropolis Healthcare Private Limited	**0.23%**	**94.50**	0.17%	69.73
Foreign Subsidiaries				
Metropolis Bramser Lab Services (Mtius) Limited	**0.75%**	**313.97**	0.70%	291.43
Metropolis Healthcare Ghana Limited	**-0.17%**	**(72.86)**	-0.12%	(48.95)
Metropolis Healthcare (Mauritius) Limited	**-0.25%**	**(105.15)**	-0.28%	(114.57)
Metropolis Star Lab Kenya Limited	**1.72%**	**721.24**	0.63%	259.94
Metropolis Healthcare Lanka Private Limited	**0.17%**	**71.09**	0.73%	303.03
Joint Venture to the extent of shareholding				
Indian Joint Venture				
Metropolis Histoxpert Digital Services Private Limited	**0.12%**	**51.98**	0.00%	0.65
Add/(Less): Consolidation related adjustments	**-26.29%**	**(11,004.50)**	-14.79%	(6,137.68)
Total	**100.00%**	**41,853.84**	100.00%	41,476.68

*Subsidiaries which are now merged with Metropolis Healthcare Limited (Holding Company)

Notes to the consolidated financial statements for the year ended 31 March 2019 (Contd.)

	31 March 2019						31 March 2018					
	As % of Consoli-dated profit or loss	Profit/ (Loss)	As % of Consoli-dated OCI	OCI	As % of Consoli-dated TCI	TCI	As % of Consoli-dated profit or loss	Profit/ (Loss)	As % of Consoli-dated OCI	OCI	As % of Consoli-dated TCI	TCI
Holding Company												
Metropolis Healthcare Limited	84.44%	10,145.70	24.20%	33.43	83.76%	10,179.12	81.67%	8,512.72	-1.52%	(1.21)	81.04%	8,511.51
Indian Subsidiaries												
Direct Subsidiaries												
Sudharma Metropolis Health Services Private Limited	8.12%	975.28	6.76%	9.33	8.10%	984.62	6.96%	725.06	-21.30%	(16.99)	6.74%	708.07
Sanket Metropolis Health Services (India) Private Limited*	0.00%	-	0.00%	-	0.00%	-	-0.53%	(55.66)	-2.77%	(2.21)	-0.55%	(57.87)
Desai Metropolis Health Services Private Limited	6.94%	833.43	-1.15%	(1.58)	6.84%	831.85	6.39%	666.25	0.71%	0.56	6.35%	666.81
R.V. Metropolis Diagnostic & Health Care Center Private Limited	4.67%	561.47	3.69%	5.09	4.66%	566.56	3.74%	389.83	0.92%	0.74	3.72%	390.57
Final Diagnosis Private Limited*	0.00%	-	0.00%	-	0.00%	-	-0.12%	(12.10)	0.00%	-	-0.12%	(12.10)
Golwilkar Metropolis Health Services (India) Private Limited*	0.00%	-	0.00%	-	0.00%	-	7.06%	735.53	4.59%	3.66	7.04%	739.19
Metropolis Healthcare (Jodhpur) Private Limited*	0.00%	-	0.00%	-	0.00%	-	-0.45%	(47.31)	0.00%	-	-0.45%	(47.31)
Metropolis Healthcare (Chandigarh) Pvt. Ltd.*	0.00%	-	0.00%	-	0.00%	-	0.01%	1.39	0.00%	-	0.01%	1.39
Micron Metropolis Healthcare Private Limited	1.48%	177.90	0.58%	0.80	1.47%	178.70	1.24%	129.11	0.14%	0.11	1.23%	129.22
Dr. Patel Metropolis Healthcare Private Limited	3.35%	401.90	2.58%	3.57	3.34%	405.47	2.67%	278.04	0.18%	0.14	2.65%	278.18
Amin's Pathology Laboratory Private Limited	1.41%	169.98	0.00%	-	1.40%	169.98	1.74%	181.48	0.00%	-	1.73%	181.48
Ekopath Metropolis Lab Services Private Limited	0.75%	90.51	-0.61%	(0.85)	0.74%	89.66	0.46%	47.55	-0.15%	(0.12)	0.45%	47.43
Lab One Metropolis Healthcare Services Private Limited	1.78%	213.54	-0.20%	(0.27)	1.75%	213.27	1.25%	130.52	0.50%	0.40	1.25%	130.92

Notes to the consolidated financial statements for the year ended 31 March 2019 (Contd.)

	31 March 2019						31 March 2018					
	As % of Consolidated profit or loss	Profit/ (Loss)	As % of Consolidated OCI	OCI	As % of Consolidated TCI	TCI	As % of Consolidated profit or loss	Profit/ (Loss)	As % of Consolidated OCI	OCI	As % of Consolidated TCI	TCI
Indirect Subsidiaries												
Bokil Golwilkar Metropolis Healthcare Private Limited	0.94%	112.70	0.33%	0.45	0.93%	113.15	0.92%	95.63	-0.45%	(0.36)	0.91%	95.27
Raj Metropolis Healthcare Private Limited	0.21%	24.77	0.00%	-	0.20%	24.77	0.10%	10.02	0.00%	-	0.10%	10.02
Foreign Indirect Subsidiaries												
Metropolis Bramser Lab Services (Mtius) Limited	0.01%	0.62	15.87%	21.93	0.19%	22.54	2.76%	287.68	0.67%	0.53	2.74%	288.21
Metropolis Healthcare Ghana Limited	-0.20%	(23.52)	-0.29%	(0.39)	-0.20%	(23.91)	0.54%	56.22	16.35%	13.04	0.66%	69.26
Metropolis Healthcare (Mauritius) Limited	-0.35%	(42.25)	37.41%	51.68	0.08%	9.43	0.03%	2.70	-5.48%	(4.37)	-0.02%	(1.67)
Metropolis Star Lab Kenya Limited	3.70%	444.05	12.49%	17.25	3.80%	461.30	1.63%	169.59	-4.99%	(3.98)	1.58%	165.61
Metropolis Healthcare Lanka Private Limited	-1.80%	(215.89)	-0.82%	(1.14)	-1.79%	(217.03)	-4.06%	(423.41)	113.74%	90.75	-3.17%	(332.66)
Non-controlling interest in all non-wholly owned subsidiaries	-2.88%	(346.49)	-0.83%	(1.14)	-2.86%	(347.63)	-7.30%	(760.54)	0.63%	0.51	-7.24%	(760.03)
Joint Venture to the extent of shareholding												
Indian Joint Venture												
Metropolis Histoxpert Digital Services Private Limited	-1.19%	(143.02)	0.00%	-	-1.18%	(143.02)	0.00%	-	0.00%	-	0.00%	-
Add/(Less): Consolidation related adjustments	**-11.37%**	**(1,365.88)**	**-0.01%**	**(0.02)**	**-11.23%**	**(1,365.91)**	**-6.68%**	**(696.68)**	**-1.77%**	**(1.41)**	**-6.65%**	**(698.09)**
Total	**100.00%**	**12,014.79**	**100.00%**	**138.14**	**100.00%**	**12,152.93**	**100.00%**	**10,423.62**	**100.00%**	**79.79**	**100.00%**	**10,503.41**

*Subsidiaries which are now merged with Metropolis Healthcare Limited (Holding Company)

Notes to the consolidated financial statements for the year ended 31 March 2019 (Contd.)

63 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

Akeel Master
Partner
Membership No: 046768

Place : Mumbai
Date : 13 May 2019

For and on behalf of the Board of Directors

Dr. Sushil Shah
Chairman & Executive Director
DIN: 00179918

Ameera Shah
Managing Director
DIN: 00208095

Vijender Singh
Chief Executive Officer

Tushar Karnik
Chief Financial Officer
Membership No: 046817

Jayant Prakash
Company Secretary
Membership No: FCS 6742

Place : Mumbai
Date : 13 May 2019

NOTE

Registered Office:

250-D, Udyog Bhavan,
Hind Cycle Marg,
Behind Glaxo,
Worli, Mumbai – 400030
Customer Care: 022-33993939

NOTICE

NOTICE IS HEREBY GIVEN THAT THE 19TH ANNUAL GENERAL MEETING OF THE MEMBERS OF **METROPOLIS HEALTHCARE LIMITED** WILL BE HELD ON TUESDAY, AUGUST 06, 2019 AT 9:00 A.M AT HALL OF CULTURE, NEHRU CENTRE, WORLI, MUMBAI – 400 018 MAHARASHTRA, INDIA TO TRANSACT THE FOLLOWING BUSINESS:

ORDINARY BUSINESS:

1. To receive, consider and adopt the Audited Financial Statements (including the Audited Consolidated Financial Statements) of the Company for the year ended March 31, 2019 and the reports of the Board of Directors and Auditors thereon.
2. To appoint a Director in place of Dr. Sushil Kanubhai Shah (DIN: 00179918), who retires by rotation and, being eligible, seeks re-appointment.

SPECIAL BUSINESS:

3. REMUNERATION TO COST AUDITORS FOR FINANCIAL YEAR ENDED 31 MARCH 2020

   To consider and, if thought fit, to pass with or without modification(s), the following resolution as an **Ordinary Resolution.**

   "**RESOLVED THAT** pursuant to Section 148 of the Companies Act, 2013 read along with Companies (Cost Records and Audit) Rules, 2014 (including any statutory modification or re-enactment thereof for the time being in force) the Company hereby ratifies the remuneration of INR 1,00,000/- (Indian Rupees One Lakh Only) plus applicable taxes, travel and actual out-of-pocket expenses payable to Messrs. Joshi Apte & Associates, Cost Accountants (Firm Registration no. 00240), who are appointed as Cost Auditors of the Company".

Registered Office:
Metropolis Healthcare Limited
(CIN : U73100MH2000PLC192798)
250 D Udyog Bhavan,
Hind Cycle Marg,
Worli, Mumbai – 400030.
Tel: +91 22 33993939
www.metropolisindia.com

Place: Mumbai
Date: 13 May 2019

By Order of the Board of Directors

Dr. Sushil Kanubhai Shah
Chairman & Executive Director
(DIN: 00179918)
Address:
71, Apurva Apartments,
5, Napean Sea Road,
Mumbai – 400 036,
Maharashtra, India.

NOTES:

1. A Statement pursuant to Section 102(1) of the Companies Act, 2013 ("the Act"), relating to the Special Business to be transacted at the Annual General Meeting ("Meeting") is annexed hereto.
2. **A MEMBER ENTITLED TO ATTEND AND VOTE AT THE ANNUAL GENERAL MEETING (THE "MEETING" OR THE "AGM") IS ENTITLED TO APPOINT A PROXY TO ATTEND AND ON A POLL, TO VOTE INSTEAD OF HIMSELF / HERSELF AND THE PROXY NEED NOT BE A MEMBER OF THE COMPANY.**

   The instrument of proxy in order to be effective should be deposited at the registered office of the Company, duly completed and signed, not less than forty-eight hours before the commencement of AGM. A proxy form is sent herewith. Proxies submitted on behalf of companies, societies etc., must be supported by appropriate resolutions/ authority, as applicable.

   Pursuant to the provisions of Section 105 of the Companies Act, 2013, read with Rule 19(2) of the Companies (Management and Administration) Rules, 2014; a person shall not act as a proxy for more than 50 (fifty) members and holding in aggregate not more than 10% (ten percent) of the total share capital of the Company. In case a Member holding more than 10% of the total share capital of the Company carrying voting rights proposes to appoint a proxy, then such Member may appoint a single person as proxy, however, such proxy shall not act as a proxy for any other person or Member. The holder of proxy shall prove his identity at the time of attending the Meeting.
3. Corporate members intending to send their authorized representatives to attend the meeting are requested to send to the Company a certified true copy of the Board resolution authorising their representative to attend and vote on their behalf at the AGM.
4. Members/Proxies/Authorised Representatives should bring their duly filled and signed attendance slip enclosed herewith to attend the AGM.
5. All documents referred to in the accompanying Notice shall be open for inspection at the registered office of the Company on all working days, except Saturdays and Sundays, between 11.00 a.m. to 1.00 p.m. up to the date of the AGM of the Company.
6. The members are requested to kindly send all their correspondence relating to change of address, transfer of shares, etc. directly to the Company's Registrar & Transfer Agents – Link Intime India Private Limited, C-101, 1st floor, 247 Park, L B S Marg, Vikhroli West, Mumbai - 400 083, quoting their folio number and in case of shares held in dematerialised form, the intimation of change of address should be passed on to their respective depository participants.
7. Members seeking any information with regard to the financial statements are requested to write to the Company at least ten (10) days before the AGM to enable the management to keep the information ready at the meeting.
8. During the period beginning 24 hours before the time fixed for the commencement of the AGM and ending with the conclusion of the AGM, a member would be entitled to inspect the proxies lodged at any time during the business hours of the Company, provided that not less than three (3) days' notice in writing is given to the Company.
9. In case of joint holders attending the AGM, only such joint holder who is higher in the order of names will be entitled to vote provided the votes are not already cast by remote e-voting by the first holder.
10. Pursuant to Section 101 and Section 136 of the Companies Act, 2013 read with relevant rules made thereunder, Companies can serve Annual Reports and other communications through electronic mode to those members who have registered their e-mail address either with the Company or with the depository. Members who have not registered their e-mail addresses are requested to register their e-mail address so that they can receive the Annual Report and other communication from the Company electronically. Members holding shares in demat form are requested to register their e-mail address with their Depository Participant(s) only. Members of the Company, who have registered their e-mail address, are entitled to receive such communication in physical form upon request.
11. The Annual Report of the Company circulated to the members of the Company, will be made available on the Company's website at www.metropolisindia.com and also on website of the respective Stock Exchanges. Physical copies of the Annual Report will also be available at the Company's registered office for inspection during normal business hours on working days.
12. The Annual Report, including Notice, instructions for e-voting, attendance slip and proxy form, are being sent in electronic mode to members whose e-mail addresses are registered with the Company or the Depository Participant(s) unless the members have registered their request for a hard copy of the same. Physical copy of the Annual Report is being sent to those members who have not registered their e-mail addresses with the Company or Depository Participant(s). Members who have received the Annual

NOTICE (Contd.)

Report in electronic mode are requested to print the attendance slip and submit a duly filled in attendance slip at the registration counter to attend the AGM.

13. Copies of the Annual Report will not be distributed at the AGM.
14. Route Map to the venue of the 19th Annual General Meeting of the Company is enclosed at the last page of the Notice.
15. Information and other instructions relating to e-voting are as under:
    (i) Pursuant to the provisions of Section 108 of the Companies Act, 2013 and Rule 20 of the Companies (Management and Administration) Rules, 2014, as amended by The Companies (Management and Administration) Amendment Rules, 2015 and Regulation 44 of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, the Company is pleased to provide members facility to exercise their right to vote at the AGM by electronic means and the business may be transacted through e-voting Services. The facility of casting the votes by the members using an electronic voting system from a place other than the venue of the AGM ["remote e-voting"] will be provided by Central Depository Services (India) Limited ("CDSL").

    (ii) The facility for voting at the AGM either through electronic voting system or polling paper shall also be made available at the AGM and members who have not cast their vote by remote e-voting shall be able to exercise their right at the meeting.

    (iii) Members who have cast their vote by remote e-voting may also attend the AGM but shall not be entitled to cast their vote again.

    (iv) The Board of Directors of the Company has appointed M/s. Manish Ghia & Associates Practicing Company Secretaries, Mumbai as Scrutinizer to scrutinize e-voting process in a fair and transparent manner and he has communicated his willingness to be appointed and will be available for the same. The Scrutinizer, after scrutinizing the votes cast at the meeting and through remote e-voting, will, not later than 48 hours of conclusion of the AGM, make a consolidated scrutinizer's report and submit the same to the Chairman. The results declared along with the consolidated scrutinizer's report shall be placed on the website of the Company www.metropolisindia.com and on the website of CDSL i.e. www.evotingindia.com. The results shall simultaneously be communicated to the Stock Exchanges.

    (v) The remote e-voting period commences on Friday, 02 August 2019, and ends on Monday, 05 August 2019 (from 10:00 a.m. to 5:00 pm. for each day). During this period, shareholders of the Company, holding shares either in physical form or in dematerialized form, as on the cut-off date of 30 July 2019, may cast their vote by remote e-voting. The remote e-voting module shall be disabled by CDSL for voting thereafter. Once the vote on a resolution is cast by the shareholder, the shareholder shall not be allowed to change it subsequently.

    (vi) The voting rights of members shall be in proportion to their shares of the paid up equity share capital of the Company as on the cut-off date i.e. 30 July 2019.

    (vii) Subject to receipt of requisite number of votes, the resolution(s) shall be deemed to be passed on the date of the AGM.

    (viii) Any person who becomes a member of the Company after dispatch of the Notice of the AGM and holding shares as on the cut-off date i.e. 30 July 2019, may obtain the user ID and password in the manner as mentioned below in the instruction point no (ix)

    (ix) Instructions and other information relating to remote e-voting:

    a. The voting period begins on Friday, 02 August 2019, and ends on Monday, 05 August 2019 (from 10:00 a.m. to 5:00 pm. for each day). During this period shareholders of the Company, holding shares either in physical form or in dematerialized form, as on the cut-off date may cast their vote electronically. The e-voting module shall be disabled by CDSL for voting thereafter.

    b. The shareholders should log on to the e-voting website www.evotingindia.com.

    c. Click on Shareholders / Members

    d. Now Enter your User ID

       1) For CDSL: 16 digits beneficiary ID,
       2) For NSDL: 8 Character DP ID followed by 8 Digits Client ID,
       3) Members holding shares in Physical Form should enter Folio Number registered with the Company.
       4) Next enter the Image Verification as displayed and Click on Login.

    e. If you are holding shares in demat form and had logged on to www.evotingindia.com and voted on an earlier voting of any company, then your existing password is to be used.

f. If you are a first time user follow the steps given below:

	For Members holding shares in Demat Form and Physical Form
PAN	• Enter your 10-digit alpha-numeric PAN issued by Income Tax Department (Applicable for both demat shareholders as well as physical shareholders) • Members who have not updated their PAN with the Company/Depository Participant are requested to use the sequence number which is printed on Postal Ballot / Attendance Slip indicated in the PAN field.
Dividend Bank Details OR Date of Birth(DOB)	• Enter the Dividend Bank Details or Date of Birth (in dd/mm/yyyy format) as recorded in your demat account or in the company records in order to login. • If both the details are not recorded with the depository or company please enter the member id / folio number in the Dividend Bank details field as mentioned in instruction (iv).

g. After entering these details appropriately, click on “SUBMIT” tab.

h. Members holding shares in physical form will then directly reach the Company selection screen. However, members holding shares in demat form will now reach ‘Password Creation’ menu wherein they are required to mandatorily enter their login password in the new password field. Kindly note that this password is to be also used by the demat holders for voting for resolutions of any other company on which they are eligible to vote, provided that company opts for e-voting through CDSL platform. It is strongly recommended not to share your password with any other person and take utmost care to keep your password confidential.

i. For Members holding shares in physical form, the details can be used only for e-voting on the resolutions contained in this Notice.

j. Click on the EVSN for the relevant Metropolis Healthcare Limited on which you choose to vote.

k. On the voting page, you will see “RESOLUTION DESCRIPTION” and against the same the option “YES/NO” for voting. Select the option YES or NO as desired. The option YES implies that you assent to the Resolution and option NO implies that you dissent to the Resolution.

l. Click on the “RESOLUTIONS FILE LINK” if you wish to view the entire Resolution details.

m. After selecting the resolution, you have decided to vote on, click on “SUBMIT”. A confirmation box will be displayed. If you wish to confirm your vote, click on “OK”, else to change your vote, click on “CANCEL” and accordingly modify your vote.

n. Once you “CONFIRM” your vote on the resolution, you will not be allowed to modify your vote.

o. You can also take a print of the votes cast by clicking on “Click here to print” option on the Voting page.

p. If a demat account holder has forgotten the changed password, then Enter the User ID and the image verification code and click on Forgot Password & enter the details as prompted by the system.

q. Shareholders can also cast their vote using CDSL’s mobile app m-Voting available for android based mobiles. The m-Voting app can be downloaded from Google Play Store. Apple and Windows phone users can download the app from the App Store and the Windows Phone Store respectively. Please follow the instructions as prompted by the mobile app while voting on your mobile.

r. Note for Non – Individual Shareholders and Custodians

- Non-Individual shareholders (i.e. other than Individuals, HUF, NRI etc.) and Custodian are required to log on to www.evotingindia.com and register themselves as Corporates.
- A scanned copy of the Registration Form bearing the stamp and sign of the entity should be emailed to helpdesk.evoting@cdslindia.com.
- After receiving the login details a Compliance User should be created using the admin login and password. The Compliance User would be able to link the account(s) for which they wish to vote on.

NOTICE (Contd.)

- The list of accounts linked in the login should be mailed to helpdesk.evoting@cdslindia.com and on approval of the accounts they would be able to cast their vote.
- A scanned copy of the Board Resolution and Power of Attorney (POA) which they have issued in favour of the Custodian, if any, should be uploaded in PDF format in the system for the scrutinizer to verify the same.

s. In case you have any queries or issues regarding e-voting, you may refer the Frequently Asked Questions ("FAQs") and e-voting manual available at www.evotingindia.com, under help section or write an email to helpdesk.evoting@cdslindia.com or contact to Mr. Rakesh Dalvi, Manager, A Wing, 25th Floor, Marathon Futurex, Mafatlal Mill Compounds, N M Joshi Marg, Lower Parel (E), Mumbai – 400013, Email id: helpdesk.evoting@cdslindia.com or on phone no. 1800225533 or on CDSL toll free no. 1800225533.

Registered Office:
Metropolis Healthcare Limited
(CIN : U73100MH2000PLC192798)
250 D Udyog Bhavan,
Hind Cycle Marg,
Worli, Mumbai – 400030.
Tel: +91 22 33993939
www.metropolisindia.com

Place: Mumbai
Date: 13 May 2019

By Order of the Board of Directors

Dr. Sushil Kanubhai Shah
Chairman & Executive Director
(DIN: 00179918)
Address:
71, Apurva Apartments,
5, Napean Sea Road,
Mumbai – 400 036,
Maharashtra, India.

METROPOLIS
The Pathology Specialist

I) EXPLANATORY STATEMENT PURSUANT TO SECTION 102 (1) OF THE COMPANIES ACT, 2013

The following statements sets out all material facts relating to the Special Business mentioned in the accompanying Notice.

ITEM NO. 3

On the recommendation of the Audit Committee, the Board of Directors at their Meeting held on 13 May 2019 approved the appointment of Messrs. Joshi Apte & Associates., Cost Accountants, Mumbai (Firm Registration No. 00240), as Cost Auditors to conduct the audit of the cost records of the Company for the financial year 2019-20 at a remuneration of INR 1,00,000/- plus applicable taxes, travel and actual out-of-pocket expenses.

In accordance with the provisions of Section 148 of the Companies Act, 2013 read with the Companies (Audit and Auditors) Rules, 2014, as amended, the remuneration payable to the Cost Auditors is required to be ratified by the members of the Company.

Accordingly, consent of the members is sought for passing an ordinary resolution as set out at Item No. 3 of the Notice of the AGM for ratification of remuneration payable to the Cost Auditors for the financial year ending 31 March 2020. None of the Directors, Key Managerial Personnel and their relatives are, in any way, concerned or interested financially or otherwise, in the proposed resolution.

The Board recommends the Ordinary Resolution as set out at Item No. 4 of the Notice of the AGM for approval by the members.

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(DIN: 00179918)
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71, Apurva Apartments,
5, Napean Sea Road,
Mumbai – 400 036,
Maharashtra, India.

Encl: 1. Proxy Form
2. Attendance Slip
3. Road Map

Additional information on director recommended for appointment / reappointment as required under Regulation 36 of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 and Clause 1.2.5 of Secretarial Standards-2 on General Meetings

Name of the Director	Dr. Sushil Kanubhai Shah (DIN : 00179918)
Date of Birth	December 29, 1946
Date of Appointment	September 04, 2015
Category	Executive Director
Qualification	He holds a bachelor's degree in Medicine and Surgery and a degree of Doctor of Medicine in Pathology and Bacteriology from University of Bombay.
Nature of his expertise in specific functional areas	He has experience of 40 years in the field of Medical and pathology.
Terms and conditions of appointment/ reappointment	Refer Item No.2 of the Notice
Number of shares held in the Company	37,25,245
Remuneration to be paid	₹ 1,80,00,000
Directorship held in other Listed Public Companies (excluding foreign companies and Section 8 companies)	Span Divergent Limited
Memberships / Chairmanships of committees of other Listed Public Companies (includes only Audit Committee and Stakeholders' Relationship Committee.)	Nil
Relationships between Directors inter-se	Father of Ms. Ameera Sushil Shah, Managing Director of the Company
Last Drawn Remuneration and No. of Board Meetings attended during the year	Details of Dr. Sushil Kanuabhai Shah remuneration and number of Board meetings attended during fiscal 2019 are provided in the Corporate governance report section of the Annual Report 2018-19

PROXY FORM

Metropolis Healthcare Limited

CIN: U73100MH2000PLC192798;

Registered.office: 250 D Udyog Bhavan Worli Mumbai- 400030, Maharashtra, India

Contact: 02233102810; Email: investor.relations@metropolisindia.com; Website: www.metropolisindia.com

[Pursuant to Section 105(6) of the Companies Act, 2013 and Rule 19(3) of the Companies (Management and Administration) Rules, 2014]

Name of the Member(s) : ______________________

Registered address : ______________________

E-mail Id : ______________________

Folio No/ Client Id : ______________________

DP ID : ______________________

I / We being the member(s) of Metropolis Healthcare Limited and holding ______________ shares, hereby appoint -

1) ....of...................... having email id... or failing him

2) ....of...................... having email id... or failing him

3) ....of...................... having email id...

and whose signature(s) are appended below as my/our proxy to attend and vote (on a poll) for me/us and on my/our behalf at the 19th ANNUAL GENERAL MEETING of the Company held on Tuesday, 6 August 2019 at 9.00 a.m. at Hall of Culture, Nehru Centre, Worli, Mumbai – 400 018, Maharashtra, India, and at any adjournment thereof in respect of such resolutions as are indicated below:

I wish my above proxy to vote in the manner as indicated in the box below: (This is optional)

(Please put a (✓) in the appropriate column as indicated below. If you leave columns blank in any or all the resolutions, your Proxy will be entitled to vote in the manner as he/she thinks appropriate.) be entitled to vote in the manner as he/she thinks appropriate).

Resolution No.	Subject Matter of Resolutions	For	Against
	Ordinary Business		
1	To adopt the audited financial statements (including the consolidated financial statements) of the company for the year ended 31 March 2019		
2	To appoint a director in place of Dr. Sushil Kanubhai Shah (DIN: 00179918), who retires by rotation and, being eligible, seeks re-appointment		
	Special Business		
3	Remuneration to Cost Auditors for financial year ended 31 March 2020		

Signed this ______________________ day of ______________________ 2019

Affix Revenue Stamp

Signature of Shareholder

Signature of Proxy holder(s)

Note:

1. This form of proxy in order to be effective should be duly completed and deposited at the Registered Office of the Company, not less than 48 hours before the commencement of the Meeting.
2. A Proxy need not be a Member of the Company.
3. A person can act as Proxy on behalf of Members not exceeding fifty and holding in the aggregate not more than 10% of the total share capital of the Company carrying voting rights; provided that a Member holding more than 10% of the total share capital of the Company carrying voting rights may appoint a single person as Proxy and such person shall not act as Proxy for any other person or shareholder. The Proxy-holder shall prove his identity at the time of attending the Meeting.

ATTENDANCE SLIP

Metropolis Healthcare Limited

CIN: U73100MH2000PLC192798;

Registered.office: 250 D Udyog Bhavan Worli Mumbai- 400030, Maharashtra, India

Contact: 022 33102810; Email: investor.relations@metropolisindia.com; Website: www.metropolisindia.com

PLEASE FILL ATTENDANCE SLIP AND HAND IT OVER AT THE ENTRANCE OF THE MEETING HALL

DP ID		Folio No./ Client Id		No. of Shares	

NAME OF THE FIRST HOLDER:

NAME OF THE SECOND HOLDER, if any:

NAME OF THE PROXY:

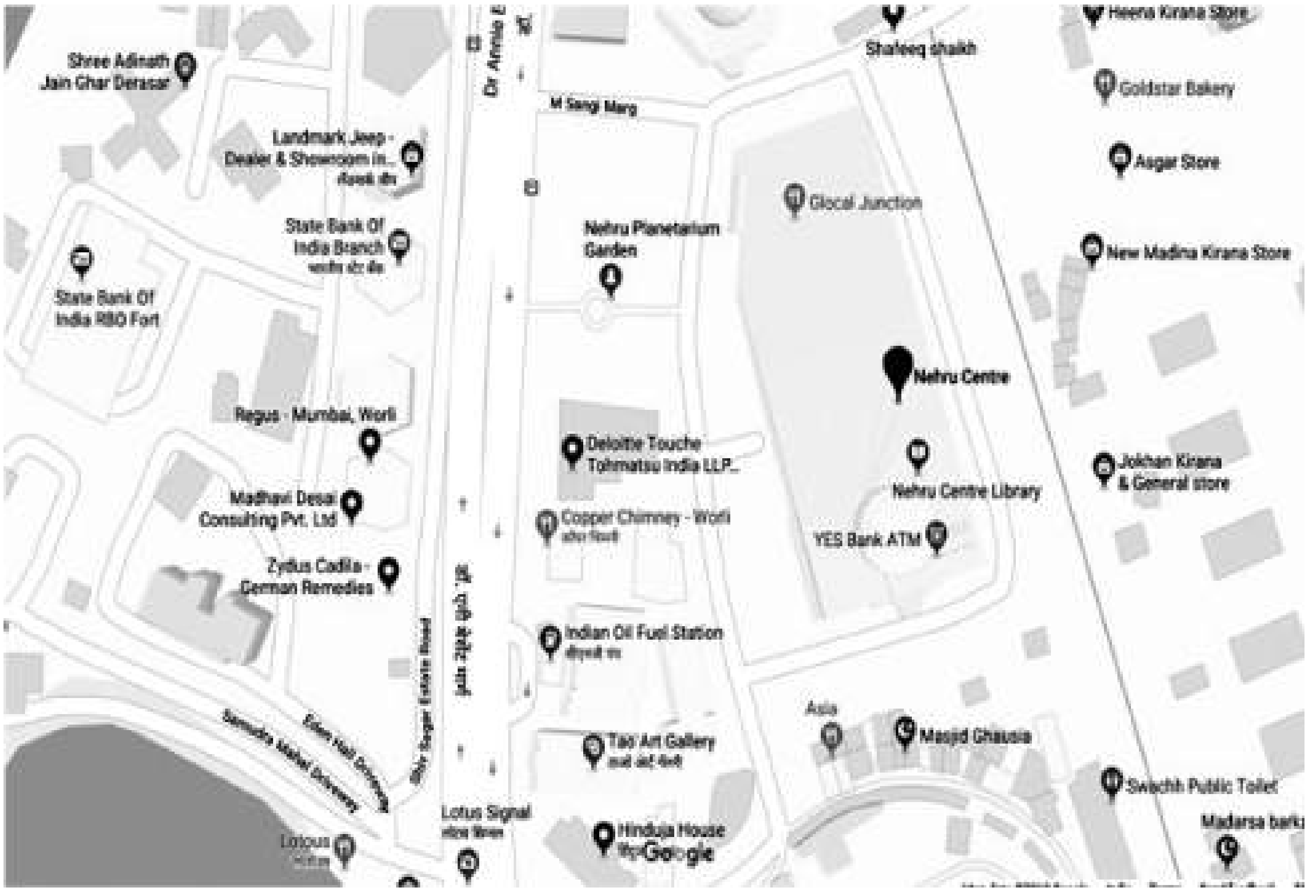
I hereby record my/our presence at the 19th ANNUAL GENERAL MEETING of the Company held on Tuesday, 6 August 2019 at 9.00 a.m. at Hall of Culture, Nehru Centre, Worli, Mumbai – 400 018, Maharashtra, India.

Signature of the Shareholder/Proxy: ______________________

(Only shareholders/proxies are allowed to attend the meeting)

ROUTE MAP TO THE AGM VENUE

Venue- Hall of Culture, Nehru Centre, Worli, Mumbai – 400 018



Landmark: Opposite to Nehru Planetarium

Nearest Station: Mahalaxmi