

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

**Scrip Code: 542650**

**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 Symbol: METROPOLIS**

**Subject: Copy of Annual Report of the Company for the Financial Year 2019-2020 along with the Notice convening the 20<sup>th</sup> Annual General Meeting**

**Ref.: Our earlier letter dated August 19, 2020 having reference no. MHL/Sec&Legal/2020-21/128**

Dear Sir/Madam,

With reference to the captioned subject, our earlier letter dated August 19, 2020 having reference no. MHL/Sec&Legal/2020-21/128 wherein we had informed the Exchange about the 20th Annual General Meeting ('AGM') of the Company. In continuation to the same and as required under Regulations 30, 34 of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, we submit herewith the Annual Report of the Company for the Financial Year 2019-2020 along with the Notice convening the 20th AGM of the Company scheduled to be held on **Wednesday, September 16, 2020 at 9.00 A.M. (IST)** through Video Conferencing / Other Audio Visual Means ('VC / OAVM') in compliance with the General Circular No. 14/ 2020 dated April 08,2020, General Circular No. 17 /2020 dated April 13, 2020, General Circular No. 20/2020 dated May 05,2020 issued by Ministry Corporate Affairs and Circular No. SEBI/HO/CFD/CMD1/CIR/P/2020/79 dated May 12,2020 issued by SEBI.

The Annual Report of the Company for the Financial Year 2019-2020 and the Notice convening the 20th AGM of the Company are available on the website of the Company at [www.metropolisindia.com](http://www.metropolisindia.com) and are also being dispatched to all the eligible shareholders whose email ID's are registered with the Company / Depository(ies).

This is for your information and record.

Thanking you,  
Yours faithfully

For **Metropolis Healthcare Limited**

Poonam Tanwani  
**Company Secretary & Compliance Officer**  
Membership No. A19182  
Encl. a/a

**BLOOD TESTS • DIAGNOSTICS • WELLNESS**

**METROPOLIS**  
The Pathology Specialist

**Metropolis Healthcare Limited**

Registered & Corporate Office: 250 D, Udyog Bhavan, Hind Cycle Marg, Worli, Mumbai - 400 030.  
CIN: L73100MH2000PLC192798 Tel No.: 8422 801 801 Email: [support@metropolisindia.com](mailto:support@metropolisindia.com)  
Website: [www.metropolisindia.com](http://www.metropolisindia.com)  
Global Reference Laboratory: 4th Floor, Commercial Building-1A, Kohinoor Mall, Vidyavihar (W), Mumbai - 400 070.



TRANSFORMING FOR A NEW  
TOMORROW

# ACROSS THE PAGES

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## FINANCIAL STATEMENTS

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| Standalone   | 110 |
| Consolidated | 180 |

### Investor information

|                |   |
|----------------|---|
| BSE Code       | 542650  |
| NSE Symbol     | METROPOLIS  |
| Bloomberg Code | METROHL:IN  |
| AGM Date       | Wednesday, 16th September 2020                              |
| AGM Mode       | Video Conferencing (VC) and Other Audio Visual Means (OAVM) |

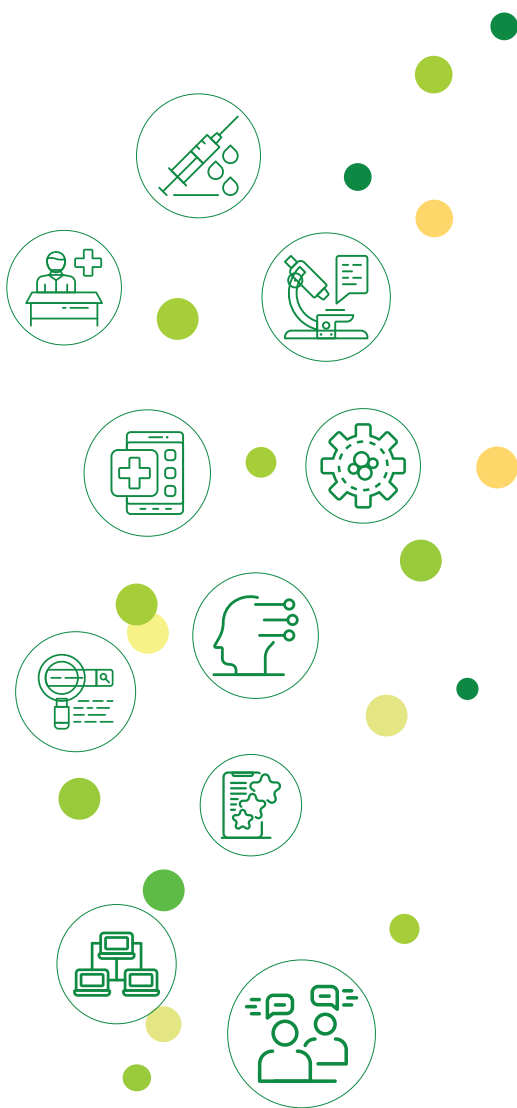
Please find our online version at

<https://www.metropolisindia.com/about-metropolis/investors/>

Or simply scan to download



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 Discussion and Analysis of this Annual Report.



# TRANSFORMING FOR A NEW TOMORROW

A crossroad is an opportunity to redefine our choices while making a shift in our perspective. For the last few months, healthcare institutions in India have been found at the forefront of a challenging situation. The sudden outbreak of COVID-19 pandemic has brought everyone to a point of transformation.

We, at Metropolis Healthcare Limited ('Metropolis' or 'the Company'), promptly responded to this stimulus by adapting to the change. We transformed and adapted not to cope up, but to win. We redesigned to quickly merge with the change, transforming ourselves for a new tomorrow.

The current scenario foretells two changes for the pathology industry: Consolidation of path labs in the nation and consumers' keen interest in good health and overall wellness. Metropolis is strengthening its team for the next big leap. We are building our digital capacities, automating processes, and enhancing our efficiencies and productivity for swiftly transitioning into the future. We are well-poised to lead this new era of change while keeping safety, quality, and empathetic patient services at the core of our business.

# OUR APPROACH TO REPORTING



## ABOUT THIS REPORT

This Report is aligned with the International Integrated Reporting Council's (IIRC) globally accepted framework. Metropolis Healthcare Limited ('Metropolis' or 'the Company') aims to strengthen its communication with the stakeholders with respect to material activities, value creation process, business highlights and future prospects. The Report also follows and adopts guidelines, as laid out by SEBI with respect to Annual Report.

## SCOPE AND BOUNDARY

This Annual Report comprises all the relevant aspects of operations of Metropolis. It also consists of the desired statutory disclosures and audited annual financial statements for the year ended 31 March 2020. All the subsidiaries are included in the consolidated financial information.

## FRAMEWORKS

The content and structure of our Annual Report is guided by the framework endorsed by the Integrated Reporting <IR> Council. Besides, the Company fully complies with the NSE and BSE listings as well SEBI Compliances. It is committed to embracing best practices in reporting to ensure transparency and better stakeholder engagement.

## SNAPSHOT OF KEY PERFORMANCE, 2019-20

₹ **856** Crores, up 12.6%  
REVENUE

₹ **232** Crores  
EBIDTA

₹ **128** Crores  
PAT

**56%**, up 400 bps  
REVENUE SHARE OF B2C IN  
FOCUSED CITIES

**10.00** mn, up 11.3%  
PATIENT VISITS

**19.62** mn, up 15.7%  
TESTS CONDUCTED

Note: EBIDTA: Earnings before Interest, Depreciation, Taxes and Amortisation, PAT: Profit after Tax, B2C: Business to Customers

# METROPOLIS AT A GLANCE

**Metropolis is India's leading diagnostic company with a presence across India and Africa.**

Incorporated in the year 1981, Metropolis has built the foundation of its success on the pillars of accuracy, reliability, and consistency. With the perfect mix of these pillars, we have been successful in establishing

ourselves as one of the most trusted and leading brands in the Indian diagnostic industry. We offer an exhaustive test repertoire comprising of the most routine tests to semi-specialised tests and super-specialised tests. Transforming and upgrading ourselves to the tune of new trends and changes, today we have over 4,100 tests and test profiles to offer. Various test combinations, specific to a disease or disorder and wellness profiles used for health and fitness screening form a part of our service profile.

With Over

**40**

Years of Experience

Our Network Comprises

**124**

Clinical Laboratories

And

**2,133**

Service Network

We Have Laboratories

Across **19**

Indian States

With Presence Across

**220**

Cities

Which are

**Global and National**

In Terms of Quality Accredited

With More Than

**4,000**

Tests and Profiles

With a

**Leadership Position**

In Western & Southern India

And Serving Customers through

**10,000+**

Patients Touch Points

Including

**~ 9,000**

Pick-up Points

And

**598**

Assisted Referral Centres (ARC)

All figures as on 31 March 2020

## METROPOLIS EDGE

### ADVANCED

Deploys best IT which allows fully integrated and automated processes



### AFFORDABLE

Provides tests at affordable prices with quality and patient experience score at 91% as per (NPS)



### PORTFOLIO

Wide range of clinical preventive and wellness tests, including highly specialised and esoteric assays



### ACCESSIBLE

PAN-India availability through a distributed network and owned laboratories



### NABL ACCREDITATION

More than 75% reports are generated by accredited labs NABL Accreditation follows ISO-15189 Standard and is recognised by ILAC & APLAC



### CERTIFIED

Mumbai Lab is CAP accredited since 2005



\*CAP: College of American Pathologists. \*NABL: National Accreditation Board for Testing and Calibration Laboratories



### 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

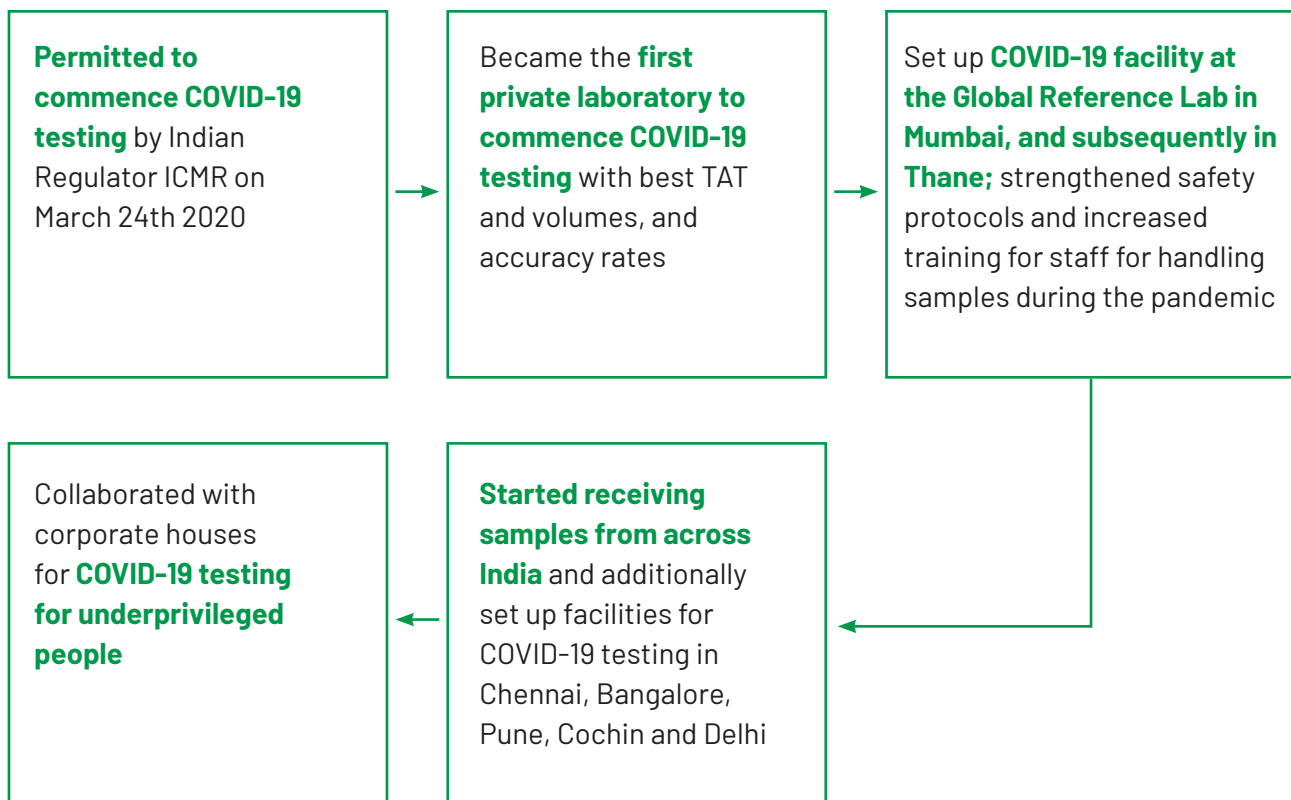
Helping people stay healthy, by accurately revealing their inner health



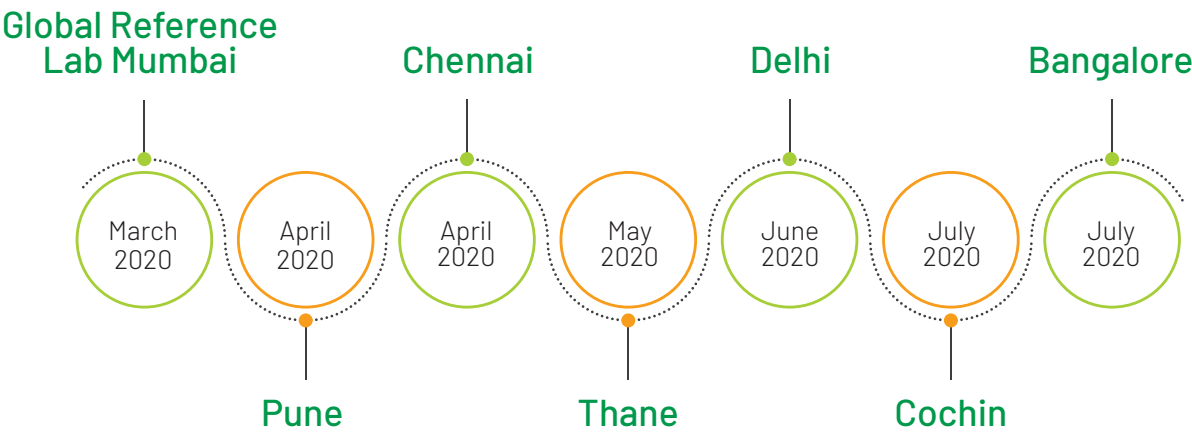
# COVID-19 HIGHLIGHTS

The global catastrophe of COVID-19 has altered life and affected every aspect of it in almost every corner of the world. While it is hard to fully fathom the degree to which life will change post-COVID-19, we can only predict and assume what it will be like. Everything has its own pros and cons and this outbreak is no different. We very well know how COVID-19 has disrupted our lives, but we are oblivious of how it has helped us stop, rethink, and transform certain facets of our lives. It is helping us rectify the way our world functions. At a micro level, big manufacturing companies are switching to sustained and alternative supply chains. Similarly, at macro level, a growing number of nations are focusing on how to strengthen healthcare infrastructure in their system. In India, COVID-19 is raising tremendous awareness about health, thereby changing the dynamics of the Indian healthcare system.

## METROPOLIS AND COVID-19 TIMELINE



# COVID-CAPABLE ICMR APPROVED LABS ACROSS THE COUNTRY



# CHAIRMAN'S MESSAGE



## Dear Shareholders,

Returning to how life was at the beginning of 2020 seems like a far-off reality. The COVID-19 virus struck like a sudden spectre, creating an extraordinary situation for everyone. Today, our primary collective effort is to safeguard life and health of our people. Even as the pandemic and consequent lockdowns brought economic activities to a virtual standstill, threatening livelihoods of millions, a strong resolve to adapt and survive is the need of the hour for all. With the looming clouds of uncertainty, we know that life after COVID-19 will be very different, with outcomes dependent on the intensity and timeline of the virus itself.

## QUALITY, SAFETY AND HYGIENE WILL REMAIN OUR TOP PRIORITY

The pandemic has created a widespread awareness on how pathology labs operate, and consumers today are more aware than ever on good quality labs, accuracy, and reliability in reports. Patients turned to us during their most anxious times and it is of immense pride to us that Metropolis is continuing to perform thousands and thousands of COVID-19 tests for the benefit of the nation. We believe that Metropolis with its strong legacy of quality has further cemented its trust with doctors, hospitals, patients, and key stakeholders. Quality, Safety and Hygiene will continue to remain our top priority as we move forward.

## PEOPLE, PATIENTS AND VALUES

As an organisation, we remain empathetic to all our stakeholders. Metropolis has always put people first and we will continue holding on to this value that is helping us navigate through this unprecedented crisis. We are proud of the 4,500-member Metropolis family who have worked incredibly hard during these difficult times to ensure that COVID-19 and



**The very fact that we were amongst the first approved private labs by ICMR to start COVID-19 tests and moreover the 1st lab to start and deliver tests with the best TAT and reliability, speaks volumes of our capabilities in testing and reliability of our labs**



NON COVID-19 testing continues unhindered. Our doctors, phlebotomists, lab technicians, the scientific team and customer care associates deserve a special mention as they sacrificed their personal priorities and worked day in and out for the benefit of our patients. Our core brand values of Integrity, Empathy and Accuracy remains a guiding light for us and has become even more relevant at the face of this pandemic.

### **METROPOLIS & COVID-19 TESTING**

The very fact that we were amongst the first approved Private labs by ICMR to start COVID-19 tests and moreover the 1st lab to start and deliver tests with the best TAT and reliability, speaks volumes of our capabilities in testing and reliability of our labs. It is also a matter of immense pride to me that Metropolis today has 7 fully audited and approved COVID-19 Labs at Mumbai (GRL), Thane, Pune, Chennai, Delhi, Cochin and Bengaluru. We are the only private lab in the country with the highest number of COVID-19 capable labs. We are certain in our minds to not only emerge stronger from this crisis but also come out with more empathy, compassion, and determination.

### **DELIVERING NON COVID-19 PATHOLOGY TESTS**

The biggest challenge in this pandemic for all healthcare institutions has been to take care of the needs of those suffering from long time illnesses and lifestyle conditions; all of these are now termed as NON-COVID-19. Metropolis has ramped up across our network to be able to offer testing services across the country for patients in need. Diabetics, patients diagnosed with heart disease and other lifestyle

conditions, those undergoing treatment for cancer, those with pre and post-natal care needs simply cannot afford to postpone their tests, care, and treatment. Following all social distancing protocols and maintaining the utmost patient safety guidelines, Metropolis walks the extra mile to offer all critical and routine tests.

### **CUSTOMER FIRST, ALWAYS**

The one thing that remains unchanged for us from before the pandemic is our unrelenting focus on customer centricity. Apart from maintaining a consistent net promoter score of 95 and above, our customer first initiatives are focused on creating convenience for our patients. Right from creating a seamless experience enabled by technology, a superior test menu and ensuring highest standard of quality in service and reports, customer centricity is central to how we function.

A total of 100+ new tests were validated and added to the test menu in FY 2019-20. Thus, expanding our capabilities to conduct more specialised tests. We strongly believe that an exhaustive pathology test menu with a good repertoire of specialised and super-specialised tests is our biggest forte and we will continue our efforts to add more tests needed for the patients.

I am also happy to share that Citibank Foundation has placed their trust in for us executing their CSR program titled *Ummeed*. Under this partnership, Metropolis has committed to undertake up to 1,00,000 COVID-19 tests in Maharashtra. The program is being executed together with Cipla Foundation and United Way of India. It gives us immense satisfaction that several corporates and institutions have placed their trust in us for their testing needs and it stands testimony to our strong legacy of quality.

As we traverse these uncertainties, one thing is for certain: healthcare institutions with a strong sense of ethics will stand the test of the time and emerge stronger. There is no doubt in my mind that Metropolis will continue to post market leading performance while keeping its patients and people as the topmost priority.

On behalf of the board, I would like to thank our employees for their continued support and efforts during the year and in such times. I would also like to thank the investors and shareholders for their unrelenting trust, confidence, and support.

Warm regards,

**Dr Sushil Shah**

Founder & Chairman

# LETTER FROM MD'S DESK



## Dear Shareholders,

The dramatic current situation has put the great strengths of Metropolis on display yet again. Our employees stayed attuned to their responsibilities by continuing to outperform and overcome this extraordinary situation. Our expertise and experience of over 26 years in RNA PCR helped us prepare to meet the testing needs and challenges. Our strong, scientific, and technical team of over 2,000 members, led by a team of 200 doctors and pathologists, have together enabled the Company in achieving this feat.

## The Diagnostic Industry is at the cusp of a transformation

At a macro level, we strongly believe COVID-19 will change the operating dynamics for Indian Diagnostics industry. As a result, the organised and capable testing laboratories like ours, will be the biggest beneficiaries of this change. Let us see how:

1. As per estimation, unorganised and standalone labs are facing severe cost pressures due to lockdown. The faster adoption of quality standards partly enforced by Government and partly forced upon by customers, indirectly, could result in the closure of operations for many of unorganised standalone labs. A faster consolidation in the industry, along with changes in the regulatory framework is also anticipated soon.
2. Customers are now anticipated to place quality over pricing when it comes to diagnostics. Higher quality standards, authentic reports, after sales service and doctor engagement will be the key deciding factors in the lab selection process. This is where the organised labs will outscore unorganised ones. Safety and hygiene will take a lead and we will use this as an opportunity to utilise our professional services and gain market share.
3. The current health scare of COVID-19 is set to bring about a change in the mindset of Indian customers. An increasing number of customers will now evaluate and label diagnostics chains as COVID-19 capable and non-COVID-19 capable. With these tests becoming the new norm, a



**We are supremely confident on the growth of our business and industry. We believe we are at the cusp of a dynamic shift towards organised diagnostics in India and players like Metropolis will gain and cement leadership position**



higher market share is expected to shift towards the COVID-19-capable labs, as was seen in the past with SARS

4. Diagnostics chains with a lean balance sheet, strong consumer-connect, high brand recall and high-quality standards will gain market share.

**The current situation has paved way for huge growth opportunities for a focused player like Metropolis. Here are some of the opportunities we identify in the times to come:**

1. Increase our market share in focus cities through network expansions, improving productivity per centre and generating higher revenue from Wellness.
2. Home visits are expected to gain preference and popularity over walk-in centers. We are gearing and scaling this up and expect this to be an opportunity for the organised and trusted brands. It will play a pivotal role in gaining more market share, allowing rationalisation of front-end network and cost savings.
3. Continue growing our share of B2B in North and East aggressively, using the additional capacity created in Delhi Lab and by expanding our network to smaller towns in North East India.
4. Metropolis witnessed a good growth in Wellness testing in Tier-2 towns across India when we launched 'TruHealth' in 37 cities. Today, 8% of our revenues come from Wellness and we are now expanding our wellness services to focus cities as well.
5. We will focus on scientific up-selling by leveraging our vast capabilities in molecular diagnostic, oncology, and cytogenetics. We have a huge advantage here due to less competition and higher margins due to advanced technologies, skilled manpower and complex processes involved.

## Marketing leading performance

Our total revenue from operations increased by 12.6% from ₹ 760 Crores in FY 2018-19 to ₹ 856 Crores in FY 2019-20. The earnings before interest, depreciation, tax, and amortisation increased by 12.9% from ₹ 200 Crores in FY 2018-19 to ₹ 232 Crores in FY 2019-20. Profit after tax increased by 3.2% from ₹ 124 Crores in FY 2018-19 to ₹ 128 Crores in FY 2019-20.

For FY 2019-20, we reported Patient visits of 10mn, a milestone, witnessing a growth of 11.3% on YoY basis. Our patient tests grew faster at 19.62mn, registering a growth of 15.7%. Our B2C revenues in focus cities was up by 15.5% on YoY basis from Rs. 233cr in FY 2018-19 to Rs. 269 cr in FY 2019-20. In Focused Cities, B2C revenues share stood at 56% in FY 2019-20 as compared to 52% in FY 2018-19.

Our network expansion and utilisation strategies continue gaining traction. From expansion of network we have now moved on to consolidation while focusing more on productivity and profitability of each lab. Our focus will be to increase the throughput at our labs. This will not only give us revenue uptick but better utilization levels as well, leading to operating leverage and margin increase and better return ratios.

To expand our geographical reach and command an unmatched leadership position in our target markets, we recently acquired four frontend labs in Surat, a focus city for Metropolis.

Metropolis is at a transformational phase today and all set to take the next leap of growth. Some of the most important on-going strategies include

- Strengthening our corporate team for the next leap
- Building digital capabilities and technology initiatives to engage with consumers and doctors
- Building automating processes and systems to handle future scale
- Enhancing efficiencies and productivity in system for better cost management

We have completed successful implementation of an enhanced registration and invoicing system and further initiated automation on various levels by introducing Inventory Management System, Payment Platform System, and the financial module Oracle Net suite.

Going forward, we would continue towards increasing the utilisation of our lab networks, increasing revenue per centre, rationalising service network and increasing our sales team's focus towards non-COVID-19 business. We believe we are poised to achieve greater heights in the coming quarters as the economics and dynamics for the standalone and unorganised labs shifts majorly.

Lastly, I would like to take this opportunity to thank our patients, the 4,500 member Metropolis family, our shareholders and our board of directors; all of you make Metropolis what it is today and we are grateful for your association.

Yours truly,

**Ameera Shah**  
Managing Director

# BUSINESS MODEL

Metropolis recognises the importance of creating value for all its stakeholders. Our business model shows links between our strategic focus areas, business activities and the six capitals. It helps us address all the aspects of business for creating value over the short, medium and long term.

## INPUTS



### FINANCIAL CAPITAL

Financial capital refers to the pool of funds that we use to create value through conversion into other forms of capital. This capital is raised through financing (equity, debt), operations and investments.



### SERVICE CAPITAL

Service capital refers to our labs and infrastructure that goes into delivering quality and innovative service offering to customers.



### INTELLECTUAL CAPITAL

Intellectual Capital represents our knowledge-based intangibles. Our research and development and innovation capabilities help us achieve operational excellence while remaining competitive.



### HUMAN CAPITAL

Human capital refers to our highly-skilled, diverse, and effective workforce. Through continuous training of our people and by hiring new talent, we secure our future development.



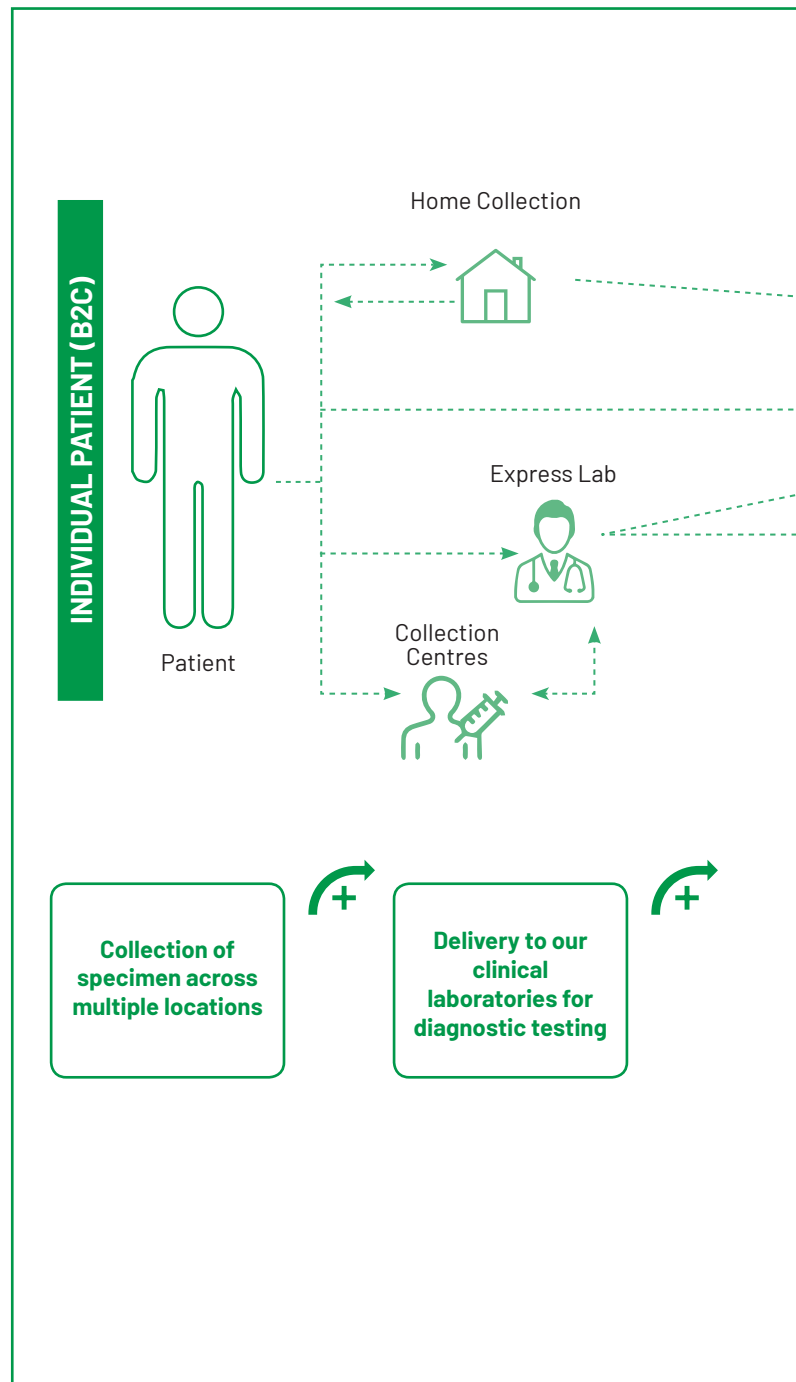
### RELATIONSHIP CAPITAL

Relationship capital reflects our strong relationships with regulators, health authorities and successful collaborations with industry partners that enables us in meeting growth objectives.



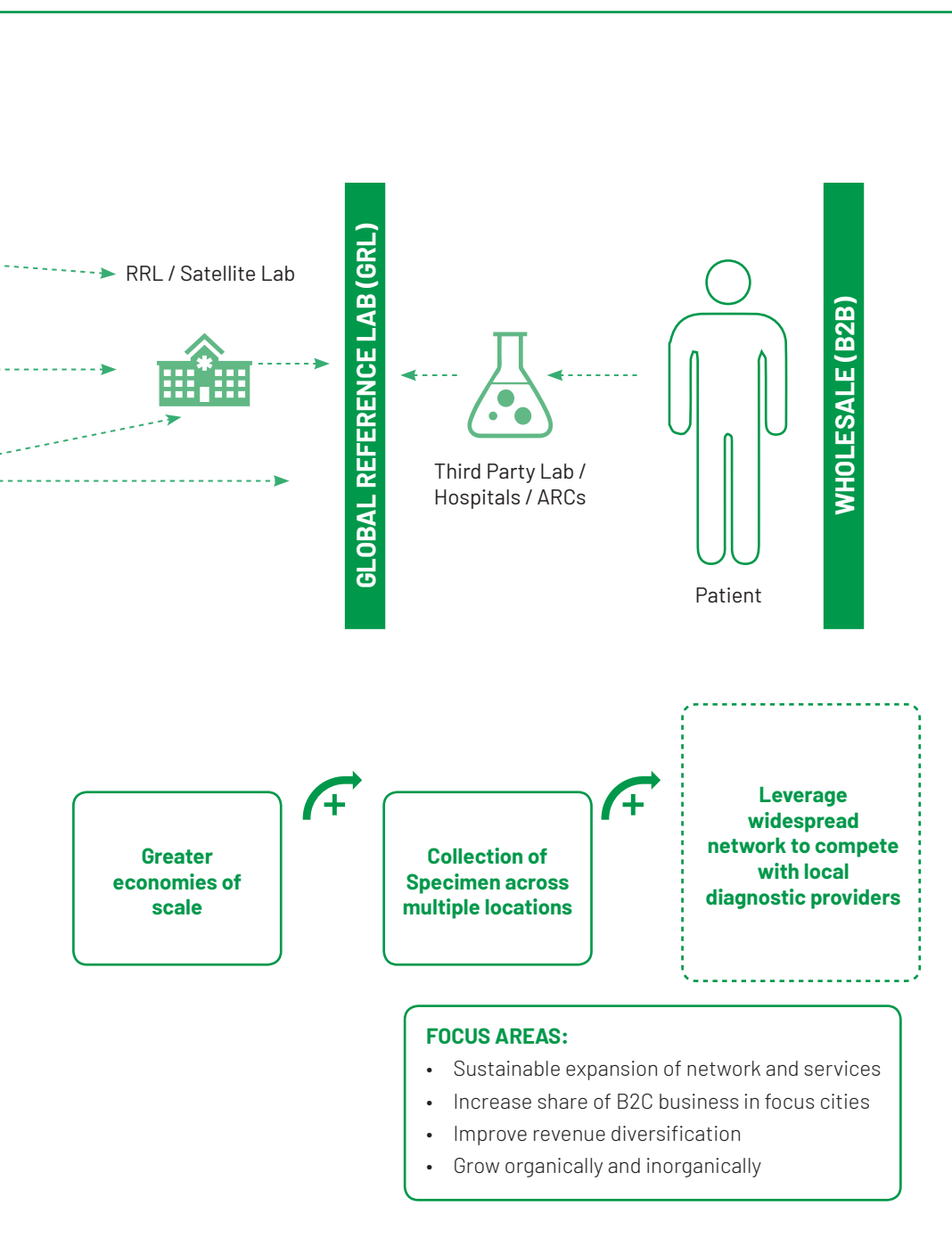
### NATURAL CAPITAL

Natural capital represents our commitment towards achieving the highest quality standards, without harming the nature.



## PROCESS

## OUTPUT



₹ **856** Crores  
Revenue for the year 2019-20

**TruHealth**  
mobile application launched

**395**  
service networks added

**2,303** patients touch  
points added during FY16-FY20

**220 cities**  
New geographies entered

**100+**  
New tests launched

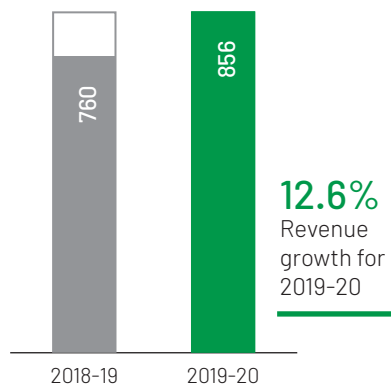
**91%**  
Patient experience score

# FINANCIAL CAPITAL

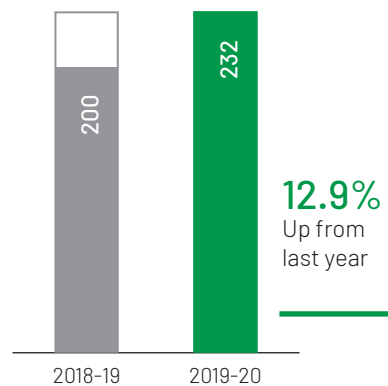
The Company generates financial capital annually in the form of surplus, arising from the current business operations, financing activities and investing activities through monetisation of assets and investments. We follow asset light model which allows us to generate rich cash and cash equivalents. Our 91.5% of the centre network and 16.1% lab network do not require capital and hence are asset light. During the year, we initiated cost rationalisation measures and have been successful in reducing fixed and semi-variable costs.

## PERFORMANCE HIGHLIGHTS

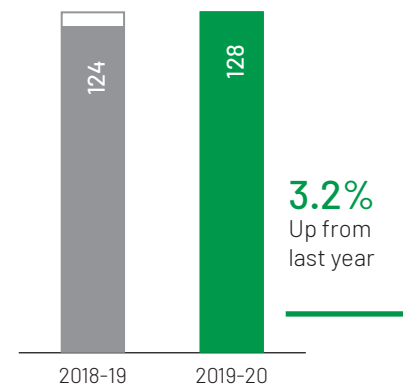
### REVENUE (₹ in crores)



### EBIDTA (₹ in crores)

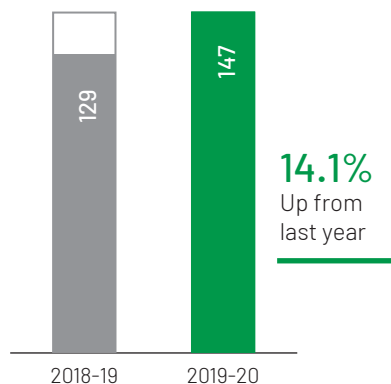


### PAT (₹ in crores)

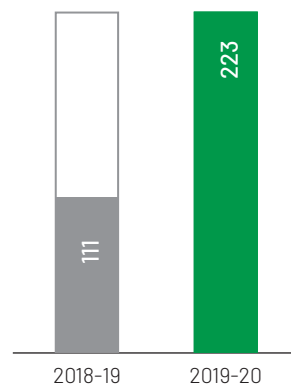


### PATIENT (mn)

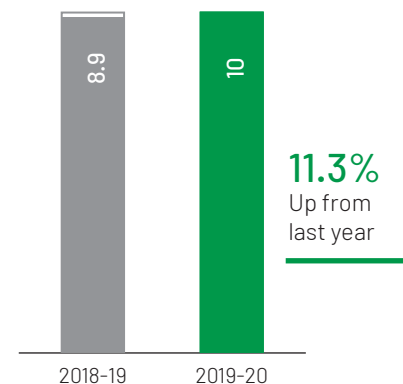
### PAT BEFORE CSR, ONE-TIME SHARE BASED AND OTHER EXPENSES (₹ in crores)



### CASH & CASH EQUIVALENTS (₹ in crores)

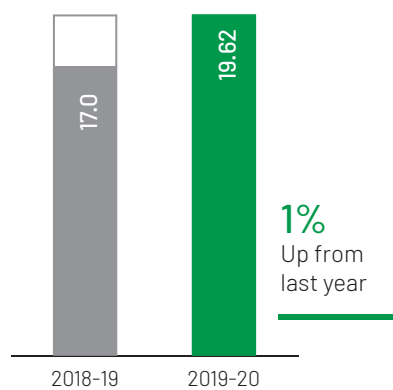


### PATIENTS (mn)

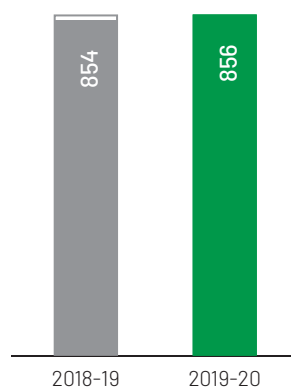


**NUMBER OF TESTS**

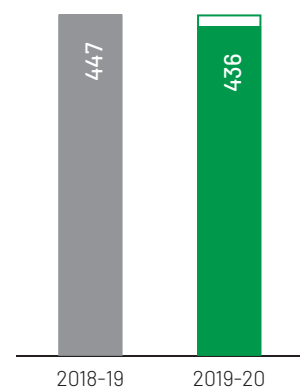
(mn)

**REVENUE PER PATIENT**

(₹)

**REVENUE PER TEST**

(₹)

**43.9%**A GROWTH OF 100 BPS FROM  
B2C SALES CONTRIBUTION**₹1.25** CroresCAPEX TOWARDS SETTING UP  
COVID-19 TESTING FACILITIES**20%**REDUCTION IN FIXED AND  
SEMI-VARIABLE COSTS**Improve brand equity by focusing expenditures on:**

Digital channels | Doctor engagements | Direct connect to customers | Medical knowledge sharing

# SERVICE CAPITAL

Our service capital critically assists us in facilitating value-creating activities. Customer centric approach, world-class quality services with accessibility, conclusive diagnosis, and comprehensive test profiles to serve better, form the nucleus of Metropolis. Our service capital comprises employees' skill set and service offerings along with a wide network presence and laboratories.

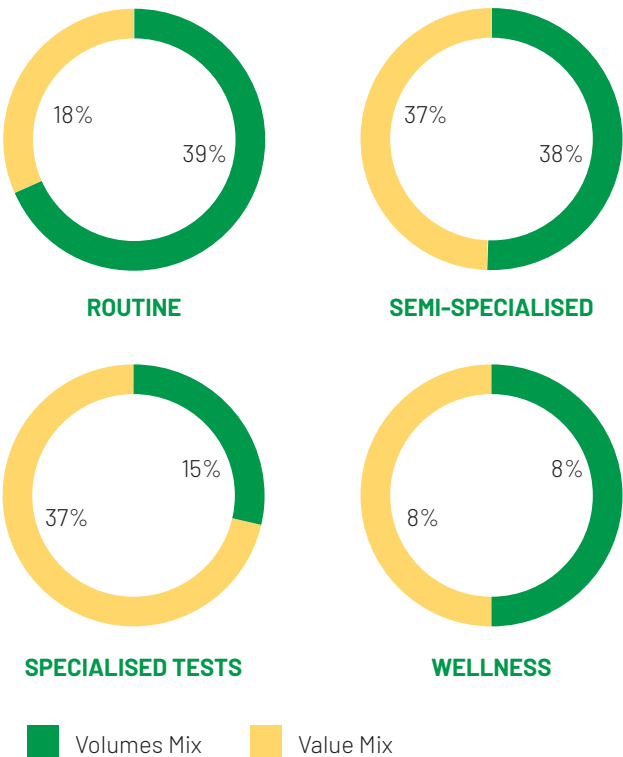
## OUR TEST CATEGORIES

**Routine tests:** Blood chemistry analyses, blood cell counts and urine examination

**Semi-specialised:** Thyroid function tests, viral and bacterial cultures, histology, cytology, and infectious disease tests

**Specialised tests:** Coagulation studies, autoimmunity tests, cytogenetics, and molecular diagnostics

## METROPOLIS -TEST MIX



## TRUEHEALTH

To serve our customers better, we launched a mobile app TruHealth. This takes us one step closer to our customers while raising the bar of our service. The app includes the following features:

Customised Check-ups | Booking Appointments | View, Share & Store Reports | Fitness Tracker | Inner Health Tracking Parameters | Medication Tracker | Locate Doctors, Hospitals & Metropolis Nearby | Chat with Experts | Google of Test & Ailments - Health Hub | Notification Center

**4,000+**  
TEST PROFILES

## THE GROWTH STORY

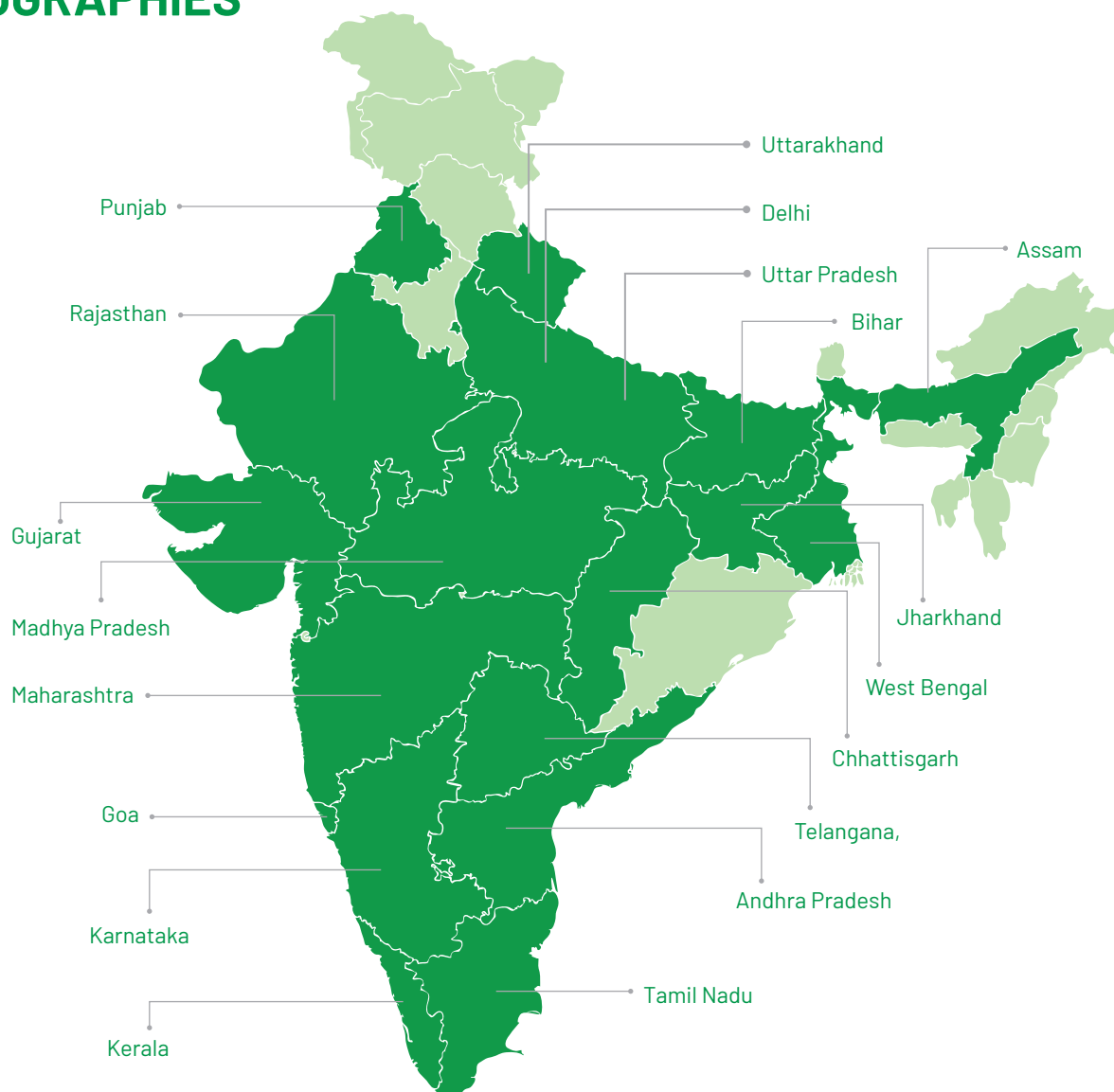
We have been continuously strengthening Metropolis Brand by entering newer markets through organic growth. To command an unmatched leadership position in the existing and new markets, we have expanded organically and inorganically to create a win-win situation for both. The acquired entity enjoys our brand strength, infrastructure, network, and test menu.

To expand our market share in one among our list of focus cities, we acquired four frontend labs in Surat. It will allow us to build synergy and efficiency at the backend while expanding the consumer franchise on the front end.

We merged Histoxpert operation into the Metropolis parent company. Histoxpert is our one-year old joint venture with Metropolis holding 65% of the shareholding. It provides digital pathology services to hospitals focused on cancer care. This merger will reduce corporate cost of Histoxpert and provide better synergy for consumers on the frontend.

During the year, we re-located and expanded our Delhi regional reference laboratory from 8,000 sq. ft to 15,000 sq ft. A larger and upgraded test menu, processed for our Delhi facility, will allow Metropolis to further build market share in North India. It will assist by expanding processing capacity, improving TAT and adding scientific expertise.

## GEOGRAPHIES



## WIDESPREAD NETWORK AND FACILITIES

**19 Indian States & 220 Cities**

PRESENCE

**110**

EXPRESS AND SATELLITE LABS

**2,731 Service network**

INCLUDING 598 ARCs

**67%**

OF THE EXISTING INDIVIDUAL PATIENTS TOUCH  
POINTS ADDED DURING THE PERIOD 2017-20

**WE HAVE INITIATED STEPS TO RATIONALISE OUR SERVICE NETWORK WHICH WILL LEAD TO BETTER PRODUCTIVITY AND EFFICIENCY AS WELL AS IMPROVEMENT IN MANAGEMENT BANDWIDTH.**

Disclaimer: 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.

# INTELLECTUAL CAPITAL

Intellectual capital supports our commitment of increasing the number of lives that benefit from our focused, high quality and affordable services offered. Moving along this path of quest, our ongoing investment in intellectual capital allows us to remain the pioneers while focusing on the highest standard of quality.



Our team of scientists and doctors are always in pursuit of knowledge and key developments in pathology across the world. Our Research and Development team customises each test before introducing it to the test menu.

## DIGITAL TECHNOLOGY-LED INITIATIVES

- Launched Mobile Application
- IT Systems
- Digital transformations

Our investment in Information Technology system allows us to fully integrate and automate processes ranging from registration, bar-coding, and billing of specimens to analysis and reporting of test results. This helps us:

1. Achieve standardisation across our operations
2. Reduce incidence of errors due to human intervention
3. Monitor technical operations through enhanced IT Systems
4. Track our key performance metrics closely
5. Provide convenience to our patients and customers, by allowing them to book appointments, complete registration, and access test reports online

## RESEARCH & DEVELOPMENT EXPERTISE

### 100

TESTS VALIDATED AND  
ADDED TO THE TEST MENU

### 1st

PRIVATE LABORATORY TO  
COMMENCE COVID-19 TESTING

### COVID-19 and antibody testing

READY IN MUMBAI, PUNE, THANE, BENGALURU,  
CHENNAI, DELHI AND COCHIN

## GLOBALLY COMPLIANT QUALITY STANDARDS

- Mumbai Lab is CAP accredited since 2005 (College of American Pathologists, global gold standard in laboratory accreditations)
- NABL Accreditation follows ISO-15189 Standard and is recognised by ILAC & APLAC GRL and 11 RRLs have NABL accreditation
- More than 75% reports are generated by accredited labs; many of our doctors are assessors, lead assessors for NABL
- Some senior doctors are committee members of NABL, WHO, Government & NGO committees



# HUMAN CAPITAL

Human Capital is of strategic importance. We are ensuring **a transformational shift in capabilities, skills, mindset to achieve our aspiration**. We have embarked on a journey to assess People Capability, forecasting future requirements, identifying gaps, and integrating the plan with the business strategy ensuring superlative performance in the market.

At Metropolis Healthcare Ltd, we believe in building an organization that is driven by purpose and is future-ready. We continuously strive to attract, develop, and retain our employees and help them build a diverse set of skills. Our employees are well aligned to the DNA of the organization (Integrity, Accuracy, Empathy). Over a period, Metropolis has been able to create a working environment that offers innumerable challenges to its employees that let them thrive. We reassess our business models to keep up with the changes in the fields of Technology and Healthcare. Our agile structures help us sustain the dynamic landscape.

"Performance with Purpose" is the mantra at Metropolis. All the employees work towards goals that are deeply linked to the overall organizational objectives. The Leadership Team and the core team have been relentlessly working on projects that are aligned to the key business drivers of the organization.

Our focus on upskilling and reskilling our workforce helps us to deal with the rapid changes in the diagnostics industry. There are focussed programs that help employees get equipped with skills for future roles. We have an integrated Talent Development Programme under which we identify a pool of high potential employees, train them and see to it that they are prepared through several interventions for career advancements in the organization.

At Metropolis, we try to leverage Technology and Innovation at every stage. Our digital platform for Engagement and Recognition has helped in building engagement and connect amongst employees and make appreciation a way of life. We are confident that every Metropolitan lives by the company's ethos and is our brand ambassador.

On a broader level, our Human Resource strategy has set the tone for the way an organization operates and how it is viewed by the world.

Thereby creating a work environment that's synonymous with engaged, productive and loyal staff.

## BUILD "PEOPLE, HR PROCESS AND PLATFORM' CAPABILITIES AS UNIQUE DIFFERENTIATORS IN THE BUSINESS

- Competitive compensation
- Opportunities to groom and grow internal talent
- Continuous Capability Building
- Transparent and regular communications
- Focus on employee wellbeing
- Investment in corporate social responsibility
- Leadership Connect
- Open-door policy
- Freedom to be creative
- Quality of hiring



### An experienced and expert Scientific team led by doctors are central to Metropolis being trusted as a patient-centric brand

Our medical team comprises of over 200 specialized doctors and our scientific team includes biochemists, geneticists, microbiologists, medical technicians, and lab assistants who ensure precision in every single test. Our team's motto is never just to test a sample but to provide actionable health insight to doctors. By truly making a difference in the lives of our patients, we have come to enjoy a reputation as a trusted and patient-centric brand

### A Laser-focused Management Team

Our leadership team led by our Managing Director, Ms. Ameera Shah comes from a diverse background with decades of experience in different functions. Our team is laser-focused on the organization's top strategic priorities ensuring that the entire Metropolis family is in sync and accountable.

**Mr. Vijender Singh**, *Chief Executive Officer*

**Dr. Nilesh Jadavji Shah**, *Group President & Head of Science & Innovation*

**Mr. Rakesh Agarwal**, *Chief Financial Officer*

**Ms. Ishita Medhekar**, *Chief Human Resource Officer*

**Mr. Kannan A**, *Chief of Service Operations*








# RELATIONSHIP CAPITAL

In an endeavour towards consistently improving its customer service, Metropolis actively manages its stakeholder relationships with customers (patients), investors, government, regulators, and communities. We put special efforts for instilling a culture of respect, by giving back to the communities. This is done through our outreach projects within the areas we operate. Through these initiatives, we aim to instil a sense of responsible corporate citizenship and care for the community.



## STAKEHOLDER ENGAGEMENT

|   | Stakeholders                  | Main issues, needs and concerns   | Engagement platforms   | Addressing issues, needs and concerns   |
|---|-------------------------------|---|--|---|
|    | <b>SHAREHOLDERS</b>           | <ul style="list-style-type: none"> <li>• Return on investment</li> <li>• Strong business performance</li> <li>• Growth and expansion</li> <li>• Managing margin and costs</li> <li>• Prospects</li> </ul>   | <ul style="list-style-type: none"> <li>• Results presentations</li> <li>• Roadshows of results</li> <li>• Annual Report</li> <li>• Annual General Meeting (AGM)</li> <li>• Website</li> </ul>  | <ul style="list-style-type: none"> <li>• Establishment of investor relation team</li> <li>• Strong investment case and performance</li> <li>• Cost rationalisation and geographic expansion to ensure profitability</li> </ul>  |
|    | <b>EMPLOYEES</b>              | <ul style="list-style-type: none"> <li>• Reward and Recognition system</li> <li>• Opportunities for career enhancement</li> <li>• Competitive and fair remuneration</li> <li>• Trust in management</li> <li>• Training</li> <li>• Incentives</li> </ul>   | <ul style="list-style-type: none"> <li>• Management and team meetings</li> <li>• Internal publications</li> <li>• Performance reviews</li> </ul>   | <ul style="list-style-type: none"> <li>• Annual market remuneration benchmark exercise</li> <li>• Effective intranet to facilitate communication across organisation</li> <li>• Staff wellness programme</li> </ul>   |
|  | <b>CUSTOMERS</b>              | <ul style="list-style-type: none"> <li>• Price competitiveness</li> <li>• Test menu range</li> <li>• Superior service levels</li> <li>• Quality of tests and services</li> <li>• Accessibility</li> <li>• Loyalty program benefits</li> </ul>   | <ul style="list-style-type: none"> <li>• Direct engagement with</li> <li>• Customers at all centres</li> <li>• At home service for customer convenience</li> <li>• Online and social media interaction</li> <li>• Call centre for query resolution</li> </ul>  | <ul style="list-style-type: none"> <li>• Obsessive monitoring of net performance score</li> <li>• Customer complaint line monitored by senior management</li> <li>• Investment in social media teams</li> <li>• Promotional activities</li> <li>• Regular inclusion of new tests</li> <li>• Internal quality check team to ensure test quality and creditability</li> </ul> |
|  | <b>GOVERNMENT AND SOCIETY</b> | <ul style="list-style-type: none"> <li>• Giving back to society through our social responsibility programs</li> <li>• Extensive health awareness programs for patients</li> <li>• Return through taxes (income tax, GST and employees' tax)</li> <li>• Compliance with regulatory bodies</li> </ul> | <ul style="list-style-type: none"> <li>• Regular meetings with Government and regulatory organisations</li> <li>• Engagement with NGOs and SHGs for discussing various issues</li> <li>• Engagement with doctors, medical colleges and institutions</li> </ul> | <ul style="list-style-type: none"> <li>• Internal compliance department for effective engagement with the Government</li> <li>• Compliance teams to ensure regulation adherence</li> <li>• Donation to the foundation</li> </ul>  |
|  | <b>SUPPLIERS</b>              | <ul style="list-style-type: none"> <li>• Operational practices</li> <li>• Safety and quality</li> <li>• Proper price for service</li> </ul>   | <ul style="list-style-type: none"> <li>• Regular meetings</li> </ul>   | <ul style="list-style-type: none"> <li>• Category-led business model to encourage engagement with suppliers</li> </ul>  |

# NATURAL CAPITAL

Natural capital refers to creating value for our stakeholders through conservation of the natural resources. We recognise that our operations indirectly impact the environment. Our safety protocol affirms our commitment of reducing impact on the environment. We do this through responsible environmental management, conservation, and protection across all our operations.





Metropolis uses Pollution Control Board authorised Agency for collecting of Biomedical waste from our labs and we follow the guidelines issued by the local municipal governing bodies of different cities and states.



LED lights have replaced conventional lights for energy saving exercise at all our corporate offices and labs.



Sewage Water Plant installed at our biggest lab (The Global Reference Lab in Mumbai) and treated water using for toilet flush and Gardening.



Maintaining power factor (PF) up to .97(unit).

# BOARD OF DIRECTORS



## Dr. Sushil Kanubhai Shah

**Designation:** *Chairman & Executive Director*

**Qualification:** Bachelor's degree in Medicine and Surgery and Ph.D Medicine in Pathology and Bacteriology from University of Bombay.

**Experience:** More than four decades of experience in pathology

Sushil Kanubhai Shah is the Founder of the Company and has more than four decades of experience in the pathology business. He was one of the partners of Metropolis Healthcare Services and Metropolis Lab. He has been instrumental for the growth and success of the Company. 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. He has been a Director on the Board since 2005.



## Ms. Ameera Sushil Shah

**Designation:** *Managing Director*

**Qualification:** A degree in Finance from The University of Texas at Austin and the prestigious Owner-President Management Program at Harvard Business School.

**Experience:** More than two decades of experience in pathology business

Ms. Ameera Shah is the Promoter & Managing Director of Metropolis Healthcare Ltd. Ms. Shah received a degree in Finance from The University of Texas at Austin and is an alumnus of the Harvard Business School (OPM Program). Under the leadership of Ms. Shah, Metropolis listed successfully at the stock exchanges in April 2019 at a 9% premium amidst challenging market circumstances. Ms. Shah also led Metropolis into the frontlines of the COVID-19 testing in India.

For the last 20 years, Ms. Shah has focused on delivering sustained growth, built, and led corporate functions, including finance, strategy, business process optimization, innovation, investor relations etc. Under her leadership, Metropolis raised the bar of diagnostic accuracy, technological equipment, customer experience, and research-driven, empathetic service. Ms. Shah has led the corporate transformation of Metropolis by setting protocols, hiring expert professionals for the management team, and bringing together a fully actualized board. She has been a Director on our Board since 2008.

Named amongst 'Fifty Most Powerful Women in Business' by Fortune India (2017, 2018 and 2019) and Business Today (2018, 2019), Ms. Shah is recognized as a global thought leader in the healthcare industry. She has also played an instrumental role in changing the pathology industry landscape in the country; from being a doctor-led practice to a professional corporate group in an extremely unregulated, competitive, and fragmented market. Ms. Shah is an independent director on the board of reputed Indian companies (Kaya, Torrent Pharma, Shoppers Stop) and is also an advisor to Baylor College of Medicine, Texas. She is also on the global advisory board of AXA, a Paris headquartered company with 700 Billion \$ under asset management.



## Mr. Vivek Gambhir

**Designation:** Non-Executive Independent Director

**Qualification:** Bachelor's degree in both Science and Arts from the Lafayette College, Pennsylvania. He also holds a Master's degree in Business Administration from Harvard University.

**Experience:** More than ten years of experience in operations and strategy.

Vivek Gambhir currently associated as whole time director of Godrej Consumer Products Limited was earlier serving as a Managing Director and Chief Executive Officer of Godrej Consumer Products Limited. Vivek was instrumental in driving the company's efforts to become a leading emerging markets FMCG leader.

He joined Godrej Industries in 2009 as Chief Strategy Officer responsible for guiding overall Group strategy, conducting portfolio analysis and driving special projects. He helped define the CREATE portfolio approach and the 10X10 objective for the Group.

Prior to joining the Godrej Group, Vivek was a partner at Bain & Company, one of the world's leading business consulting firms. He worked with Bain in Boston, Singapore and New Delhi. He was a founding member of Bain's consulting operations in India and led the firm's FMCG practice in India. He has been a Director on our Board since September 2018.



## Mr. Sanjay Bhatnagar

**Designation:** Non-Executive Independent Director

**Education:** MBA with Honors from Harvard University, MS in Engineering from Stanford University and B. Tech with Distinction from IIT Delhi.

**Experience:** More than 35 years of experience in investment, asset development, marketing, and operations management.

Sanjay Bhatnagar is the Managing Partner of the THOT Capital Group, an investor in energy, water and infrastructure assets. He has been the President, Chief Executive Officer of WaterHealth International (WHI). Sanjay was recognized as the Social Entrepreneur of the Year 2019 by the Schwab Foundation of the World Economic Forum for his seminal role in transforming the availability of safe drinking water to BOP populations.

Sanjay served as the Chairman and CEO, Enron South Asia, where his responsibilities included developing and project-financing of large-scale infrastructure, power plants, pipelines, LNG ships and re-gasification terminals. As CEO of Enron Broadband Services for Asia and the Middle East, Sanjay developed Internet Data Centers and optical fiber networks in India and S.E. Asia.

Sanjay started his career with Schlumberger, an oil field services company, as an engineer and manager in Singapore and worked in Brunei, Thailand, Philippines, Malaysia, Indonesia and France. His responsibilities included project development, marketing and operations management.

Sanjay is a board member of the US India CEO Forum, US Department of Commerce, Washington DC, Board Member US India Strategic Partnership Forum, Washington DC and Board member of the EIH Hotels in India.



### Mr. Milind Sarwate:

**Designation:** Non-Executive Independent Director

**Qualification:** Chartered Accountant, Company Secretary, Cost & Management Accountant, B Com (Hons)(University of Bombay), CII-Fulbright Fellow (Carnegie Mellon University, Pittsburgh, PA, USA).

**Experience:** 37 Years in Finance, HR and Strategy

Mr. Milind Sarwate is the Founder and CEO of Increate Value Advisors LLP, a firm that facilitates organizations and individuals to discover, develop and deliver business & social value. He provides advice and mentorship in value creation, effective governance, and capability building, leveraging his long experience including long stints in Marico & Godrej. He also invests in promising businesses/ social enterprises.

His eight independent directorships include Mahindra Finance, Hexaware, Metropolis Healthcare and Matrimony.com, with an audit committee focus.

Mr. Sarwate has received the ICAI Award - CFO - FMCG 2011, CNBC TV-18 Best Performing CFO Award -FMCG & Retail-2012. He was included in the CFO India Hall of Fame 2013 by CFO India magazine.

He has been a Director on our Board since September 2018.



### Ms. Anita Ramachandran

**Designation:** Additional Non-Executive Independent Director  
(Appointed w.e.f. 14th May, 2020)

**Qualification:** MBA (Finance) from the Jamnalal Bajaj Institute

**Experience:** More than 35 years of experience as a management consultant

Anita Ramachandran began her career in the Management Consultancy division of AF Ferguson & Co (the KPMG network company in India then) in Mumbai in 1976 as the first woman consultant in the firm and worked in a wide range of areas from finance, industrial market research, strategy, and human resources consulting. She founded M/s. Cerebrus Consultants in the year 1995 to focus on HR advisory services, which has now established itself as a specialist firm in the HR field. Her wide general management consulting experience and insights on HR has enabled her to be a strategic advisor to many family groups. She supports many organizations in the social sector through pro bono professional work and remains deeply committed to working with women.



### Mr. Mihir Doshi

**Designation:** Non Executive Non Independent Director  
(Ceased to be a Director wef April 30, 2020)

**Qualification:** He holds a bachelor's degree in Science from New York University and is also a member of the New York State Society of Certified Public Accountants and the American Institute of Certified Public Accountants.

**Experience:** Mr. Mihir J. Doshi is Managing Director and Country CEO of Credit Suisse, India. He joined Credit Suisse in April 2006 and is based in Mumbai. He is a member of the Asia Pacific Management Committee.

Mr. Doshi has been instrumental in establishing Credit Suisse's India franchise, which today is active across Private Banking, and Investment Banking. He has been deeply involved in strengthening the overall business profile of the Bank in India and in providing its strategic direction. Under his leadership, Credit Suisse has been awarded a banking license by the Reserve Bank of India and established a bank branch in Mumbai in 2011.

# LEADERSHIP TEAM

## Dr. Sushil Kanubhai Shah

*Chairman and Executive Director*



## Ms. Ameera Sushil Shah

*Managing Director*

**Mr. Vijender Singh** is the *Chief Executive Officer* of Metropolis Healthcare Ltd. Mr. Singh joined Metropolis Healthcare Ltd in 2016 and is responsible for driving the overall growth of the organization. His key role is to lead strategic initiatives and execution with best practices, innovation, and drive the management team. In the past, he has been associated with Leo-Mattel Toys, Bausch & Lomb and moved on to consumer healthcare segment with Ranbaxy and then further to Dr. Lal Path Labs. Throughout the course of his career, he has grown strength to strength as a professional and has worked his way up the corporate ladder. A seasoned and effective communicator, Mr. Singh is driven to perform, succeed, and excel. A people's leader, his expertise lies in business models, operations, and P&L management.

Mr. Singh is a Science Graduate and did an Executive Education Programme from ISB. In addition, he has also completed UCLA program for Disruptive Innovation from Haas School of Management, California, organized by AIMA.



**Mr. Rakesh Agarwal** is the *Chief Financial Officer* of Metropolis Healthcare Ltd. He has completed his master's in business administration with Finance specializations from AIM Institute and Company Secretary from ICSI. In his current role at Metropolis, he leads the team of finance & accounts, internal audit, legal and secretarial and is responsible for maintaining positive revenue and financial growth, formulating sound financial strategies, and develop financial plans that support organisational strategy.

He has over 20 years of progressive experience in Finance domain including Business Finance, Financial Management & Operations Management. His previous assignment was with Bharti Airtel Limited where he was heading the Finance Controller function for India. Prior to this, he was associated with organizations like Dish net Wireless Ltd and Usha International Ltd. He has extensive experience in consumer experience, business partnering by driving revenue & Cost, Business Reporting & Analysis, Internal and Statutory Audit, Statutory Compliance & Governance.



**Dr. Nilesh Shah** is the *President and Chief of Science & Innovation* at Metropolis Healthcare Ltd. Armed with 30 years of rich experience in Diagnostics, Dr Nilesh has grown along with the company. Over the past 3 decades, he has successfully set up operations across 5 countries. He has played a central role in building the scientific core of the company and has been responsible for bringing in various tests and technologies. Dr Nilesh has been instrumental in Metropolis Healthcare receiving national and international accreditations. Today Metropolis is accredited by CAP, NABL, CLIA, NGSP & SANAS.



**Ms. Ishita Medhekar** is the *Chief Human Resource Officer* of Metropolis Healthcare Ltd. A committed and passionate human resource professional with 20+ year of experience in varied industries Telecom, Consultancy and Pharma Industry with more than 15 years' experience in strategy and systems designing and operations. She heads the HR function for Metropolis and is responsible for Business partnering and designing HR Strategy & Systems and Automation, performance, reward, and talent management. Her previous assignments were with reputed organizations like Bharti Airtel and Sterlite Power.

# AWARDS & RECOGNITION

Accorded as the **MOST ADMIRED HEALTHCARE COMPANY OF THE YEAR** – February 2020

Awarded as the **BEST PATIENT EXPERIENCE TEAM OF THE YEAR** Award at PEXA Awards 2019, in Delhi – December 2019

Bagged **EXCELLENCE IN LOGISTICS** award at the CII SCALE Awards 2019 - Supply Chain & Logistics Excellence Awards organised by Confederation of Indian Industries – December 2019

Won a special mention as the **BEST PERFORMANCE-DRIVEN DIGITAL CAMPAIGN** Award at the InkSpell Drivers of Digital Awards 2019 – December 2019

Conferred the **BEST LOGISTICS NETWORK OPTIMIZATION & BEST USE OF TECHNOLOGY IN LOGISTICS** awards announced at the 5th Asian Supply Chain Thought Leadership Summit & Awards in Mumbai – November 2019

Won the award for **BEST IT PRACTICES** at the Data Center Summit 2019 – October 2019

Won the **HEALTHCARE LEADERSHIP AWARD**, at the Uttar Pradesh Healthcare Leadership Awards 2019 held at Lucknow – October 2019

Awarded the **BEST IT ENABLED PATHOLOGY CHAIN AWARD** during the 4th Digital Innovation Health Summit and CIO Awards at Kolkata

Conferred with **AWARD DE EXCELENCIA –“SERVICE EXCELLENCE IN HEALTHCARE & WELLNESS”** during the 3rd Annual Global Business Leadership Forum. It was presented by the prestigious Asian African Chamber of Commerce & Industry – July 2019

## ACCOLADES WON BY OUR KEY MANAGEMENT TEAM

**Our Chairman, Dr. Sushil Shah, was awarded** with the '*Lifetime Achievement Award*' at the South Asia Pacific Healthcare Summit & Business Awards 2019, for his immense contribution to the diagnostic industry

Honoured as the Iconic Personality in Healthcare by Mid-Day at the Mid-Day Healthcare and Wellness Awards September 2019

**Our Managing Director, Ms. Ameera Shah won** the '*Best Woman Entrepreneur of the Year*' in Healthcare Sector award at the ASSOCHAM Women Leadership & Empowerment Summit & Awards, for her outstanding leadership and achievements in the diagnostic industry.

Ms Shah was also listed as the **Most Powerful Women in Business** listing and feature by Fortune India 2019 and Business Today 2019.

Also won the **Leader of the Year: NextGen award at the CNBC-AWAAZ CEO Award**, organized by CNBC Awaaz held at Raipur

**Our CEO, Mr. Vijender Singh won** the *Best Business Leader of the Year award* at Business Leader of the Year Awards 2020



# CORPORATE INFORMATION

## Details of Board of Directors

**Dr. Sushil Kanubhai Shah**

*Chairman & Executive Director*

**Ms. Ameera Sushil Shah**

*Managing Director*

**Mr. Vivek Gambhir**

*Non-Executive Independent Director*

**Mr. Sanjay Bhatnagar**

*Non-Executive Independent Director*

**Mr. Milind Sarwate**

*Non-Executive Independent Director*

**Ms. Anita Ramachandran**

*Additional Non-Executive Independent Director*

*Appointed w.e.f 14th May 2020*

**Mr. Mihir Doshi**

*Non Executive Non Independent Director*

*Ceased to be a Director w.e.f. April 30, 2020*

## Details of Committees:

### Audit Committee:

**Mr. Milind Shripad Sarwate** – *Chairman*

**Mr. Vivek Gambhir** – *Member*

**Mr. Sanjay Bhatnagar** – *Member*

**Mr. Mihir Doshi** – *Member (upto March 30, 2020)*

### Nomination and Remuneration Committee:

**Mr. Vivek Gambhir** – *Chairman*

**Mr. Milind Shripad Sarwate** – *Member*

**Mr. Mihir Doshi** – *Member (upto March 30, 2020)*

**Mr. Sanjay Bhatnagar** – *Member*

*(ceased to be a member wef May 2, 2019;  
re-inducted as a member wef March 30, 2020)*

### 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:

**Dr. Sushil Kanubhai Shah** – *Chairman and Executive Director*

**Ms. Ameera Sushil Shah** – *Managing Director*

**Mr. Vijender Singh** – *Chief Executive Officer*

**Mr. Rakesh Agarwal** – *Chief Financial Officer*

**Ms. Poonam Tanwani** – *Company Secretary and Compliance Officer*

## Auditors:

### Statutory Auditors:

BSR & Co. LLP, Chartered Accountants

### Internal Auditors:

Suresh Surana & Associates LLP, Chartered Accountants

### Secretarial Auditors:

M/s. Manish Ghia & Associates, Company Secretaries

### Cost Auditors:

M/s. Joshi Apte & Associates, Cost Accountants

## Registered Office Address:

Metropolis Healthcare Limited

CIN: L73100MH2000PLC192798

250 D, Udyog Bhavan, Hind Cycle Marg, Worli,

Mumbai 400 030, Maharashtra, India, Tel. No.: 91 22 6258 2810

Email address: [secretarial@metropolisindia.com](mailto:secretarial@metropolisindia.com)

Website: [www.metropolisindia.com](http://www.metropolisindia.com)

## Registrar and Share 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](http://www.linkintime.co.in)

## Bankers

HDFC Bank Ltd

ICICI Bank Ltd

Yes Bank Ltd

Axis Bank

Standard Chartered Bank India.

# MANAGEMENT DISCUSSION AND ANALYSIS REPORT

## ECONOMIC OVERVIEW

### Global

Instantaneous flow of ideas, information, and products shaped globalisation into success. It played a pivotal role in changing the supply chain dynamics until the rise of protectionist leaders in the past couple years, fetching their focus more towards regional production and consumption. Therefore, rising sanction, Brexit, trade disputes among major trading partners was getting quite apparent. These issues weakened the global economy and reduced the available policy flexibility of many national leaders, especially among the leading developed economies. For the time being, it did offer a glimpse of hope for global economy sustenance with US-China trade deal, monetary activism, and fiscal measures. However, Covid-19 outbreak crippled that optimism leading to lockdown across the globe making it vulnerable to outsized impact. Going forward, the level of economic effects will eventually become clearer. The response to the pandemic could have a significant and enduring impact on the way businesses organize their work forces, global supply chains, and how governments respond to a global health crisis.

### India

The growth and developmental strides of India in the last five years has been transformational. Improving from 11th to 5th largest economy in 2020 by solidifying its physical, social, and digital infrastructure. Making it a one of the top destinations for foreign investors with easing FDI norms, improvement in ease of doing business, mammoth population, and low wages workers. Whilst, India has also taken various efforts to ostensibly promote domestic manufacturing by backing out of RCEP deal and increasing tariff wall. These approaches has helped India by staying in align with the 'Make in India' initiative as well as keeping the foreign relations in intact. During the fiscal year, it took various measure along with the RBI to improve the supply as well as demand side situation by reducing interest rate, cutting off the corporate and income tax, injecting liquidity through banks. Before the country was about to see any revival of these measures in the fiscal year 2020-21, Covid-19 caused an unprecedented slowdown in the economic activities. In response to this, the Governments and health professionals constantly calibrated to this pandemic and frequent strategic adjustments were done. One of the important one being the 20-lakh economic package declared with intention of making India self-reliant to tide over the Covid-19 crisis. Majorly, this package will focus on the 4L: land, labour, liquidity and law.

## INDUSTRY OVERVIEW

### Indian healthcare

The Indian healthcare sector is emerging as mainstay of India's economic growth and is split between private and Government

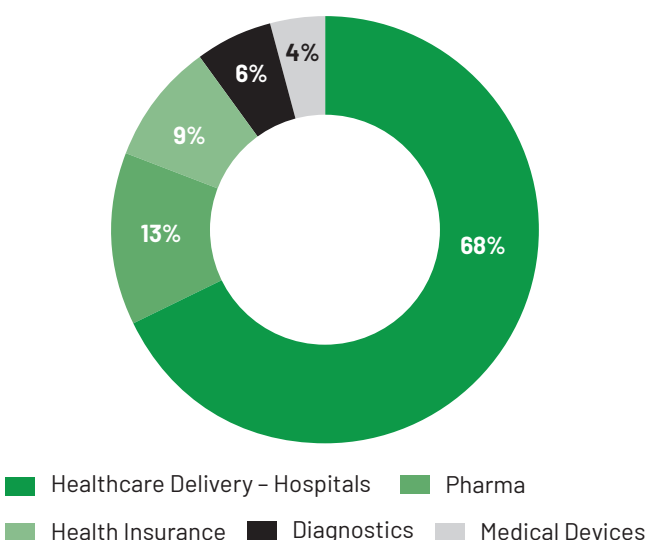
space. Wherein, over 70% of the services is provided by private healthcare, mainly because of the advantage it possess like quick response and scaling innovation (Source: Times of India). This inequitable difference along with emergence of communicable and non-communicable diseases has pushed the Government to increase spending on public healthcare system, which witnessed a CAGR of 15% over the last five years. This has allowed healthcare services in India to be available at affordable rate compare to other countries. Even, the total per capita government expenditure on healthcare increased by ₹ 936 to ₹ 1944 in FY20 compared to five years ago (Source: Livemint). The positive effect of this growing investment has been evident in different parameters such as increasing life expectancy, reduction in mortality rates, improving immunisation, among others. Meanwhile, it has also seen rapid stride in greater health awareness, emerging technologies, health insurance penetration and increased precedence of lifestyle diseases.

Today, it is one of the leading sectors in terms of revenue and employment, creating both high – low skills job. However, with that being said it has its own set of challenges. The existing healthcare infrastructure of India is not sufficient to meet the needs of the rising population. For this, the Government of India is taking efforts and planning to raise public health spending to 2.5 per cent of the country's GDP by 2025. (Source: IBEF). With unprecedented Covid-19 outbreak, the countries have realised the importance of healthcare system and is now placing more emphasis on it to mitigate or abate any future pandemic conditions. In near future, we would see more investment in R&D for effective medicine, hi-tech medical equipment and reinforcement of telemedicine services.

## ₹ 2.6 TRILLION

Total expenditure by centre and states in FY20

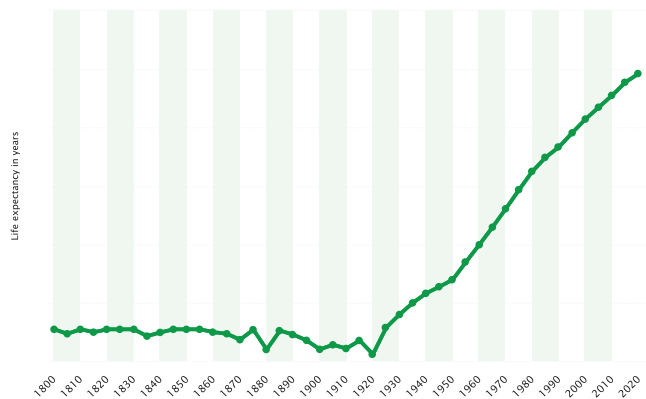
### SIZE OF INDIAN HEALTHCARE INDUSTRY (%)



## MANAGEMENT DISCUSSION AND ANALYSIS REPORT (CONTD.)

### OUTCOME OF IMPROVED HEALTHCARE SYSTEM IN INDIA

Life expectancy (from birth) in India from 1800 to 2020



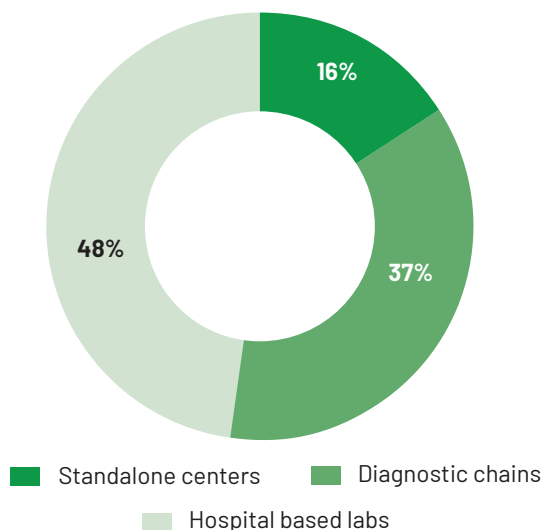
(Source: Statista, 2020)

#### Indian Diagnostic

The diagnostic space in India has come a long way from twenty years ago. Moving from standalone centre owned by single lab owners towards consolidation to create shared value. With the motive that by becoming as franchisee of large diagnostic entities will unlock the potential to strengthen the overall network and chain for better customer convenience. This consolidation to some extent has aided the industry to cross over \$ 9.5 billion market, which includes of pathology and imaging test. Wherein, about 70% of the market share accounts to pathological tests, with the rest from radiology tests (Source: PharmaBiz, October 2019). These services are priced lowest in the world; therefore, it is largely driven by volumes. In the last five years, the price of the testing has remained flat or at best increased by 5-10%. Mainly because of lack of regulation owing to which there are only about 1000 out of 100,000 diagnostic labs accredited by National Accreditation Board for Testing and Calibration Laboratories (NABL). This has led unorganised players to give out deep discount by skipping the best lab practices. However, with time, the patients have been quality conscious, and they do not mind spending extra bucks to get the most accurate results.

Going forward, the diagnostic services market is estimated to grow at 27.5% for the next five years (Source: Express healthcare, Jan 2020). This growth is likely to be driven by improving healthcare facilities, medical diagnostic and pathological laboratories, private-public projects, and the health insurance sector. In the times of Covid-19, the diagnostic sector emerged as a saviour and remained at the forefront to contain this pandemic. At this time, decline in day to day walk-in business for wellness segment was offset by rising number of Covid-19 testing.

### DIVISION OF DIAGNOSTIC INDUSTRY TYPES (%)



#### COVID-19 Impact

While public policy measures have been implemented to contain the spread of COVID-19, the measures have resulted in significant operational disruption for many companies including those in the Indian healthcare industry. Staff quarantine, supply-chain failures, and sudden reductions in customer demand have generated serious complications for companies across a wider range of sectors than initially anticipated. For most, the revenue lost in this period represents a permanent loss and has put sudden, unanticipated pressure on working capital lines and liquidity.

Despite the current crisis being a healthcare issue, the private healthcare system in the country continues to reel under the negative impact of COVID-19. There has been a significant drop in both in-patient and out-patient footfall for private hospital chains—be it a single speciality, multi-speciality, tertiary-care hospitals or even diagnostics businesses, during this lockdown.

This sudden decline in business has had an immediate effect on hospitals' ability to sustain fixed costs. The inability of new centres/hospitals to start generating cash, debt repayment obligations, decreased levels of medical tourism, and increased scheme revenues (which represents credit revenue) are some of the many factors impacting cash flow.

Like any other businesses, the diagnostics sector is also facing severe bottlenecks and patient volumes have come down significantly. As the lockdown continues, people seek medical care only for emergency or acute conditions and consequently, demand for diagnostic tests has also reduced. But at the same time, it has opened doors for COVID-19 testing. With the rise in number of cases in India, it provides an ample room for organised players to include COVID testing in their portfolio. This will help them sustain operation in the long term.

## MANAGEMENT DISCUSSION AND ANALYSIS REPORT (CONTD.)

### GROWTH DRIVER AND OPPORTUNITIES

#### Employees health screening

The corporate sector is promoting employees to undergo preventive and wellness tests.

To support the well-being of their employees and potentially to reduce absenteeism and health risk level. With employer covering the cost of employee's health screening in the packages, the diagnostic industry is sure going to witness a new source of income from this segment.

#### Convenience

Diagnostic service has been driven by the convenience provided to the customers through online booking, home collection of sample and online reporting. This model is seeing a success as it reduces the burden of common men to travel across the places for necessary testing. Meanwhile, it has unlocked greater opportunity for entities having strong network and high-tech lab to increase the revenue turnaround time by reporting a quick result.

#### Rise in pollution

India's Co2 emissions have doubled since 2005 owing to the rise in the mining and industrial activity. Majorly the respiratory diseases which is triggered by air pollutions. Even if it does not cause diseases, it ends up weakening our lungs and making the mass more vulnerable to respiratory viruses like SARS, MERS and now the novel-corona virus. Thereby, resulting in more demand for diagnostic services and preventive care.

#### Shift towards gene-based testing

Genomics testing are considered to be transformative and game changer for diagnostic chains growth. Emerging technologies in the diagnostic market, such as liquid biopsy, next-generation sequencing, microfluidics, and multiplex molecular diagnosis are expanding the test menu.

#### Public-private partnership (PPPs)

Public healthcare institution operating in rural areas lacks manpower and inadequate resources such as diagnostics, pathology services and stock-outs. To close this gap, private player comes in to play to deliver efficient services in the Government run hospital through PPP model. Taking advantage of this, private players can penetrate the untapped market.

#### Government policy impact

In the last two three years, the Government is taking serious efforts to put across minimum standards and regulate the industry. This rules and regulation will ensure that the quality diagnostics and wellness service is delivered across the country. Whilst, acting as a growth pillar for transparent and ethical players.

### Threats

#### Problem of ownership

Generally, doctors and professional working at hospital and small labs lacks entrepreneurial skills. Thus, they fall behind in term of business knowledge and this can create a threat to the diagnostic services companies affiliated with them.

#### Policy deficiencies

Despite India improving its position in ease of doing business, it still lags behind many countries due to factors like complicated regulatory framework and time-consuming administrative work. This can be a threat to the overall diagnostic eco-system in India.

### COMPANY OVERVIEW

Metropolis Healthcare Ltd (MHL) is the 3rd largest diagnostic player in the country delivering millions of tests every year. Our PAN India presence with prominent position in the west and south India keeps us on the forefront. Wherein, we offer a comprehensive range of clinical laboratory testing, profiles & support services to patients, smaller labs, nursing homes and hospitals. Our vast laboratory network consist of 124 labs (including Global Reference Lab in Mumbai and 13 Regional Reference Labs), ~2,100 Patient Service Centers (PSCs) and ~620 Assisted Referral Centers (ARCs). We follow 'hub and spoke' model for quick and efficient delivery of services. And, given our strong geographical reach and business model, we are well poised to leverage on the opportunities present in the diagnostic space.

### PERFORMANCE REVIEW

#### Business performance

|                     | 2018-19 | 2019-20 | Reason for the growth  |
|---------------------|---------|---------|--|
| Revenue per patient | 854     | 856     | <ul style="list-style-type: none"> <li>Specialised test leads to higher revenue per test</li> <li>International and institutional customers contributes to higher realization per patient</li> </ul> |
| Revenue per test    | 447     | 436     |  |
| Laboratory network  | 119     | 124     | <ul style="list-style-type: none"> <li>Global and national quality accreditation</li> <li>Strong brand value</li> <li>Sustainable co-creation of value with franchisee</li> </ul>                    |
| Service network     | 2,336   | 2,731   |  |

## MANAGEMENT DISCUSSION AND ANALYSIS REPORT (CONTD.)

### Financial performance (Crore)

|                        | 2018-19 | 2019-20 | Y-o-Y growth |
|------------------------|---------|---------|--------------|
| Revenue from operation | 760     | 856     | 12.63%       |
| EBITDA                 | 200     | 232     | 16%          |
| Profit after Tax       | 124     | 128     | 3.22%        |

### Key ratios of Metropolis

| Key Financial Ratios        | FY 2018-19 | FY 2019-20 | Variance |
|-----------------------------|------------|------------|----------|
| Debtors Turnover            | 3.63       | 3.62       | -0.2%    |
| Inventory Turnover          | 3.21       | 3.39       | 5.5%     |
| Current Ratio               | 2.44       | 2.33       | -4.5%    |
| Operating Profit Margin (%) | 26.32%     | 27.22%     | 0.90%    |
| Net Profit Margin (%)       | 16.32%     | 14.95%     | -1.36%   |
| Return on Net Worth (%)     | 29.12%     | 26.99%     | -2.13%*  |

\*Net profit after tax in FY 2020 vs FY 2019 increased by Rs 394 Lakhs, but return on net worth in FY 2020 has reduced marginally as compared FY 2019 because of higher base.

### RISK AND CONCERNS

| Risks                       | Impact  | Mitigation  |
|-----------------------------|---|---|
| Pricing pressures           | The market is fragmented owing to low entry barrier. Therefore, to gain competitive advantage players engage in low pricing strategy to penetrate the market. This can affect our presence negatively.                    | Our major focus and higher exposure towards specialised test help us to stay ahead of the curve resulting in higher revenue per patient.  |
| Servicing                   | Our inability to ensure highest quality standard at every step can affect our brand substantially.  | We deliver accurate results in a quick span of time. This has enabled us to earn a strong reputation amongst B2B partners and patients making us an ideal choice.   |
| Skilled personnel shortages | Shortage of specialised diagnostic professionals may impact our service delivery and ability to grow.   | We keep on exploring different geographies to recruit best of talents. Our experienced leadership team have profound knowledge, which improves our training effectiveness. This along with work-based remuneration framework has aided us to retain employees and recruit enthusiastic millennials.   |
| Macroeconomic risk          | External issues like economic slowdown is beyond our control. During this time, the crisis like situation can lead to change in the behaviour of the consumer spending pattern, ultimately impacting our topline numbers. | First and foremost, our service portfolio is such that it is aligned to the disease's detection, therefore patients are less likely to skimp on it during economic slowdown. Secondly, our focus on asset light third party model ensures effective capital allocation and strengthen our PAN India network to hedge against the financial risk or specific region catastrophe. |
| Cyber security              | In a more and more complex and changing IT landscape, cybersecurity incidents like data breaches could lead to operational disruption and can impact our brand.   | We have proper security strategy and a comprehensive security program in place that assures the proper prevention, detection and response.  |

## MANAGEMENT DISCUSSION AND ANALYSIS REPORT (CONTD.)

### IT AND DIGITAL INFRASTRUCTURE

Our core technology differentiator remains in the manner, which allow us to fully integrate and automate the process ranging from registration, bar-coding, and billing of specimens to analysis and reporting of test results. This has helped us in streamlining and optimise the operations as well as minimise the human errors. While, our digital app enhances the customer experience by allowing them to book appointments, complete registration, and access test reports online. This strong IT and digital infrastructure plays an integral role in helping us stay ahead of the industry benchmark performance and ensure we are the easiest place to do business.

### HUMAN RESOURCE MANAGEMENT

Metropolis is made up of more than 4,500 highly skilled, motivated, and solution-driven individuals who collectively represent our family. Built on the foundation of strong values, we strive to provide a safe, challenging and rewarding environment for our employees. Wherein, equal opportunity is provided to everyone, so that each individual regardless of their gender, religion and caste can prosper. During their period at the Company, employees are motivated through various skill-development, engagement, and volunteering programs. Moreover, we continue to grow organically and acquisitively, similarly our HR function is also evolving to provide the most effective solution. Like, New HR management System has automated the processes resulting in improved productivity and ensuring availability of employee data on demand.

### 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 20th Annual Report on the business and operations of your Company along with the Audited financial statements for the year ended March 31, 2020.

## FINANCIAL PERFORMANCE

The key highlights of the Audited Standalone and Consolidated financial statements of your Company for the financial year ended March 31, 2020 along with comparison with the previous financial year ended March 31, 2019 are summarized below:

(₹ in Lakhs)

| Particulars  | Standalone                        |                                   | Consolidated                      |                                   |
|--|-----------------------------------|-----------------------------------|-----------------------------------|-----------------------------------|
|  | For the year ended March 31, 2020 | For the year ended March 31, 2019 | For the year ended March 31, 2020 | For the year ended March 31, 2019 |
| Revenue from Operations  | 66,530.71                         | 58,120.81                         | 85,640.54                         | 76,118.18                         |
| Other income   | 2,931.79                          | 2,052.32                          | 856.66                            | 821.32                            |
| <b>Total Revenue</b>   | <b>69,462.50</b>                  | <b>60,173.13</b>                  | <b>86,497.20</b>                  | <b>76,939.50</b>                  |
| Less: Total expenses   | 53,010.76                         | 45,254.20                         | 67,119.25                         | 58,141.30                         |
| <b>Profit before exceptional items and tax</b>                       | <b>16,451.74</b>                  | <b>14,918.93</b>                  | <b>19,377.95</b>                  | <b>18,798.20</b>                  |
| Exceptional items  | 2,452.66                          | -                                 | 2,452.66                          | -                                 |
| Profit before share of profit for equity accounted investees and tax | -                                 | -                                 | 16,925.29                         | 18,798.20                         |
| Share of loss for equity accounted investees (net of tax)            |                                   |                                   | (51.98)                           | (143.02)                          |
| <b>Profit Before Tax</b>   | <b>13,999.08</b>                  | <b>14,918.93</b>                  | <b>16,873.31</b>                  | <b>18,655.18</b>                  |
| Less: Tax Expenses   | 2,793.65                          | 4,773.23                          | 4,118.09                          | 6,293.90                          |
| <b>Profit after Tax</b>  | <b>11,205.43</b>                  | <b>10,145.70</b>                  | <b>12,755.22</b>                  | <b>12,361.28</b>                  |
| Basic Earning per share of face value of ₹ 2/- each                  | 22.32                             | 20.32                             | 25.36                             | 24.06                             |
| Diluted Earning per share of face value of ₹ 2/- each                | 22.22                             | 20.28                             | 25.25                             | 24.02                             |

## OPERATIONAL PERFORMANCE & FUTURE OUTLOOK

During the year under review, the total Standalone revenue of the Company including other Income stood at ₹ 69,462.50 Lakhs as against ₹ 60,173.13 Lakhs for the previous year, registering a growth of 15.44% in the total revenue. The Standalone profit after tax for the year stood at ₹ 11,205.43 Lakhs as against ₹ 10,145.70 Lakhs in the previous year, registering a growth of 10.45% in the Profit after tax.

During the year under review, the total Consolidated revenue of the Company including other income stood at ₹ 86,497.20 Lakhs as against ₹ 76,939.50 Lakhs for the previous year registering a growth of 12.42% in the Consolidated Revenue. The Consolidated profit after tax stood for the year at ₹ 12,755.22 Lakhs as against ₹ 12,361.28 Lakhs, in the previous year registering a growth of 3.19% in the Consolidated Profit.

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

## CONSOLIDATED FINANCIAL STATEMENTS

The Consolidated financial statements of your Company for the Financial Year 2019-2020, are prepared in accordance with the provisions of the Companies Act, 2013 ("the Act") and Ind AS 110- Consolidated Financial Statements read with Ind AS 28 - Investment in Associates and Ind AS 31 - Interests in Joint Ventures, and SEBI (Listing Obligations Disclosures Requirements) Regulations, 2015. The Audited Consolidated financial statements form part of the Annual Report.

## DIVIDEND

The Board of Directors of your Company on February 6, 2020 declared an interim dividend of ₹ 8 per equity share of Face value of ₹ 2/- each entailing an outflow of ₹ 4,839.44 lakhs; including dividend distribution tax of ₹ 825.15 lakhs.

In order to conserve the resources for business requirement, your Board of Directors do not recommend any final dividend for Financial Year 2019-2020.

## BOARD'S REPORT (Contd.)

The payment of Interim Dividend was in accordance with the Dividend Distribution Policy of the Company. The Dividend Distribution Policy of the Company is annexed as **'Annexure - 6'** to this Report. The policy is also available on the website of the Company and can be accessed through the following web link: <https://prod-metropolisindia-bucket.s3.ap-south-1.amazonaws.com/Investors/code-of-conduct/MHL-Dividend-Distribution-Policy.pdf>

### RESERVES

Your Directors do not propose to transfer any amount to General Reserves for the Financial Year 2019-2020.

### COVID-19

In the last month of Financial Year 2019-2020, the COVID-19 pandemic developed rapidly into a global crisis, forcing Governments to enforce lock-downs of all economic activities. For the Company, the focus immediately shifted to ensuring the health and well-being of all employees, and on minimizing disruption to services to all our customers. We were operating at sub optimal levels following Government directives on lockdown in the month of March 2020. While most of the economic activities were at halt during the lockdown period, the Healthcare sector continued its operations under the Essentials Commodities Act. Accordingly, we continued to serve our customers across our labs. The labs of the Company across India played an important role in carrying out the COVID-19 tests.

The safety of employees, who were required to step out for home collection of samples, was ensured and is also being currently ensured as they have been mandated to use protective gear and take all safety precautions. We have curtailed the number of employees working at all the Offices and currently majority of employees continue to work from home.

The Company is confident about adapting to the changing business environment and respond suitably to fulfil the needs of its customers. With strong balance sheet having cash and cash equivalents in excess of ₹ 200 Crore, asset light business and leadership position in markets of our operations, we are well placed to tide over the current crisis and emerge stronger.

### MATERIAL CHANGES AND COMMITMENTS 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.

### ACQUISITIONS

During the year under review, the Company had entered into a Share Purchase and Shareholders' Agreement ("SPSA") on January 16, 2020 with the promoters of Shraddha Diagnostic

Centre (I) Private Limited (SDCIPL). Pursuant to the same the Company has agreed to acquire 51% of stake i.e. 5,100 Equity Shares of Shraddha Diagnostic Centre (I) Private Limited from its existing shareholders at a consideration of ₹ 9,36,30,000/- (Rupees Nine Crore Thirty Six Lakhs Thirty Thousand Only).

In light of the outbreak of Novel Corona Virus (COVID-19) and implementation of preventive measures by the Governmental Authorities, leading to difficulties in consolidation and alignment of business activities and other practicable difficulties the Company decided to defer the acquisition in SDCIPL by executing a supplement deed dated April 3, 2020 for amendment in aforesaid SPSA and has acquired a total of 550 equity shares of the Target Company (constituting 5.5 % of its Share Capital) on April 7, 2020 for a consideration of ₹ 1 Crores (Rupees One Crore Only).

The Company shall acquire the further stake in SDCIPL as per the terms of amended SPSA and subject to the fulfilment of conditions precedent by the parties to the agreement.

### CHANGE IN NATURE OF BUSINESS

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

### CHANGES IN CAPITAL STRUCTURE

During the year under review, the Company has allotted 4,51,886 equity shares of ₹ 2/- each pursuant to the exercise of the Options under the Metropolis Employee Stock Options Scheme - 2015 (MESOS 2015) to the Option holders and thereby, the paid up share capital of the Company has increased to ₹ 10,12,61,132/- (Rupees Ten Crores Twelve Lakhs Sixty One Thousand One Hundred and Thirty Two Only) as on March 31, 2020.

During the year under review, the Company has neither issued any shares with differential voting rights, nor has bought back any of its shares. It has also not issued any sweat equity shares and does not have any scheme to fund its employees to purchase the shares of the Company.

### LISTING OF EQUITY SHARES

The equity shares of your Company are listed on BSE Limited and the National Stock Exchange of India Limited with effect from April 15, 2019 pursuant to Initial Public Issue of the Company by way of an Offer for Sale.

### DEPOSITS

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

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

## BOARD'S REPORT (Contd.)

### 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 and can be accessed through the following weblink: [https://prod-metropolisindia-bucket.s3.ap-south-1.amazonaws.com/Investors/code-of-conduct/MHL\\_Policy-for-determination-of-Material-Subsidiary.pdf](https://prod-metropolisindia-bucket.s3.ap-south-1.amazonaws.com/Investors/code-of-conduct/MHL_Policy-for-determination-of-Material-Subsidiary.pdf)

### SUBSIDIARY, JOINT VENTURES AND ASSOCIATE COMPANIES

The Subsidiary Companies of your Company continued to perform in their respective areas as per the 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.

As on March 31, 2020 the Company has 11 domestic subsidiaries, 7 overseas subsidiaries (including five step-down subsidiaries), 1 Foreign branch (which is considered as a foreign Company in the respective country) and 1 overseas Associate Company.

Pursuant to Section 129 (3) of the Companies Act, 2013 a Statement containing the salient features of the Financial Statements of the Company's Subsidiaries, Joint Ventures, Associate Companies in the specified format i.e. Form AOC -1 is annexed as '**Annexure - 7**' to this Report.

### DIRECTORS AND KEY MANAGERIAL PERSONNEL

As on March 31, 2020 the Board of Directors of your Company comprises of 6 (Six) Directors, of which 4 (Four) are Non-Executive Directors & 2 (Two) are Executive Directors. The constitution of the Board of the Company is in accordance with Section 149(6) of the Companies Act, 2013 and Regulation 17 of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015.

Further, Mr. Mihir Doshi (DIN: 01283331), Non-Executive Director has resigned with effect from April 30, 2020.

Your Directors place on record its appreciation for the valuable services rendered by Mr. Mihir Doshi during his tenure as Director of the Company.

Ms. Anita Ramachandran (DIN: 00118188) was appointed as an Additional Non-Executive Independent Director on the Board of the Company under Section 161 of the Act read with relevant rules, in the category of Woman Independent Director as per Regulation 17(1)(a) of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, with effect from May 14, 2020 for a period of 5 years, subject to the approval of the shareholders at the ensuing Annual General Meeting of the Company.

Accordingly, the matter for regularisation of Ms. Anita Ramachandran has been placed before the shareholders for

their approval and forms a part of the Notice of the Annual General Meeting.

The present term of Mr. Sushil Kanubhai Shah (DIN: 00179918) as a Whole time Director will expire on September 3, 2020. Accordingly, the Board of Directors at its meeting held on May 29, 2020 re-appointed Mr. Sushil Kanubhai Shah as a Whole-time Director of the Company (designated as a Chairman and Executive Director) for a period of 5 years with effect from September 4, 2020, subject to the approval of the members at the ensuing Annual General Meeting.

Accordingly, the matter for re-appointment of Mr. Sushil Kanubhai Shah has been placed before the shareholders for their approval and forms a part of the Notice of the Annual General Meeting.

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.

### KEY MANAGERIAL PERSONNEL

During the year under review, Mr. Rakesh Agarwal was appointed as the Chief Financial Officer and Ms. Poonam Tanwani was appointed as the Company Secretary and Compliance Officer of the Company with effect from November 11, 2019 and February 10, 2020 respectively.

Further, during the year under review, Mr. Tushar Manohar Karnik, Chief Financial Officer and Mr. Jayant Prakash, Head Legal, Company Secretary & Compliance Officer of the Company resigned from the Company with effect from November 11, 2019 and December 6, 2019 respectively.

As per the provisions of Section 203 of the Companies Act, 2013 the Key Managerial Personnel of the Company as on March 31, 2020 are as under :

1. Mr. Sushil Kanubhai Shah, Chairman & Executive Director;
2. Ms. Ameera Sushil Shah, Managing Director;
3. Mr. Vijender Singh, Chief Executive Officer;
4. Mr. Rakesh Kumar Agarwal, Chief Financial Officer; and
5. Ms. Poonam Tanwani, Company Secretary & Compliance Officer.

### DIRECTORS RETIRING BY ROTATION

Pursuant to the provisions of Section 152 of the Companies Act, 2013 read with the relevant rules made thereunder, out of the total Directors, two-third shall be liable to retire by rotation out of which one-third of the Directors shall retire by rotation every year and if eligible, can offer themselves for re-appointment at the AGM.

Ms. Ameera Sushil Shah, Managing Director of the Company is liable to retire by rotation and being eligible, offers herself for re-appointment at the ensuing Annual General Meeting of the Company.

## BOARD'S REPORT (Contd.)

Accordingly, the matter for re-appointment of Ms. Ameera Sushil Shah has been placed before the shareholders for their approval and forms a part of the Notice of the Annual General Meeting.

Pursuant to Regulation 36 of the SEBI (Listing Obligations Disclosures Requirements) Regulations, 2015 read with Secretarial Standards – 2 on General Meetings, brief details of Ms. Ameera Sushil Shah, are provided as an Annexure to the Notice of the Annual General Meeting.

### DECLARATION OF INDEPENDENCE

Pursuant to the provisions Section 149, 152 of the Companies Act, 2013, read with Schedule IV and other applicable provisions, if any, and the Companies (Appointment and Qualification of Directors) Rules, 2014, the Independent Directors are appointed for a term of 5 years and are not liable to retire by rotation.

The Company has received declarations from the Independent Directors confirming that they meet the criteria of Independence as prescribed under section 149 (6) of the Companies Act, 2013 and Regulation 16(1)(b) of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015. There has been no change in the circumstances affecting their status as Independent Directors of the Company.

During the year under review, the Non-Executive Directors of the Company had no pecuniary relationship or transactions with the Company, other than the receiving the Sitting fees, Commission, if any, and reimbursement of expenses incurred by them for the purpose of attending the meetings of the Board / Committees of the Company.

### 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. The 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

and can be accessed through the following weblink: [https://prod-metropolisindia-bucket.s3.ap-south-1.amazonaws.com/Investors/code-of-conduct/MHL\\_Familiarization-Programme-for-Independent-Directors.pdf](https://prod-metropolisindia-bucket.s3.ap-south-1.amazonaws.com/Investors/code-of-conduct/MHL_Familiarization-Programme-for-Independent-Directors.pdf)

### PERFORMANCE EVALUATION OF THE BOARD

Pursuant to the applicable provisions of the Companies Act, 2013 and the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, the Board of Directors of your Company have carried out an Annual Performance evaluation of:

- (i) Their own performance as a whole;
- (ii) Individual Directors Performance; and
- (iii) Performance of all Committees of the Board for the Financial Year 2019-2020.

The performance of the Board as a Whole and of its Committees was evaluated by the Board through structured questionnaire which covered various aspects such as the composition and quality, meetings and procedures, contribution to Board processes, effectiveness of the functions allocated, relationship with management, professional development, adequacy, appropriateness and timeliness of information etc. Taking into consideration the responses received from the Individual Directors to the questionnaire, performance of the Board and its Committees was evaluated. The Directors expressed their satisfaction with the evaluation process.

In terms of requirements of Schedule IV of the Act, a separate meeting of the Independent Directors of the Company was held on February 6, 2020 to review:

- (a) The performance of Non- Independent Directors (including the Chairperson);
- (b) The performance of the Board as a whole and its Committees thereof, taking into views of Executive and Non-Executive Directors; and
- (c) To assess the quality, quantity and timeliness of the flow of information between the Management and the Board.

The performance evaluation of the Independent Directors was done by the entire Board, excluding the Independent Director being evaluated.

### NOMINATION AND REMUNERATION POLICY

The policy of the Company on remuneration and for other matters as provided in Section 178(3) of the Companies Act, 2013, has been disclosed in the Corporate Governance Report, which forms a part of the Annual Report and is also available on the Company's website which can be accessed through

## BOARD'S REPORT (Contd.)

the following weblink: [https://prod-metropolisindia-bucket.s3.ap-south-1.amazonaws.com/Investors/code-of-conduct/MHL\\_Nomination-and-Remuneration-Policy.pdf](https://prod-metropolisindia-bucket.s3.ap-south-1.amazonaws.com/Investors/code-of-conduct/MHL_Nomination-and-Remuneration-Policy.pdf)

### DIRECTORS' RESPONSIBILITY STATEMENT

Pursuant to Section 134(5) of the Companies Act, 2013, the Board of Directors, to the best of their knowledge and ability, confirm that:

- (a) In preparation of the Annual accounts for the year ended March 31, 2020; the applicable accounting standards have been followed along with proper explanation relating to material departures, if any;
- (b) They have selected such accounting policies as mentioned in the notes to the Financial Statements and applied them consistently and made judgements and estimates that are reasonable and prudent so as to give true and fair view of the Statement of Affairs of the Company as at March 31, 2020 and of the Profit of the Company for the year ended on that date;
- (c) They have taken proper and sufficient care 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) They have prepared the Annual accounts on a going concern basis;
- (e) They have laid down internal finance controls to be followed by the Company and such internal finance controls are adequate and operating effectively;
- (f) They have devised proper systems to ensure compliance with the provisions of all applicable laws and such systems were adequate and operating effectively.

### BUSINESS RESPONSIBILITY REPORT

Business Responsibility Report as per clause (f) of sub regulation (2) of regulation 34 of SEBI (Listing Obligations Disclosures Requirements), Regulations, 2015, is applicable for the top 1000 listed entities based on market capitalization (calculated as on March 31 of every financial year).

Accordingly, Business Responsibility Report for the financial year ended 2019-2020 is presented in a separate section and forms a part of the Annual Report of the Company.

### MANAGEMENT DISCUSSION AND ANALYSIS REPORT

The Management Discussion and Analysis Report for the year under review, as stipulated under Regulation 34 of the (Listing Obligations Disclosures Requirements), Regulations, 2015 is presented in a separate section forming part of the Annual Report of the Company.

### COMMITTEES OF THE BOARD

The Board of Directors of your Company have formed various Committees, as per the provisions of the Companies Act, 2013 and as per SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 and as a part of the best corporate governance practices, the terms of reference and the constitution of those Committees is in compliance with the applicable laws.

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) Stakeholders Relationship Committee;
- d) Corporate Social Responsibility Committee;
- e) Risk Management Committee.

The details with respect to the Composition, powers, roles, functions, terms of reference, etc. of the aforesaid Committees are given in the "Corporate Governance Report" of the Company which is presented in a separate section and forms a part of the Annual Report of the Company.

### MEETINGS OF THE BOARD

During the year under review, the Board of Directors of your Company met 6 (Six) times, the details of which are given in the Corporate Governance Report. The intervening gap between the Meetings was within the period prescribed under the Companies Act, 2013.

### 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 and can be accessed through the following weblink: <https://www.metropolisindia.com> and the same is attached as 'Annexure - 3' to this Report.

### 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 rules made thereunder are given in note no. 51 (a) to the Financial Statements.

## BOARD'S REPORT (Contd.)

### 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.

### 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 and can be accessed through the following weblink: [https://prod-metropolisindia-bucket.s3.ap-south-1.amazonaws.com/Investors/code-of-conduct/MHL\\_Policy-on-Related-Party-Transaction.pdf](https://prod-metropolisindia-bucket.s3.ap-south-1.amazonaws.com/Investors/code-of-conduct/MHL_Policy-on-Related-Party-Transaction.pdf)

All the Related Party Transactions entered into during the financial year were entered in the Ordinary course of business and at an arm's length basis. There are no materially significant Related Party Transactions made by the Company with its 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 the transactions with the related parties were in the ordinary course of business and at arms length pricing and 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 the Related Party Transactions are placed before the Audit Committee and the Board on a quarterly basis.

The members may refer to note no. 40 to the financial statements which set out Related Party Disclosures.

### AUDITORS AND REPORTS

#### 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 September 18, 2017. The Auditors have confirmed that they have not been disqualified to act as Statutory Auditors of the Company.

Further, in terms of Companies (Amendment) Act, 2017 notified with effect from May 7, 2018, the requirement for ratification of appointment of the Statutory Auditors at every AGM is not required and therefore, the matter is not placed before the members for their approval.

The Auditors Report for the financial year ended March 31, 2020, does not contain any qualification, reservation or

adverse remark. Further, the Auditors have expressed an Unmodified Opinion on the Audited Financial Statements (Standalone and Consolidated) for the financial year ended March 31, 2020.

Pursuant to provisions of the Section 143(12) of the Companies Act, 2013 neither the Statutory Auditors nor the Secretarial Auditor have reported any incident of fraud to the Audit or the Risk Committee during the year under review.

#### Secretarial Auditor and Secretarial Audit Report

Pursuant to the provisions of Section 204, Section 134(3) 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 March 31 2020. The Secretarial Audit Report in the prescribed Form MR-3 is attached as '**Annexure-I**' and forms a part of this Report.

The Secretarial Audit report does not contain any qualification, reservation or adverse remark.

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

- 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, since the said properties were acquired under the scheme of amalgamation, the Company has already filed necessary documents with the adjudication authorities.
- The submission of Annual Performance Report (relating to the financial year 2018-19) in respect of its overseas Joint Venture (JV) viz., Star Metropolis Healthcare Middle East LLC, Dubai, UAE has not been submitted to RBI.
  - The Company is in the process of filing the annual performance report with the RBI in respect of the said JV. The same has been delayed due to non-availability of financial statements from Star Metropolis Healthcare Middle East LLC, Dubai, UAE. Further, the Company has filed an application with RBI for seeking approval for disinvestment involving write-off of financial commitment in this joint venture abroad.

#### Internal Auditor

The Company has robust Internal audit system for assessment of audit findings and its mitigation. The Internal Audit function

## BOARD'S REPORT (Contd.)

covers all the labs, inventory audit, stock takes, audit for project related accounts, corporate accounts etc.

Pursuant to the provisions of Section 138 of the Companies Act, 2013 and the Companies (Accounts) Rules, 2014, and 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 and the Internal Auditor directly reports to the Audit Committee for functional matters.

The Audit Committee in its quarterly meetings reviews the internal audit and controls reports. The Company's internal controls are commensurate with the size and operations of the business. Continuous internal monitoring mechanism ensures timely identification and redressal of issues.

### RECONCILIATION OF SHARE CAPITAL

A qualified Practising Company Secretary carried out quarterly audits to reconcile the total admitted equity share capital with National Securities Depository Limited (NSDL) and Central Depository Services (India) Limited (CDSL), along with the total issued and listed equity share capital. These audits confirm that the total issued and paid up equity share capital tallies with the total number of equity shares in physical form, plus the total number of dematerialised shares held by NSDL and CDSL.

### RISK MANAGEMENT POLICY

The Company has adopted a Risk Management Policy wherein all material risks faced by the Company are identified and assessed. The Company has formed a Risk Management Committee which 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 Risk Management Policy is uploaded on the website of the Company and can be accessed through the following weblink: [https://prod-metropolisindia-bucket.s3.ap-south-1.amazonaws.com/Investors/code-of-conduct/MHL\\_Risk-Management-Policy.pdf](https://prod-metropolisindia-bucket.s3.ap-south-1.amazonaws.com/Investors/code-of-conduct/MHL_Risk-Management-Policy.pdf)

### INTERNAL FINANCIAL CONTROL 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. Further, the members of the Audit Committee interact with the Statutory Auditors, Internal Auditors and the Management in dealing with matters within its terms of reference. During the year, such controls were assessed to find out whether there was any weakness in the Internal controls. Services of professional consultants were obtained to remove such weaknesses wherever required

and ensuring that the internal financial controls are robust and 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.

The details of the Internal financial control systems and their adequacy are included in a detailed manner in the Management Discussions and Analysis Report, which forms part of the Annual Report.

### MAINTENANCE OF COST RECORDS

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

### COST AUDITOR

Pursuant to the provisions of Section 148 of the Companies Act, 2013 the Company is required to have the audit of its Cost records. The aforementioned audit is required to be conducted by a Cost Accountant. The Board of Directors of the Company have on the recommendation of the Audit Committee, approved the appointment of M/s. Joshi Apte & Associates (Registration No. 00240) as the Cost Auditors of the Company to conduct Cost audit as prescribed under the Companies (Cost Records and Audit) Rules, 2014 for the financial year 2020-2021. The Board of Directors on recommendation of the Audit Committee have approved a remuneration of ₹ 1,00,000/- plus applicable GST and reimbursement of travelling and out of pocket expenses, subject to the ratification of their remuneration by the Members of the Company at the ensuing AGM.

M/s. Joshi Apte & Associates have, under Section 141 of the Act and the Rules framed thereunder, furnished a certificate confirming their eligibility and consent for appointment as Cost Auditors of the Company.

M/s. 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.

### 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 Subsidiary Company(ies) of the Company.

## BOARD'S REPORT (Contd.)

### CORPORATE SOCIAL RESPONSIBILITY (CSR) INITIATIVES

In compliance with the requirements of Section 135 of the Companies Act, 2013, read with Companies (Corporate Social Responsibility) Rules, 2014, the Board of Directors of your Company have constituted a Corporate Social Responsibility (CSR) Committee. The details such as Constitution, Terms of reference, etc. of the Committee and the meetings held during the year are detailed in the Corporate Governance Report, which forms a part of the Annual Report of the Company. The contents of the CSR Policy of the Company as approved by the Board on the recommendation of the CSR Committee are available on the website of the Company and can be accessed through the following web link: <https://prod-metropolisindia-bucket.s3.ap-south-1.amazonaws.com/Investors/CSR/Corporate-Social-Responsibility-Policy-1.pdf>

The complete details on the CSR activities is enclosed as **'Annexure-2'**

### CORPORATE GOVERNANCE

Report on Corporate Governance and Certificate by the Secretarial Auditors of the Company regarding compliance of the conditions of Corporate Governance as stipulated in Part C of Schedule V of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, are provided in a separate section and forms a part of the Annual Report of the Company.

### CREDIT RATING

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

### EMPLOYEE STOCK OPTIONS / RSU PLAN

The Nomination and Remuneration Committee of the Board of Directors of the Company, inter alia, administers and monitors the Employees' Stock Option Plan of the Company in accordance with the Securities and Exchange Board of India (Share Based Employee Benefits) Regulations, 2014 ("SEBI Regulations"). During the year under review, there was no change in the ESOP scheme of the Company.

The Company has an operative Metropolis Employee Stock Option Scheme 2015 (MESOS - 2015) which provides for grant of Stock Options to the eligible employees of the Company. The details of Employee Stock Options pursuant to Section 62 of the Companies Act, 2013 read with Rules made thereunder and SEBI (Share Based Employee Benefits) Regulations, 2014 are provided in **'Annexure-4'** to this Report.

During year under review, the Company has allotted 4,51,886 equity shares pursuant to the exercise of Options to the eligible employees of the Company under Metropolis Employee Stock Options Scheme 2015 (MESOS-2015).

Further, subsequently on May 29, 2020 the Committee also granted 10,000 Stock Options out of the lapsed options at the exercise price of ₹705.77 per option.

Further, on the recommendation of the Nomination and Remuneration Committee, the Board of Directors on February 6, 2020 and the Shareholders of the Company vide special resolution passed through the postal ballot process on April 6, 2020 approved the **"Metropolis Restricted Stock Unit, Plan 2020"** (RSU plan, 2020) for the eligible employees of the Company and its Subsidiaries.

As per the RSU plan, 2020, on the recommendation of the Nomination and Remuneration Committee, the Board of Directors of the Company on May 29, 2020 has granted 206,700 awards / Restrictive Stock Units to the eligible employees of the Company and its Subsidiaries at the exercise price of ₹2 (at Face Value) per unit.

No employees was issued Stock options during the year equal to or exceeding 1% of the issued capital of the Company.

### INDUSTRIAL RELATIONS

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

### PARTICULARS OF EMPLOYEES

The disclosure pertaining to the remuneration and other details as required under Section 197 (12) of the Companies Act, 2013 read with Rule 5 (1) of the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014 is annexed as **'Annexure-5'** and forms a part of this Report.

The statement containing names of Top ten employees in terms of remuneration drawn and the Particulars of Employees as required under Section 197(12) of the Act read with Rule 5(2) and 5(3) of the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014, is available for inspection and any Member interested in obtaining a copy of the same may write to the Company Secretary of the Company.

### DEMATERIALIZATION OF SHARES

All the Shares of your Company (except 2 Equity shares held in physical mode) are in Dematerialization mode. The ISIN of the Equity Shares of your Company is INE112L01020.

### 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:

## BOARD'S REPORT (Contd.)

|   |  |   |
|---|--|---|
| <b>A CONSERVATION OF ENERGY</b>                           |  |   |
| i)  | Steps taken or impact on conservation of energy  | <p>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 workplaces by educating and training the employees to conserve energy.</p> <p>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.</p> <p>Every year, energy audit is conducted at Central Laboratory of the Company which is carried out by Independent Professional Agency.</p> |
| 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>B TECHNOLOGY ABSORPTION</b>                            |  |   |
| 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   |
| <b>C FOREIGN EXCHANGE EARNINGS AND OUTGO (₹ in Lakhs)</b> |  |   |
| i)  | Foreign Exchange inflow  | 998.23  |
| ii)   | Foreign Exchange outflow   | 109.99  |

## VIGIL MECHANISM/ WHISTLEBLOWER

Your Company has in place a Vigil mechanism as required under Section 177 of the Companies Act, 2013 and the SEBI (Listing Obligations and Disclosures Requirements) Regulations, 2015, for Directors and Employees to report their genuine concerns about unethical behaviour, actual or suspected fraud, or violation of the Company's Code of Conduct, the details of which are given in the Corporate Governance Report which forms a part of the Annual Report of the Company.

The Policy on Vigil Mechanism and Whistleblower is available on the website of the Company and can be accessed through the following weblink: [https://prod-metropolisindia-bucket.s3.ap-south-1.amazonaws.com/Investors/code-of-conduct/MHL\\_Whistle-Blower-PolicyA.pdf](https://prod-metropolisindia-bucket.s3.ap-south-1.amazonaws.com/Investors/code-of-conduct/MHL_Whistle-Blower-PolicyA.pdf)

**BOARD'S REPORT (Contd.)****DISCLOSURE UNDER THE SEXUAL HARASSMENT OF WOMEN AT WORKPLACE (PREVENTION, PROHIBITION AND REDRESSAL) ACT, 2013**

Your Company has adopted a policy on prevention, prohibition and redressal of sexual harassment at the workplace in line with the provisions of the Sexual Harassment of Women at Workplace (Prevention, Prohibition and Redressal) Act, 2013 and the rules framed thereunder. The Company has an Internal Complaints Committee for providing a redressal mechanism pertaining to sexual harassment of women employees at the workplace. During the year, 2 (Two) Complaints were received, out of which, 1 (One) Complaint has been resolved and the other one will be disposed off in accordance with the Company's policy on prevention, prohibition and redressal of sexual harassment at workplace.

**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**

The 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 thank the Company's employees, vendors, investors, consultants and bankers for their continuous support. The Directors also thank the Government of India, concerned Government departments and agencies for their co-operation.

The Directors regret the loss of life due to COVID-19 pandemic and are deeply grateful and have immense respect for every person who risked their life and safety to fight this pandemic. The Directors appreciate and value the contribution made by every member of the metropolis.

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

**Dr. Sushil Kanubhai Shah**

Chairman & Executive Director

(DIN: 00179918)

Place: Mumbai

Date: May 29, 2020

# ANNEXURE - 1

## SECRETARIAL AUDIT REPORT

### FOR THE FINANCIAL YEAR ENDED MARCH 31, 2020

[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** (L73100MH2000PLC192798) 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 March 31, 2020 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 March 31, 2020 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, 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;
- (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 - 1(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) *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; and*
- (b) *the submission of Annual Performance Report (relating to the financial year 2018-19) in respect of its overseas Joint Venture (JV) viz., Star Metropolis Healthcare Middle East LLC, Dubai, UAE has not been submitted to RBI.*

**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. Pursuant to an Initial Public Offering (made by way of an Offer for Sale by selling shareholders) of 1,36,85,095 equity shares of ₹ 2/- each, for cash at a price of ₹ 880/- (including a premium of ₹ 878/-) per share, vide Prospectus dated April 8, 2019, 5,01,78,680 equity shares of ₹ 2/- each of the company were listed and admitted to dealings at BSE Ltd. and National Stock Exchange of India Ltd. on April 15, 2019;
2. The Board of Directors at their meeting held on February 6, 2020 declared the payment of an interim dividend (for the financial year 2019-20) @ ₹ 8 per share aggregating to ₹ 40,14,29,440/- (excluding dividend distribution tax) on the equity share capital of the Company;
3. The Board of Directors of the Company, at its meeting held on January 15, 2020, has approved acquisition of 51% of stake i.e., 5,100 Equity Shares of M/s. Shraddha Diagnostic Centre (I) Private Limited from its existing shareholders at a consideration of ₹ 9,36,30,000/-;
4. The Company has allotted, on February 18, 2020, 4,51,886 fully paid up Equity Shares of ₹ 2/- each to the grantees upon exercise of stock options pursuant to Metropolis Employees Stock Options Scheme - 2015 ("MESOS 2015"); and
5. The Board at its meeting held on February 6, 2020, has approved the Metropolis Restrictive Stock Unit Plan, 2020 for the employees of the Company and its Subsidiaries, if any. Further the same has also been approved by the Members of the Company vide Special Resolution passed through the process of postal ballot including electronic voting on April 6, 2020.

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: May 29, 2020

UDIN: F006252B000297136

## '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. Wherever 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, regulations, 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.
7. On account of severe restrictions imposed by the Government Authorities on opening of offices, travel and movement (hereinafter "Lockdown") due to Covid19 pandemic (which commenced during the last week of March'2020 and continued till May'2020), we for the purpose of completion of our audit had to rely on documents and papers provided in electronic form through email/other virtual means for verification of compliances.

For **Manish Ghia & Associates**  
Company Secretaries

**Manish L. Ghia**

Partner

M. No. FCS 6252

C.P. No. 3531

Place: Mumbai  
Date: May 29, 2020  
UDIN: F006252B000297136

## ANNEXURE - 2

### ANNUAL REPORT ON 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:

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 our communities. We believe, we not only exist for doing good business but also, for ensuring the betterment of the society.

We actively contribute to ensure that the people living in local areas around our business operations lead a good quality life. Towards achieving long-term stakeholder value, 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 the marginalized.

The Board of Directors of the Company ('the Board') adopted the CSR Policy ('the Policy') on December 3, 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.

For details of the CSR Policy along with projects and programs, kindly refer to the following weblink: <https://prod-metropolisindia-bucket.s3.ap-south-1.amazonaws.com/Investors/CSR/Corporate-Social-Responsibility-Policy-1.pdf>

#### 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 2020:

Mr. Vivek Gambhir - Non-Executive Independent Director - Chairman

Mr. Milind Shripad Sarwate- Non-Executive Independent Director - Member

Ms. Ameera Sushil Shah- Managing Director - 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: ₹ 1,23,04,29,883/-

#### 4. PRESCRIBED CSR EXPENDITURE (TWO PERCENT OF THE AVERAGE NET PROFIT OF THE COMPANY FOR THE LAST THREE FINANCIAL YEARS):

As per the provisions of Section 135 of the Companies Act, 2013, read with rules framed there under, the corpus amount to be spent by the Company to meet its CSR obligation shall be at least 2% of the Average Net Profits of the Company for the preceding three financial years, which amounts to ₹ 2,46,08,598/-

#### 5. DETAILS OF CSR SPENT DURING THE FINANCIAL YEAR.

| Sr. No. | Particulars                                     | Amount (in ₹) |
|---------|---|---------------|
| (a)     | Total amount to be spent for the financial year | 2,46,08,598/- |
| (b)     | Amount unspent, if any                          | 1,69,11,386/- |

**ANNEXURE - 2 (Contd.)**

(c) Manner in which amount spent during the financial year is given below along with the details of project undertaken during the year:

| (1)     | (2)  | (3)                                    | (4)  | (5)  | (6)   | (7)  | (8)  |
|---------|--|--|--|--|---|--|--|
| Sr. No. | CSR Project or activity Identify   | Sector in which the project is covered | Projects or Programs<br>1. Local Area or Other<br>2. Specify the state and district where projects or program was undertaken | Amount outlay (budget) project or programs wise (In ₹) | Amount spent on the projects or programs<br>Subheads:<br>(1) Direct expenditure on projects or programs.<br>(2) Overheads: (In ₹) | Cumulative expenditure up to the reporting period (In ₹) | Amount spent: Direct or through implementing agency (In ₹) |
| 1       | Promoting education including continuing medical education.                        | Promoting Education                    | PAN India  |  |   |  | Direct   |
|         |  | • Medengage                            |  | 35,00,000  | 10,26,476   | 67,66,922  |  |
|         |  | • Conquer PCOS                         |  | 35,00,000  | 25,72,183   |  |  |
|         |  | • Too shy to Ask                       |  | 30,00,000  | 31,68,263   |  |  |
| 2       | Women Empowerment and Employment Enhancement and vocational skills among children. | Empowering women: Empowerness          | PAN India  | 20,00,000  | 9,30,290  | 9,30,290   | Direct   |
|         | <b>Total</b>   |  |  |  |   | <b>76,97,212</b>   |  |

**ANNEXURE - 2 (Contd.)****6. IN CASE THE COMPANY HAS FAILED TO SPEND THE 2% 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 under review, the Company has spent a part of its CSR obligations on the identified projects.

However, the Company had initially planned to outlay the total unspent amount towards its CSR obligations for the financial year in the month of March, 2020 itself, but keeping in mind the evolving pandemic situation of COVID-19 during that time, the Company held back the amount of ₹ 1,69,11,386/- and decided to explore more productive ways of spending the funds allocated towards CSR on community based developments, primarily to provide support to the society to combat COVID-19.

The Committee has approved to donate the unspent balance amount of ₹ 1,69,11,386/- to an NGO named "We Foundation" which will specifically spend the funds donated by the Company on the activities to combat the COVID-19 pandemic. The same would be in line with the General Circular No. 10/2020 dated March 23, 2020 issued by the Ministry of Corporate Affairs for spending of CSR funds for COVID-19 to be eligible for CSR activity.

**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**

Member of CSR Committee

DIN: 00208095

Place: Mumbai

Date: May 29, 2020

**Vivek Gambhir**

Chairman of CSR Committee

DIN: 06527810

Place: Mumbai

Date: May 29, 2020

## ANNEXURE - 3

### FORM NO. MGT-9

#### EXTRACT OF ANNUAL RETURN

as on the financial year ended on March 31, 2020

[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   | L73100MH2000PLC192798   |
| 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.<br>Tel No: 022- 62582810<br>Email id: secretarial@metropolisindia.com<br>Website: www.metropolisindia.com  |
| vi.  | Whether listed company  | Yes   |
| vii. | Name, Address and Contact details of Registrar and Transfer Agent, if any | Link Intime India Private Limited<br>C-101, 1st Floor, 247 Park, Lal Bahadur Shastri Marg, Vikhroli (West), Mumbai - 400083, Maharashtra, India.<br>Phone No.: 022-49186000.<br>Email: rnt.helpdesk@linkintime.co.in<br>Website: www.linkintime.co.in |

#### 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      | <b>Amin's Pathology Laboratory Private Limited</b><br>250 D, Udyog Bhavan, Worli,<br>Mumbai 400030, Maharashtra   | U52300MH2012PTC236779 | Subsidiary                      | 100              | 2(87)(ii)          |
| 2      | <b>Bokil Golwilkar Metropolis Healthcare Private Limited</b><br>4th floor office, Block 4.2, Kohinoor City, Kiroli Road Kurla (West), Off L.B.S Marg, Mumbai 400070, Maharashtra. | U93000MH2013PTC247672 | Subsidiary                      | 100              | 2(87)(ii)          |

## ANNEXURE - 3 (Contd.)

| Sr. No | Name And Address Of The Company  | CIN/GLN               | Holding/ Subsidiary / Associate | % of shares held | Applicable Section |
|--------|--|-----------------------|---------------------------------|------------------|--------------------|
| 3      | <b>Desai Metropolis Health Services Private Limited</b><br>11-14, Maher Park, Tower A, 1st Floor, J P Road, Athwagate, Surat 395001, Gujarat.  | U85195GJ2008PTC052594 | Subsidiary                      | 100              | 2(87)(ii)          |
| 4      | <b>Dr. Patel Metropolis Healthcare Private Limited</b><br>250-D, Udyog Bhavan, Hind Cycle Marg, Worli Mumbai 400030, Maharashtra.  | U85195MH2009PTC191630 | Subsidiary                      | 100              | 2(87)(ii)          |
| 5      | <b>Ekopath Metropolis Lab Services Private Limited</b><br>4th Floor, Office (Entire Floor) Block 4.2, Kohinoor City, Kiroi Road, Kurla (West) Off LBS Marg, Mumbai 400070, Maharashtra.  | U93000MH2013PTC240481 | Subsidiary                      | 60               | 2(87)(ii)          |
| 6      | <b>Lab One Metropolis Healthcare Services Private Limited</b><br>250 D, Udyog Bhavan, Worli, Mumbai 400030, Maharashtra.   | U93030MH2012PTC237337 | Subsidiary                      | 100              | 2(87)(ii)          |
| 7      | <b>Micron Metropolis Healthcare Private Limited</b><br>250 D, Udyog Bhavan, Worli, Mumbai 400030.  | U93000MH2011PTC224985 | Subsidiary                      | 100              | 2(87)(ii)          |
| 8      | <b>R.V. Metropolis Diagnostic &amp; Health Care Center Private Limited</b><br>No.21,10th Cross Yellappagarden Malleshwaram, Bangalore- 560003.   | U85110KA2005PTC035919 | Subsidiary                      | 100              | 2(87)(ii)          |
| 9      | <b>Raj Metropolis Healthcare Private Limited</b><br>4, Shreenath Shopping Centre, S.T Workshop Road, Mehsana 384002, Gujarat.  | U85191GJ2012PTC068896 | Subsidiary                      | 51               | 2(87)(ii)          |
| 10     | <b>Sudharma Metropolis Health Services Private Limited</b><br>Patturikal Junction, Shornur Road, Thrissur 680001, Kerala.  | U85195KL1983PTC003809 | Subsidiary                      | 100              | 2(87)(ii)          |
| 11     | <b>Metropolis Histoxpert Digital Services Private Limited</b><br>4th floor, Unit Nos. 409 to 416, Kohinoor City Mall, Kiroi Road, Off LBS Marg, Kurla (West), Mumbai 400070, Maharashtra.  | U85320MH2018PTC304941 | Subsidiary                      | 65               | 2(87)(ii)          |
| 12     | <b>Metropolis Bramser Lab Services (Mtius) Limited</b><br>25, Pope Hennessy Street, Port Louis, Mauritius.   | 110318                | Step-down Subsidiary            | 100              | 2(87)(ii)          |
| 13     | <b>Metropolis Healthcare (Mauritius) Ltd</b><br>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     | <b>Metropolis Healthcare (Tanzania) Ltd</b><br>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             | Step-down Subsidiary            | 99.99            | 2(87)(ii)          |

**ANNEXURE - 3 (Contd.)**

| Sr. No | Name And Address Of The Company   | CIN/GLN        | Holding/ Subsidiary / Associate | % of shares held | Applicable Section |
|--------|---|----------------|---------------------------------|------------------|--------------------|
| 15     | <b>Metropolis Healthcare Ghana Ltd</b><br>1st Floor, Pyramid Building, Ring Road, AMA, Greater Accra, P.O. Box no 3368, Accra, Ghana.             | CS344072014    | Step-down Subsidiary            | 100              | 2(87)(ii)          |
| 16     | <b>Metropolis Healthcare Lanka (Pvt.) Limited</b><br>No. 25, Narahenpita Road, Nawala, Sri Lanka.   | P.V. 6025      | Subsidiary                      | 100              | 2(87)(ii)          |
| 17     | <b>Metropolis Healthcare Uganda Ltd.</b><br>Plot 78, Kampala Road, Kampala, Uganda.   | 205262         | Step-down Subsidiary            | 100              | 2(87)(ii)          |
| 18     | <b>Metropolis Star Lab Kenya Limited</b><br>L. R. No. 209/15280 Mediplaza, 4th floor, 3rd Parklands Avenue, P.O. Box 39107 00623, Nairobi, Kenya. | CPR/2010/21944 | Step-down Subsidiary            | 100              | 2(87)(ii)          |
| 19     | <b>Star Metropolis Health Services (Middle East) LLC</b><br>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 (April 1, 2019) |          |                    |                   | No. of Shares held at the end of the year (March 31, 2020) |          |                    |                   | % Change during the year |
|---|---|----------|--------------------|-------------------|--|----------|--------------------|-------------------|--------------------------|
|   | Demat   | Physical | Total              | % of Total Shares | Demat  | Physical | Total              | % of Total Shares |                          |
| <b>A. Promoter</b>  |   |          |                    |                   |  |          |                    |                   |                          |
| <b>1) Indian</b>  |   |          |                    |                   |  |          |                    |                   |                          |
| a) Individual/ HUF  |   |          |                    |                   |  |          |                    |                   |                          |
| Promoters   | 1,01,79,425   | -        | 1,01,79,425        | 20.28             | 39,07,090  | -        | 39,07,090          | 7.72              | -12.56                   |
| Promoters Group   | 92,09,230   | -        | 92,09,230          | 18.35             | 92,09,230  | -        | 92,09,230          | 18.19             | -0.16*                   |
| b) Central Govt   | -   | -        | -                  | -                 | -  | -        | -                  | -                 | -                        |
| c) State Govt(s)  | -   | -        | -                  | -                 | -  | -        | -                  | -                 | -                        |
| d) Bodies Corp  | 1,46,30,120   | -        | 1,46,30,120        | 29.16             | 1,56,91,216  | -        | 1,56,91,216        | 30.99             | 1.84                     |
| e) Banks / FI   | -   | -        | -                  | -                 | -  | -        | -                  | -                 | -                        |
| f) Any Other  | -   | -        | -                  | -                 | -  | -        | -                  | -                 | -                        |
| <b>Sub-total(A)(1):-</b>                                  | <b>3,40,18,775</b>  | <b>-</b> | <b>3,40,18,775</b> | <b>67.80</b>      | <b>2,88,07,536</b>   | <b>-</b> | <b>2,88,07,536</b> | <b>56.90</b>      | <b>-10.90</b>            |
| <b>2) Foreign</b>   |   |          |                    |                   |  |          |                    |                   |                          |
| g) NRIs-Individuals                                       | -   | -        | -                  | -                 | -  | -        | -                  | -                 | -                        |
| h) Other-Individuals                                      | -   | -        | -                  | -                 | -  | -        | -                  | -                 | -                        |
| i) Bodies Corp.   | -   | -        | -                  | -                 | -  | -        | -                  | -                 | -                        |
| j) Banks / FI   | -   | -        | -                  | -                 | -  | -        | -                  | -                 | -                        |
| <b>Sub-total (A)(2):-</b>                                 | <b>-</b>  | <b>-</b> | <b>-</b>           | <b>-</b>          | <b>-</b>   | <b>-</b> | <b>-</b>           | <b>-</b>          | <b>-</b>                 |
| <b>Total Shareholding of Promoter (A) = (A)(1)+(A)(2)</b> | <b>3,40,18,775</b>  | <b>-</b> | <b>3,40,18,775</b> | <b>67.80</b>      | <b>2,88,07,536</b>   | <b>-</b> | <b>2,88,07,536</b> | <b>56.90</b>      | <b>-10.90</b>            |

## ANNEXURE - 3 (Contd.)

| Category of Shareholders  | No. of Shares held at the beginning of the year (April 1, 2019) |          |             |                   | No. of Shares held at the end of the year (March 31, 2020) |          |                   |                   | % Change during the year |
|---|---|----------|-------------|-------------------|--|----------|-------------------|-------------------|--------------------------|
|   | Demat   | Physical | Total       | % of Total Shares | Demat  | Physical | Total             | % of Total Shares |                          |
| <b>B. Public Shareholding</b>   |   |          |             |                   |  |          |                   |                   |                          |
| <b>1. Institutions</b>  |   |          |             |                   |  |          |                   |                   |                          |
| a) Mutual Funds   | -   | -        | -           | -                 | 30,42,316  | -        | 30,42,316         | 6.01              | 6.01                     |
| b) Banks / Financial Institutions   | -   | -        | -           | -                 | 1,871  | -        | 1,871             | 0.00              | 0.00                     |
| c) Central Govt   | -   | -        | -           | -                 | -  | -        | -                 | -                 | -                        |
| d) State Govt(s)  | -   | -        | -           | -                 | -  | -        | -                 | -                 | -                        |
| e) Venture Capital Funds  | -   | -        | -           | -                 | -  | -        | -                 | -                 | -                        |
| f) Insurance Companies  | -   | -        | -           | -                 | 2,000  | -        | 2,000             | 0.00              | 0.00                     |
| g) FIIs/Foreign Portfolio Investor  | -   | -        | -           | -                 | 81,70,870  | -        | 81,70,870         | 16.14             | 16.14                    |
| h) Foreign Venture Capital Funds  | -   | -        | -           | -                 | -  | -        | -                 | -                 | -                        |
| Others (Specify)  |   |          |             |                   |  |          |                   |                   |                          |
| Alternate Investment Fund   | -   | -        | -           | -                 | 45,409   | -        | 45,409            | 0.09              | 0.09                     |
| <b>Sub-Total (B)(1):</b>  | <b>-</b>  | <b>-</b> | <b>-</b>    | <b>-</b>          | <b>11,262,466</b>  | <b>-</b> | <b>11,262,466</b> | <b>22.24</b>      | <b>22.24</b>             |
| <b>2. Non-Institutions</b>  |   |          |             |                   |  |          |                   |                   |                          |
| a) Bodies Corp.   |   |          |             |                   |  |          |                   |                   |                          |
| i. Indian   | -   | -        | -           | -                 | 15,82,295  | -        | 15,82,295         | 3.13              | 3.13                     |
| ii. Overseas  | 1,56,53,435   | -        | 1,56,53,435 | 31.20             | 71,79,579  | -        | 71,79,579         | 14.18             | -17.02                   |
| b) Individuals  |   |          |             |                   |  |          |                   |                   |                          |
| i. Individual shareholders holding nominal share capital up to ₹ 1 lakh         | 1,93,170  | -        | 1,93,170    | 0.38              | 12,43,136  | 2        | 12,43,138         | 2.45              | 2.07                     |
| ii. Individual shareholders holding nominal share capital in excess of ₹ 1 lakh | 3,13,290  | -        | 3,13,290    | 0.62              | 4,00,725   | -        | 4,00,725          | 0.79              | 0.17                     |
| C) Others (Specify)   | -   | -        | -           | -                 | -  | -        | -                 | -                 | -                        |
| Trust Employee  | -   | -        | -           | -                 | 1,024  | -        | 1,024             | 0.00              | 0.00                     |
| Hindu Undivided Family  | -   | -        | -           | -                 | 35,485   | -        | 35,485            | 0.07              | 0.07                     |
| Non Resident Indians (Non Repat)  | -   | -        | -           | -                 | 8,359  | -        | 8,359             | 0.02              | 0.02                     |
| Non Resident Indians (Repat)  | -   | -        | -           | -                 | 28,833   | -        | 28,833            | 0.06              | 0.05                     |
| Clearing Member   | -   | -        | -           | -                 | 81,126   | -        | 81,126            | 0.16              | 0.16                     |

**ANNEXURE - 3 (Contd.)**

| Category of Shareholders                               | No. of Shares held at the beginning of the year (April 1, 2019) |          |                    |                   | No. of Shares held at the end of the year (March 31, 2020) |          |                    |                   | % Change during the year |
|--|---|----------|--------------------|-------------------|--|----------|--------------------|-------------------|--------------------------|
|  | Demat   | Physical | Total              | % of Total Shares | Demat  | Physical | Total              | % of Total Shares |                          |
| Foreign Portfolio Investor                             | -   | -        | -                  | -                 | -  | -        | -                  | -                 | -                        |
| <b>Sub Total (B) (2):</b>                              | <b>1,61,59,895</b>  | <b>-</b> | <b>1,61,59,895</b> | <b>32.20</b>      | <b>10,560,562</b>  | <b>2</b> | <b>10,560,564</b>  | <b>20.87</b>      | <b>-11.34</b>            |
| <b>Total Public Shareholding (B)=(B)(1)+(B)(2)</b>     | <b>1,61,59,895</b>  | <b>-</b> | <b>1,61,59,895</b> | <b>32.20</b>      | <b>2,18,23,028</b>   | <b>2</b> | <b>2,18,23,030</b> | <b>43.10</b>      | <b>10.90</b>             |
| <b>C. Shares held by Custodian for GDRS &amp; ADRS</b> | <b>-</b>  | <b>-</b> | <b>-</b>           | <b>-</b>          | <b>-</b>   | <b>-</b> | <b>-</b>           | <b>-</b>          | <b>-</b>                 |
| <b>Grand Total(A+B+C)</b>                              | <b>5,01,78,670</b>  | <b>-</b> | <b>5,01,78,670</b> | <b>100.00</b>     | <b>5,06,30,564</b>   | <b>2</b> | <b>5,06,30,566</b> | <b>100.00</b>     | <b>-</b>                 |

\*Although the No. of shares held by Dr. Duru Sushil Shah is same throughout the year, % Change in the shareholding is due to change in total no. of Equity shares of the Company from 5,01,78,670 shares to 5,06,30,566.

**ii. Shareholding of Promoters**

| Sr. No | Shareholder's Name       | Shareholding at the beginning of the year (April 1, 2019) |                                  |  | Shareholding at the end of the year (March 31, 2020) |                                  |  | % 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 held* |  |
| 1.     | Dr. Sushil Kanubhai Shah | 99,97,580   | 19.92                            | -  | 37,25,245  | 7.36                             | 71.87  | (12.56)                                  |
| 2.     | Dr. Duru Sushil Shah     | 92,09,230   | 18.35                            | -  | 92,09,230  | 18.19                            | 64.17  | (0.16)**                                 |
| 3.     | Ms. Ameera Sushil Shah   | 1,81,845  | 0.36                             | -  | 1,81,845   | 0.36                             | 0.00   | 0.00                                     |
| 4.     | METZ Advisory LLP        | 1,46,30,120   | 29.16                            | -  | 1,56,91,216  | 30.99                            | 7.39   | 1.84                                     |
|        | <b>Total</b>             | <b>3,40,18,775</b>  | <b>67.80</b>                     | <b>-</b>   | <b>2,88,07,536</b>                                   | <b>56.90</b>                     | <b>-</b>   | <b>(10.90)</b>                           |

\* % of Shares Pledged / encumbered is calculated as a percentage of the total number of shares held by the Promoter / Promoter Group

\*\*Although the No. of shares held by Dr. Duru Sushil Shah is same throughout the year, % Change in the shareholding is due to change in total no. of Equity shares of the Company from 5,01,78,670 shares to 5,06,30,566.

**iii. Change in Promoters' Shareholding**

| Sr. No. | Name of Promoters        | Shareholding at the beginning of the year (April 1, 2019) |                                  | Date           | Net Increase/ (Decrease) in shareholding | Reason          | Cumulative Shareholding during the year (April 1, 2019 to March 31, 2020) |                                  |
|---------|--------------------------|---|----------------------------------|----------------|--|-----------------|---|----------------------------------|
|         |                          | No. of shares   | % of total shares of the company |                |  |                 | No. of shares   | % of total shares of the company |
| a)      | Dr. Sushil Kanubhai Shah | 99,97,580   | 19.92                            | April 11, 2019 | (62,72,335)                              | Sold in the IPO | 37,25,245   | 7.36                             |
|         |                          |   |                                  | March 31, 2020 |  |                 | 37,25,245   | 7.36                             |
| b)      | Ms. Ameera Sushil Shah   | 1,81,845  | 0.36                             | —              | —  | —               | 1,81,845  | 0.36                             |
|         |                          |   |                                  | March 31, 2020 |  |                 | 1,81,845  | 0.36                             |

## ANNEXURE - 3 (Contd.)

| Sr. No. | Name of Promoters    | Shareholding at the beginning of the year (April 1, 2019) |                                  | Date           | Net Increase/ (Decrease) in shareholding | Reason  | Cumulative Shareholding during the year (April 1, 2019 to March 31, 2020) |                                  |
|---------|----------------------|---|----------------------------------|----------------|--|---|---|----------------------------------|
|         |                      | No. of shares   | % of total shares of the company |                |  |   | No. of shares   | % of total shares of the company |
| c)      | Dr. Duru Sushil Shah | 92,09,230   | 18.40                            | —              | —  | —   | 92,09,230   | 18.19                            |
|         |                      |   |                                  | March 31, 2020 |  |   | 92,09,230   | 18.19                            |
| d)      | METZ Advisory LLP    | 1,46,30,120   | 29.16                            | April 8, 2019  | 10,61,096                                | Purchased from CA Lotus Investments as per SPA prior to IPO | 1,56,91,216   | 30.99                            |
|         |                      |   |                                  | March 31, 2020 |  |   | 1,56,91,216   | 30.99                            |

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

| Sr. No. | Name                            | Shareholding at the beginning of the year (April 1, 2019) |                                  | Date           | Net Increase/ (Decrease) in shareholding | Reason  | Cumulative Shareholding during the year (April 1, 2019 to March 31, 2020) |                                  |
|---------|---------------------------------|---|----------------------------------|----------------|--|---|---|----------------------------------|
|         |                                 | No. of shares   | % of total shares of the company |                |  |   | No. of shares   | % of total shares of the company |
| 1       | CA Lotus Investments            | 1,56,53,435   | 31.2                             | April 8, 2019  | (10,61,096)                              | Sold to Metz Advisory LLP as per SPA prior to IPO | 1,45,92,339   | 28.82                            |
|         |                                 |   |                                  | April 11, 2019 | (74,12,760)                              | Market Sale                                       | 71,79,579   | 14.18                            |
|         |                                 |   |                                  | March 31, 2020 |  |   | 71,79,579   | 14.18                            |
| 2       | Smallcap World Fund, INC        | 0   | 0                                | April 11, 2019 | 20,45,882                                | allotment in IPO                                  | 20,45,882   | 4.04                             |
|         |                                 |   |                                  | April 15, 2019 | 7,54,545                                 | Market Purchase                                   | 28,00,427   | 5.53                             |
|         |                                 |   |                                  | April 26, 2019 | 8,923                                    | Market Purchase                                   | 28,09,350   | 5.55                             |
|         |                                 |   |                                  | March 6, 2020  | (93,663)                                 | Market Sale                                       | 27,15,687   | 5.36                             |
|         |                                 |   |                                  | March 13, 2020 | (2,711)                                  | Market Sale                                       | 27,12,976   | 5.36                             |
|         |                                 |   |                                  | March 27, 2020 | 67,770                                   | Market Purchase                                   | 27,80,746   | 5.49                             |
|         |                                 |   |                                  | March 31, 2020 |  |   | 27,80,746   | 5.49                             |
| 3       | Bright Star Investments Pvt Ltd | 0   | 0                                | April 19, 2019 | 14,45,079                                | Market Purchase                                   | 14,45,079   | 2.85                             |
|         |                                 |   |                                  | April 26, 2019 | 51                                       | Market Purchase                                   | 14,45,130   | 2.85                             |
|         |                                 |   |                                  | March 31, 2020 |  |   | 14,45,130   | 2.85                             |

**ANNEXURE - 3 (Contd.)**

| Sr. No. | Name              | Shareholding at the beginning of the year (April 1, 2019) |                                  | Date              | Net Increase/ (Decrease) in share-holding | Reason               | Cumulative Shareholding during the year (April 1, 2019 to March 31, 2020) |                                  |
|---------|-------------------|---|----------------------------------|-------------------|---|----------------------|---|----------------------------------|
|         |                   | No. of shares   | % of total shares of the company |                   |   |                      | No. of shares   | % of total shares of the company |
| 4       | UTI - Equity Fund | 0   | 0                                | April 11, 2019    | 2,38,646                                  | Allotment in the IPO | 2,38,646  | 0.47                             |
|         |                   |   |                                  | April 19, 2019    | 2,39,446                                  | Market Purchase      | 4,78,092  | 0.94                             |
|         |                   |   |                                  | April 26, 2019    | 1,28,640                                  | Market Purchase      | 6,06,732  | 1.20                             |
|         |                   |   |                                  | May 3, 2019       | 19,000                                    | Market Purchase      | 6,25,732  | 1.24                             |
|         |                   |   |                                  | May 10, 2019      | 42,017                                    | Market Purchase      | 6,67,749  | 1.32                             |
|         |                   |   |                                  | May 17, 2019      | 10,000                                    | Market Purchase      | 6,77,749  | 1.34                             |
|         |                   |   |                                  | May 24, 2019      | 17,000                                    | Market Purchase      | 6,94,749  | 1.37                             |
|         |                   |   |                                  | June 21, 2019     | 7,000                                     | Market Purchase      | 7,01,749  | 1.39                             |
|         |                   |   |                                  | June 29, 2019     | 23,000                                    | Market Purchase      | 7,24,749  | 1.43                             |
|         |                   |   |                                  | July 5, 2019      | 13,000                                    | Market Purchase      | 7,37,749  | 1.46                             |
|         |                   |   |                                  | July 12, 2019     | 42,000                                    | Market Purchase      | 7,79,749  | 1.54                             |
|         |                   |   |                                  | August 30, 2019   | 36,680                                    | Market Purchase      | 8,16,429  | 1.61                             |
|         |                   |   |                                  | November 29, 2019 | 27,000                                    | Market Purchase      | 8,43,429  | 1.67                             |
|         |                   |   |                                  | December 6, 2019  | 27,000                                    | Market Purchase      | 8,70,429  | 1.72                             |
|         |                   |   |                                  | December 13, 2019 | 35,040                                    | Market Purchase      | 9,05,469  | 1.79                             |
|         |                   |   |                                  | December 20, 2019 | 83,000                                    | Market Purchase      | 9,88,469  | 1.95                             |
|         |                   |   |                                  | December 27, 2019 | 49,413                                    | Market Purchase      | 10,37,882   | 2.05                             |
|         |                   |   |                                  | December 31, 2019 | 5,000                                     | Market Purchase      | 10,42,882   | 2.06                             |
|         |                   |   |                                  | January 3, 2020   | 9,000                                     | Market Purchase      | 10,51,882   | 2.08                             |
|         |                   |   |                                  | January 10, 2020  | 5,000                                     | Market Purchase      | 10,56,882   | 2.09                             |
|         |                   |   |                                  | January 31, 2020  | (3,000)                                   | Market Sale          | 10,53,882   | 2.08                             |
|         |                   |   |                                  | February 14, 2020 | 26,130                                    | Market Purchase      | 10,80,012   | 2.13                             |
|         |                   |   |                                  | March 13, 2020    | 8,000                                     | Market Purchase      | 10,88,012   | 2.15                             |
|         |                   |   |                                  | March 20, 2020    | 17,500                                    | Market Purchase      | 11,05,512   | 2.18                             |
|         |                   |   |                                  | March 27, 2020    | 74,356                                    | Market Purchase      | 11,79,868   | 2.33                             |
|         |                   |   |                                  | March 31, 2020    |   |                      | 11,79,868   | 2.33                             |

### ANNEXURE - 3 (Contd.)

| Sr. No. | Name  | Shareholding at the beginning of the year (April 1, 2019) |                                  | Date               | Net Increase/ (Decrease) in share-holding | Reason               | Cumulative Shareholding during the year (April 1, 2019 to March 31, 2020) |                                  |
|---------|---|---|----------------------------------|--------------------|---|----------------------|---|----------------------------------|
|         |   | No. of shares   | % of total shares of the company |                    |   |                      | No. of shares   | % of total shares of the company |
| 5       | Aditya Birla Sun Life Trustee Private Limited A/C Aditya Birla Sun Life Equity Fund | 0   | 0                                | April 11, 2019     | 3,40,918                                  | Allotment in the IPO | 3490918   | 0.67                             |
|         |   |   |                                  | April 19, 2019     | 9,91,772                                  | Market Purchase      | 13,32,690   | 1.96                             |
|         |   |   |                                  | April 26, 2019     | 41,100                                    | Market Purchase      | 13,73,790   | 2.71                             |
|         |   |   |                                  | May 10, 2019       | 95,000                                    | Market Purchase      | 14,68,790   | 2.90                             |
|         |   |   |                                  | May 17, 2019       | 1,77,000                                  | Market Purchase      | 16,45,790   | 3.25                             |
|         |   |   |                                  | May 24, 2019       | 53,100                                    | Market Purchase      | 16,98,890   | 3.35                             |
|         |   |   |                                  | June 7, 2019       | (1,35,872)                                | Market Sale          | 15,63,018   | 3.09                             |
|         |   |   |                                  | June 14, 2019      | 600                                       | Market Purchase      | 15,63,618   | 3.09                             |
|         |   |   |                                  | June 21, 2019      | (65,885)                                  | Market Sale          | 14,97,733   | 2.96                             |
|         |   |   |                                  | July 12, 2019      | 16,500                                    | Market Purchase      | 15,14,233   | 2.99                             |
|         |   |   |                                  | July 19, 2019      | 16,500                                    | Market Purchase      | 15,30,733   | 3.02                             |
|         |   |   |                                  | July 26, 2019      | 8,049                                     | Market Purchase      | 15,38,782   | 3.04                             |
|         |   |   |                                  | August 2, 2019     | 7,300                                     | Market Purchase      | 15,46,082   | 3.05                             |
|         |   |   |                                  | August 23, 2019    | (25,000)                                  | Market Sale          | 15,21,082   | 3.00                             |
|         |   |   |                                  | September 13, 2019 | (7,000)                                   | Market Sale          | 15,14,082   | 2.99                             |
|         |   |   |                                  | November 1, 2019   | (1,653)                                   | Market Sale          | 15,12,429   | 2.99                             |
|         |   |   |                                  | December 13, 2019  | 1,077                                     | Market Purchase      | 15,13,506   | 2.99                             |
|         |   |   |                                  | December 27, 2019  | (1,150)                                   | Market Sale          | 15,12,356   | 2.99                             |
|         |   |   |                                  | February 7, 2020   | (1,627)                                   | Market Sale          | 15,10,729   | 2.98                             |
|         |   |   |                                  | February 14, 2020  | 2,730                                     | Market Purchase      | 15,13,459   | 2.99                             |
|         |   |   |                                  | March 6, 2020      | (4,876)                                   | Market Sale          | 15,08,583   | 2.98                             |
|         |   |   |                                  | March 20, 2020     | 25,000                                    | Market Purchase      | 15,33,583   | 3.03                             |
|         |   |   |                                  | March 31, 2020     |   |                      | 15,33,583   | 3.03                             |
| 6       | Fundsmith Emerging Equities Trust PLC   | 0   | 0                                | April 11, 2019     | 3,40,918                                  | Allotment in the IPO | 3,40,918  | 0.67                             |
|         |   |   |                                  | April 19, 2019     | 70,226                                    | Market Purchase      | 4,11,144  | 0.81                             |
|         |   |   |                                  | April 26, 2019     | 20,700                                    | Market Purchase      | 4,31,844  | 0.85                             |
|         |   |   |                                  | May 17, 2019       | 8,584                                     | Market Purchase      | 4,40,428  | 0.87                             |
|         |   |   |                                  | May 24, 2019       | 60,022                                    | Market Purchase      | 5,00,450  | 0.98                             |
|         |   |   |                                  | August 2, 2019     | 640                                       | Market Purchase      | 5,01,090  | 0.99                             |
|         |   |   |                                  | August 9, 2019     | 19,788                                    | Market Purchase      | 5,20,878  | 1.03                             |
|         |   |   |                                  | August 16, 2019    | 11,952                                    | Market Purchase      | 5,32,830  | 1.05                             |
|         |   |   |                                  | March 27, 2020     | 11,449                                    | Market Purchase      | 5,44,279  | 1.07                             |
|         |   |   |                                  | March 31, 2020     | 255                                       | Market Purchase      | 5,44,334  | 1.08                             |
|         |   |   |                                  | March 31, 2020     |   |                      | 5,44,334  | 1.08                             |

**ANNEXURE - 3 (Contd.)**

| Sr. No. | Name   | Shareholding at the beginning of the year (April 1, 2019) |                                  | Date              | Net Increase/ (Decrease) in shareholding | Reason               | Cumulative Shareholding during the year (April 1, 2019 to March 31, 2020) |                                  |
|---------|--|---|----------------------------------|-------------------|--|----------------------|---|----------------------------------|
|         |  | No. of shares   | % of total shares of the company |                   |  |                      | No. of shares   | % of total shares of the company |
| 7       | Wasatch International Opportunities Fund   | 0   | 0                                | April 11, 2019    | 97,699                                   | Allotment in the IPO | 97,699  | 0.19                             |
|         |  |   |                                  | June 7, 2019      | 87,552                                   | Market Purchase      | 1,85,251  | 0.37                             |
|         |  |   |                                  | June 14, 2019     | 15,653                                   | Market Purchase      | 2,00,904  | 0.40                             |
|         |  |   |                                  | June 21, 2019     | 53,750                                   | Market Purchase      | 2,54,654  | 0.50                             |
|         |  |   |                                  | August 23, 2019   | 2,431                                    | Market Purchase      | 2,57,085  | 0.51                             |
|         |  |   |                                  | August 30, 2019   | 84,190                                   | Market Purchase      | 3,41,275  | 0.67                             |
|         |  |   |                                  | October 18, 2019  | 87,660                                   | Market Purchase      | 4,28,935  | 0.85                             |
|         |  |   |                                  | January 10, 2020  | 20,594                                   | Market Purchase      | 4,49,529  | 0.89                             |
|         |  |   |                                  | January 17, 2020  | 48,510                                   | Market Purchase      | 4,98,039  | 0.98                             |
|         |  |   |                                  | March 31, 2020    |  |                      | 4,98,039  | 0.98                             |
| 8       | Grandeur Peak International Opportunities Fund   | 0   | 0                                | April 11, 2019    | 2,40,482                                 | Allotment in the IPO | 2,40,482  | 0.47                             |
|         |  |   |                                  | April 19, 2019    | 1,26,518                                 | Market Purchase      | 3,67,000  | 0.72                             |
|         |  |   |                                  | April 26, 2019    | 31,000                                   | Market Purchase      | 3,98,000  | 0.79                             |
|         |  |   |                                  | March 27, 2020    | 10,000                                   | Market Purchase      | 4,08,000  | 0.81                             |
|         |  |   |                                  | March 31, 2020    |  |                      | 4,08,000  | 0.81                             |
| 9       | Destinations International Equity Fund, A Series of Brinker Capital Destinations Trust | 0   | 0                                | April 11, 2019    | 72,760                                   | Allotment in the IPO | 72,760  | 0.14                             |
|         |  |   |                                  | June 7, 2019      | 59,368                                   | Market Purchase      | 1,32,128  | 0.26                             |
|         |  |   |                                  | June 14, 2019     | 10,611                                   | Market Purchase      | 1,42,739  | 0.28                             |
|         |  |   |                                  | June 21, 2019     | 36,451                                   | Market Purchase      | 1,79,190  | 0.35                             |
|         |  |   |                                  | June 7, 2019      | 59,368                                   | Market Purchase      | 1,32,128  | 0.26                             |
|         |  |   |                                  | June 14, 2019     | 10,611                                   | Market Purchase      | 1,42,739  | 0.28                             |
|         |  |   |                                  | June 21, 2019     | 36,451                                   | Market Purchase      | 1,79,190  | 0.35                             |
|         |  |   |                                  | July 19, 2019     | 9,944                                    | Market Purchase      | 1,89,134  | 0.37                             |
|         |  |   |                                  | August 23, 2019   | 1,772                                    | Market Purchase      | 1,90,906  | 0.38                             |
|         |  |   |                                  | August 30, 2019   | 61,385                                   | Market Purchase      | 2,52,291  | 0.50                             |
|         |  |   |                                  | October 18, 2019  | 67,980                                   | Market Purchase      | 3,20,271  | 0.63                             |
|         |  |   |                                  | November 22, 2019 | 20,521                                   | Market Purchase      | 3,40,792  | 0.67                             |
|         |  |   |                                  | January 10, 2020  | 14,459                                   | Market Purchase      | 3,55,251  | 0.70                             |
|         |  |   |                                  | January 17, 2020  | 34,064                                   | Market Purchase      | 3,89,315  | 0.77                             |
|         |  |   |                                  | March 31, 2020    |  |                      | 3,89,315  | 0.77                             |
| 10      | Grandeur Peak Emerging Markets Opportunities Fund                                      | 0   | 0                                | April 11, 2019    | 1,93,868                                 | Allotment in the IPO | 1,93,868  | 0.38                             |
|         |  |   |                                  | April 19, 2019    | 1,07,333                                 | Market Purchase      | 3,01,201  | 0.59                             |
|         |  |   |                                  | April 26, 2019    | 25,500                                   | Market Purchase      | 3,26,701  | 0.65                             |
|         |  |   |                                  | May 31, 2019      | 11,198                                   | Market Purchase      | 3,37,899  | 0.67                             |
|         |  |   |                                  | June 7, 2019      | 23,213                                   | Market Purchase      | 3,61,112  | 0.71                             |
|         |  |   |                                  | June 14, 2019     | 6,589                                    | Market Purchase      | 3,67,701  | 0.73                             |
|         |  |   |                                  | March 31, 2020    |  |                      | 3,67,701  | 0.73                             |

## ANNEXURE - 3 (Contd.)

## v) Shareholding of Directors and Key Managerial Personnel:

| Sr. No. | Name   | Shareholding at the beginning of the year (April 1, 2019) |                                  | Date              | Net Increase/ (Decrease) in shareholding | Reason                                      | Cumulative Shareholding during the year (April 1, 2019 to March 31, 2020) |                                  |
|---------|--|---|----------------------------------|-------------------|--|---|---|----------------------------------|
|         |  | No. of shares   | % of total shares of the company |                   |  |   | No. of shares   | % of total shares of the company |
| 1.      | Ms. Ameera Sushil Shah (Managing Director)                         | 1,81,845  | 0.36                             | -                 | -  | -   | 1,81,845  | 0.36                             |
|         |  |   |                                  | March 31, 2020    |  |   | 1,81,845  | 0.36                             |
| 2.      | Dr. Sushil Kanubhai Shah (Chairman & Executive Director)           | 99,97,580   | 19.92                            | April 11, 2019    | (62,72,335)                              | Sold in the IPO                             | 37,25,245   | 7.36                             |
|         |  |   |                                  | March 31, 2020    |  |   | 37,25,245   | 7.36                             |
| 3.      | Mr. Vijender Singh   |   |                                  | February 18, 2020 | 45,000                                   | Allotment in pursuant scheme of MEOS, 2015* | 45,000  | 0.09                             |
|         |  |   |                                  | March 6, 2020     | (13,000)                                 | Market Sale                                 | 32,000  | 0.06                             |
|         |  |   |                                  | March 9, 2020     | (11,000)                                 | Market Sale                                 | 21,000  | 0.04                             |
|         |  |   |                                  | March 11, 2020    | (1,000)                                  | Market Sale                                 | 20,000  | 0.04                             |
|         |  |   |                                  | March 31, 2020    |  |   | 20,000  | 0.04                             |
| 4.      | Mr. Tushar Karnik (Chief Financial Officer upto November 11, 2019) | -   | -                                | February 18, 2020 | 39,000                                   | Allotment in pursuant scheme of MEOS, 2015* | 39,000  | 0.08                             |
|         |  |   |                                  | March 19, 2020    | (600)                                    | Market Sale                                 | 38,400  | 0.08                             |
|         |  |   |                                  | March 20, 2020    | (800)                                    | Market Sale                                 | 37,600  | 0.07                             |
|         |  |   |                                  | March 24, 2020    | (6,000)                                  | Market Sale                                 | 31,600  | 0.06                             |
|         |  |   |                                  | March 31, 2020    |  |   | 31,600  | 0.06                             |

\*The Nomination and Remuneration Committee of the Company approved the allotment of the equity shares under the Metropolis Employee Stock Option Scheme (MESOS-2015) on February 18, 2020.

No other Director or Key Managerial Personnel other than mentioned above holds any Equity Shares since the beginning of financial year to the end of Financial Year.

Further, during the year:

- (i) Mr. Tushar Karnik, Chief Financial Officer resigned with effect from November 11, 2019;
- (ii) Mr. Rakesh Agarwal was appointed as the Chief Financial Officer with effect from November 11, 2019;
- (iii) Mr. Jayant Prakash, Head - Legal, Company Secretary and Compliance Officer resigned with effect from December 6, 2019 and Ms. Poonam Tanwani was appointed as the Company Secretary and Compliance Officer with effect from February 10, 2020.

## V. INDEBTEDNESS

(₹ in Lakhs)

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

## VI. REMUNERATION OF DIRECTORS AND KEY MANAGERIAL PERSONNEL

### A. Remuneration to Managing Director / Whole-time Director / Manager

(₹ in Lakhs)

| Sr. No. | Particulars of Remuneration   | Chairman & Executive Director<br>Dr. Sushil Kanubhai Shah | Managing Director<br>Ms. Ameera Sushil Shah |
|---------|---|---|---|
| 1       | Gross Salary  |   |   |
|         | (a) Salary as per provisions contained in section 17(1) of the Income-tax Act, 1961 | 180.00  | 491.21                                      |
|         | (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  | -   | -   |
|         | - others  |   |   |
| 5.      | Others, please specify  | -   | -   |
| 6.      | Total Remuneration  | 180.00  | 491.21                                      |
|         | <b>Total (A)</b>  | <b>671.21</b>   |   |
|         | <b>Overall Ceiling as per the Companies Act, 2013</b>                               | <b>1,987.16</b>   |   |

**Note:** Remuneration paid to Dr. Sushil Kanubhai Shah, Chairman and Executive Director and Ms. Ameera Sushil Shah, Managing Director is within the Overall limits as prescribed under SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015

## ANNEXURE - 3 (Contd.)

### B. Remuneration to other Directors:

(₹ in Lakhs)

| Name of the Directors                             | Designation                            | Sitting Fees | Commission* | Others | Total Payment   |
|---|--|--------------|-------------|--------|-----------------|
| 1. Mr. Mihir Jagdish Doshi*                       | Non-Executive Non Independent Director | 8.50         | -           | -      | 8.50            |
| 2. Mr. Milind Shripad Sarwate                     | Independent Director                   | 12.00        | 6.77        | -      | 18.77           |
| 3. Mr. Vivek Gambhir                              | Independent Director                   | 10.75        | 6.77        | -      | 17.52           |
| 4. Mr. Sanjay Bhatnagar                           | Independent Director                   | 4.50         | 6.77        | -      | 11.27           |
| <b>Total (A+B)</b>                                |  |              |             |        | <b>727.27</b>   |
| <b>Overall Ceiling as per Companies Act, 2013</b> |  |              |             |        | <b>2,185.88</b> |

\*Mr. Mihir Doshi has resigned with effect from April 30, 2020

#The remuneration paid to Directors (other than the Executive Director) comprises of Sitting Fees paid for attending the Meetings of the Board and/or its Committees for the F.Y 2019-20 and the Commission related to F.Y 2018-19 paid out during the financial year ended March 31, 2020.

### C. Remuneration to Key Managerial Personnel Other Than Managing Director / Whole-time Director / Manager

(₹ in Lakhs)

| Sr. No. | Particulars of Remuneration   | Key Managerial Personnel's (KMP's) |                           |                           |   |  | Total         |
|---------|---|------------------------------------|---------------------------|---------------------------|---|--|---------------|
|         |   | Chief Executive Officer            | Chief Financial Officer*  | Chief Financial Officer** | Head Legal, Company Secretary and Compliance Officer# | Company Secretary and Compliance Officer## |               |
|         |   | Mr. Vijender Singh                 | Mr. Tushar Manohar Karnik | Mr. Rakesh Agarwal        | Mr. Jayant Prakash                                    | Ms. Poonam Tanwani                         |               |
| 1       | Gross Salary  |                                    |                           |                           |   |  |               |
|         | (a) Salary as per provisions contained in section 17(1) of the Income-tax Act, 1961 | 152.21                             | 54.52                     | 30.67                     | 32.72   | 3.59                                       | 273.71        |
|         | (b) Value of perquisites u/s 17(2) Income-tax Act, 1961                             | 289.77                             | -                         | -                         | -   | -  | 289.77        |
|         | (c) Profits in lieu of salary under section 17(3) Income-tax Act, 1961              | -                                  | -                         | -                         | -   | -  | -             |
| 2.      | Stock Option\$  | 45,000                             | 39,000                    | -                         | -   | -  | -             |
| 3.      | Sweat Equity  | -                                  | -                         | -                         | -   | -  | -             |
| 4.      | Commission  |                                    |                           |                           |   |  |               |
|         | - as % of profit  | -                                  | -                         | -                         | -   | -  | -             |
| 5.      | - Others  | -                                  | -                         | -                         | -   | -  | -             |
|         | <b>Total</b>  | <b>441.98</b>                      | <b>54.52</b>              | <b>30.67</b>              | <b>32.72</b>  | <b>3.59</b>                                | <b>563.48</b> |

\*upto November 11, 2019

\*\*w.e.f. November 11, 2019

#upto December 6, 2019

##w.e.f February 10, 2020

\$Employee Stock Options exercised under Metropolis Employee Stock Option Scheme 2015, during the Financial year 2019-2020

The above remuneration is exclusive of Company's contribution to Provident Fund.

## ANNEXURE - 3 (Contd.)

### VII. PENALTIES / PUNISHMENT/ COMPOUNDING OF OFFENCES

| Type                         | Section of the companies Act | Brief description | Details of Penalty/                  | Authority     | Appeal made. If any(give details) |
|------------------------------|------------------------------|-------------------|--------------------------------------|---------------|-----------------------------------|
|                              |                              |                   | Punishment/ Compounding fees imposed | /NCLT/ Court] |                                   |
| A. Company                   |                              |                   |                                      |               |                                   |
| Penalty                      | -                            | -                 | -                                    | -             | -                                 |
| Punishment                   | -                            | -                 | -                                    | -             | -                                 |
| Compounding                  | -                            | -                 | -                                    | -             | -                                 |
| B. Directors                 |                              |                   |                                      |               |                                   |
| Penalty                      | -                            | -                 | -                                    | -             | -                                 |
| Punishment                   | -                            | -                 | -                                    | -             | -                                 |
| Compounding                  | -                            | -                 | -                                    | -             | -                                 |
| C. Other Officers In Default |                              |                   |                                      |               |                                   |
| Penalty                      | -                            | -                 | -                                    | -             | -                                 |
| Punishment                   | -                            | -                 | -                                    | -             | -                                 |
| Compounding                  | -                            | -                 | -                                    | -             | -                                 |

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

**Sushil Kanubhai Shah**

Chairman & Executive Director

DIN: 00179918

Place: Mumbai

Date: May 29, 2020

## ANNEXURE - 4

### DETAILS OF EMPLOYEE STOCK OPTION SCHEME

Disclosure pursuant to Regulation 14 of Securities and Exchange Board of India (Share Based Employee Benefits) Regulations, 2014 as on March 31, 2020

#### 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.

The Company has framed and implemented the Metropolis Employee Stock Option Scheme 2015 ("MESOS 2015") for eligible employees. In terms of the said scheme, options to the employees have vest and shall continue to vest as given in the below table under point no. C.

**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 No. 49(c) to the Financial Statements of the Company for the year ended March 31, 2020.

**B. Diluted EPS on issue of shares pursuant to all the schemes covered under the regulations, in accordance with 'Indian Accounting Standard 33 – Earnings per Share' issued by ICAI or any other relevant accounting standards as prescribed from time to time.**

₹ 22.22

**C. Details related to ESOP:**

| Sr. No. | Particulars   | MESOS 2015   |
|---------|---|--|
| (i)     | <b>Description of each ESOP that existed during the year, including the general terms and conditions:</b> |  |
| 1       | Date of Shareholders' approval  | <ul style="list-style-type: none"> <li>March 28, 2015</li> <li>September 18, 2017</li> <li>February 28, 2018</li> <li>September 10, 2018</li> <li>September 14, 2018</li> </ul>  |
| 2       | Total number of options approved under ESOP   | 12,21,324 <sup>#</sup> options convertible into equivalent no. of equity shares.   |
| 3       | Vesting requirement   | i) Options granted to Existing employees (person who is in continuous employment with the Company since January 1, 2016 or prior thereto) shall vest as below: <ul style="list-style-type: none"> <li>a) 50% - on January 1, 2018;</li> <li>b) 25% - on January 1, 2019 and ;</li> <li>c) 25% on January 1, 2020.</li> </ul> ii) Options granted to New employees (person who is in continuous employment with the Company after January 1, 2016) shall vest as below : <ul style="list-style-type: none"> <li>a) 50% - On completion of 2 years from date of joining;</li> <li>b) 25% - On completion of 3 years from date of joining ; and</li> <li>c) 25% - On completion of 4 years from date of joining.</li> </ul> |
| 4       | Exercise price or pricing formula   | ₹ 705.77 per option <sup>#</sup>   |

**ANNEXURE - 4 (Contd.)**

| Sr. No.      | Particulars   | MESOS 2015  |
|--------------|---|---|
| 5            | Maximum term of options granted (Years)   | The maximum period of vesting from the date of grant is 4 years. Further the option holder can exercise the grants within the period of 2 years from the date of vesting. |
| 6            | Source of shares  | Primary   |
| 7            | Variation in terms of options   | There was no variation in terms of Options outstanding during FY 2019-20.   |
| <b>(ii)</b>  | <b>Method used to account for ESOP:</b>   | Fair value  |
| <b>(iii)</b> | <b>As the company has opted for expensing of the options using the Fair Value of the Options:</b>   |   |
| 1            | Difference between the employee compensation cost so computed and the employee compensation cost that shall have been recognized if it had used the fair value  | N.A.  |
| 2            | The impact of this difference on profits and on EPS of the Company  | N.A.  |
| <b>(iv)</b>  | <b>Movement during the year:</b>  |   |
| 1            | No. of options outstanding at the beginning of the period   | 10,80,400   |
| 2            | No. of options granted during the year  | Nil   |
| 3            | No. of options forfeited/ lapsed during the year  | 68,199  |
| 4            | No. of options vested during the year   | 2,81,853  |
| 5            | No. of options exercised during the year  | 4,51,886  |
| 6            | No. of shares arising as a result of exercise of options  | 4,51,886  |
| 7            | Money realized by exercise of options (₹). If scheme is implemented directly by the Company   | ₹ 31,89,27,582/-  |
| 8            | Loan repaid by the Trust during the year from exercise price received   | N.A.  |
| 9            | No. of options outstanding at the end of the year   | 5,60,315  |
| 10           | No. of options exercisable at the end of the year   | 4,21,916  |
| <b>(v)</b>   | <b>Weighted-average exercise prices ("WAEP") and weighted-average fair values ("WAFV") of Options</b>   |   |
| 1            | Where the exercise price is less than the market price of the stock   | Weighted-average exercise price is ₹ 705.77 & weighted-average market price is ₹ 1,174.34   |
| 2            | Where the exercise price equals the market price of the stock   | N.A.  |
| 3            | Where the exercise price is more than the market price of the stock   | N.A.  |
| <b>(vi)</b>  | <b>Employee wise details (name of employee, designation, number of Options granted during the year, exercise price) of Options</b>  |   |
| 1            | Senior Managerial Personnel   | N.A.  |
| 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 - 4 (Contd.)

| Sr. No. | Particulars  | MESOS 2015 |
|---------|--|------------|
| (vii)   | <b>A description of the method and significant assumptions used during the year to estimate the fair value of options including the following information:</b> |            |
| 1       | Weighted-average Values of share price   |            |
|         | 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;                | -          |
| 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. 49(c)

#Post bonus and split during the Financial year 2018-2019.

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

**Sushil Kanubhai Shah**

Chairman & Executive Director

DIN: 00179918

Place: Mumbai

Date: May 29, 2020

## ANNEXURE – 5

Disclosure as 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 PERCENTAGE INCREASE IN THE MEDIAN REMUNERATION OF EMPLOYEES DURING THE FINANCIAL YEAR:

Median remuneration of employees of the Company as at the end of the year under review was ₹ 2,11,797 which increased by 25% over the previous year's median remuneration of ₹ 1,69,547.

### 2. THE RATIO OF THE REMUNERATION OF EACH DIRECTOR TO THE MEDIAN REMUNERATION OF EMPLOYEES FOR THE FINANCIAL YEAR 2019-2020; AND

### 3. THE PERCENTAGE INCREASE IN REMUNERATION OF EACH DIRECTOR, CHIEF FINANCIAL OFFICER, CHIEF EXECUTIVE OFFICER, COMPANY SECRETARY OR MANAGER, DURING THE FINANCIAL YEAR 2019-2020:

(₹ in Lakhs)

| Sr. No                          | Name                                | Designation  | Remuneration for the financial year 2019-2020 | Percentage increase/ (decrease) in remuneration in the financial year 2019-2020 (%) | Ratio to median remuneration (in times) |
|---------------------------------|-------------------------------------|--|---|---|---|
| <b>Non-Executive Directors*</b> |                                     |  |   |   |   |
| 1                               | Mr. Mihir Doshi <sup>1</sup>        | Non-Executive Non Independent Director               | 8.50  | (46.03)   | 4.01                                    |
| 2                               | Mr. Milind Sarwate                  | Independent Director                                 | 18.77   | 158.90  | 8.86                                    |
| 3                               | Mr. Vivek Gambhir                   | Independent Director                                 | 17.52   | 100.23  | 8.27                                    |
| 4                               | Mr. Sanjay Bhatnagar                | Independent Director                                 | 11.27   | 150.44  | 5.32                                    |
| <b>Executive Directors</b>      |                                     |  |   |   |   |
| 5                               | Dr. Sushil Kanubhai Shah            | Chairman and Executive Director                      | 180.00  | 0%  | 84.99                                   |
| 6                               | Ms. Ameera Sushil Shah <sup>2</sup> | Managing Director                                    | 491.21  | 0%  | 231.92                                  |
| <b>Key Managerial Personnel</b> |                                     |  |   |   |   |
| 7                               | Mr. Vijender Singh                  | Chief Executive Officer                              | 441.98  | 23% <sup>@</sup>  | 208.75                                  |
| 8                               | Mr. Tushar Karnik <sup>3</sup>      | Chief Financial Officer                              | 54.52   | 25%   | 25.75                                   |
| 9                               | Mr. Jayant Prakash <sup>3</sup>     | Head Legal, Company Secretary and Compliance Officer | 32.72   | 8%  | 15.45                                   |
| 10                              | Mr. Rakesh Agarwal <sup>4</sup>     | Chief Financial Officer                              | 30.67   | 0%  | 14.48                                   |
| 11                              | Mr. Poonam Tanwani <sup>4</sup>     | Company Secretary and Compliance Officer             | 3.59  | 0%  | 1.69                                    |

<sup>1</sup> Resigned w.e.f. April 30, 2020

<sup>2</sup> Ms. Ameera Sushil Shah waived part of her remuneration during financial year 2019-2020.

<sup>3</sup> Mr. Tushar Karnik, Chief Financial Officer of the Company, resigned with effect from November 11, 2019 and Mr. Jayant Prakash, Head Legal, Company Secretary and Compliance Officer of the Company, resigned with effect from December 6, 2019. Hence the percentage increase/decrease in their remuneration during financial year 2019-2020 is strictly not comparable.

<sup>4</sup> Mr. Rakesh Agarwal was appointed as the Chief Financial Officer of the Company with effect from November 11, 2019. Hence percentage increase/decrease in the remuneration during financial year 2019-2020 is not applicable.

<sup>4</sup> Ms. Poonam Tanwani was appointed as a Company Secretary and Compliance Officer of the Company with effect from February 10, 2020. Hence percentage increase/decrease in the remuneration during financial year 2019-2020 is not applicable.

<sup>@</sup>Percentage increase is calculated excluding the perquisite value of Employee Stock Options exercised during the year.

\*The remuneration paid to Directors (other than the Executive Director) comprises of Sitting Fees paid for attending the Meetings of the Board and/or its Committees for the F.Y 2019-20 and the Commission related to F.Y 2018-19 paid out during the financial year ended March 31, 2020.

**ANNEXURE - 5 (Contd.)****4. THE NUMBER OF PERMANENT EMPLOYEES ON ROLLS OF THE COMPANY: 4013****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 16 % as against an increase of 8 % in the salary of 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.

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

**Sushil Kanubhai Shah**

Chairman & Executive Director

DIN: 00179918

Place: Mumbai

Date: May 29, 2020

# ANNEXURE – 6

## DIVIDEND DISTRIBUTION POLICY

### 1. BACKGROUND

- 1.1 In accordance with the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 (**"Listing Regulations"**), as amended, Metropolis Healthcare Limited (the **"Company"**) has decided to formulate its Dividend Distribution Policy (**"Policy"**). Accordingly, the Board of Directors of the Company (the **"Board"**) has approved this Policy for the Company at its meeting held on **February 11, 2019** being effective from **February 11, 2019**
- 1.2 The objective of this Policy is to provide the dividend distribution framework to the stakeholders of the Company. This Policy is aimed to lay down the circumstances, parameters, external and internal factors including financial parameters that shall be considered while declaring dividend and intends to assist investors and stakeholders for their investing decisions. The Board may in extraordinary circumstances, deviate from the parameters listed in this Policy.
- 1.3 The Board shall recommend dividend in compliance with this Policy, the provisions of Companies Act 2013 and rules framed thereunder, as amended, (**"Companies Act"**) and other applicable provisions.

### 2. PARAMETERS TO BE CONSIDERED WHILE DECLARING DIVIDEND

- 2.1 The decision regarding dividend pay-out is a crucial decision as it determines the amount of profit to be distributed among shareholders and amount of profit to be retained in business. The Board will consider various financial parameters and internal and external factors, including but not limited to the following before making any recommendations for dividends;
  - a. Distributable surplus available as per the Act and Regulations.
  - b. Stability of earnings of the Company and subsidiaries/associate companies/other ventures.
  - c. Cash flow of the Company and subsidiaries/associate companies/other ventures from operations
  - d. Future organic and inorganic growth plans and reinvestment opportunities (including investment requirements for the Company in its subsidiaries and associate companies) and other capital expenditure requirements of the Company and subsidiaries/other ventures.

- e. Dividend policy followed by the investee companies, as a substantial portion of the Company's income is earned by way of dividend from its subsidiaries.
- f. Industry outlook and stage of business cycle for underlying business.
- g. Leverage profile
- h. Compliance with covenants contained in any agreement entered into by the Company with its lenders, customers or other parties, as applicable.
- i. Funding and liquidity considerations and the requirement of funds to service any outstanding loans/facilities.
- j. Macroeconomic and business conditions including the overall economic environment, changes in government policies, industry rulings & regulatory provisions on an Indian as well as global level.
- k. Absorbing unfavourable market condition, meeting unforeseen contingent liabilities and other circumstances
- l. Cost of external financing
- m. Past dividend trends
- n. Buyback of shares or any such alternate profit distribution measure.
- o. Prevailing taxation policy or any amendments expected thereof, with respect to dividend distribution
- p. Any other contingency plans.
- q. Any other relevant factors that the Board may deem fit to consider before declaring dividend.

### 3. PARAMETERS THAT SHALL BE ADOPTED WITH REGARD TO VARIOUS CLASSES OF SHARES

- 3.1 The Company has issued only one class of shares viz. equity shares with equal voting rights, all the members of the Company are entitled to receive the same amount of dividend per share. Parameters for dividend payment in respect of any other class of shares, if issued, will be as per respective terms of issue in accordance with the articles of association of the Company and in accordance with the applicable regulations and will be determined, if and when the Company decides to issue other classes of shares.

## ANNEXURE - 6 (Contd.)

### 4. CIRCUMSTANCES UNDER WHICH SHAREHOLDERS MAY OR MAY NOT EXPECT DIVIDEND

- 4.1 The Company shall not recommend dividend if it is of the opinion that it is financially not prudent to do so. The Company may declare dividends in future unless the Company is restrained due to insufficient profits or due to any of the internal or external factors listed above.
- 4.2 Further, though the Company endeavors to declare the dividend to the shareholders, the management may propose lower dividend or may propose not to recommend dividend after analysis of various financial parameters, cash flow position and funds required for future growth and capital expenditure or in case of a proposal to utilize surplus profit for buy-back of existing share capital.
- 4.3 The Board may in compliance with applicable law declare one or more interim dividends during a financial year and recommend such interim dividend for the confirmation of its shareholders at the subsequent annual general meeting.

### 5. PROCEDURE FOR DECIDING QUANTUM OF DIVIDEND

- 5.1 The Chief Financial Officer ("CFO") and Company Secretary ("CS") after considering the parameters mentioned above and in consultation with the Managing Director ("MD")/ Chief Executive Officer/Manager may propose the rate of final dividend to be recommended by the Board to Shareholders or the rate of interim dividend to be declared by the Board.
- 5.2 The Board upon perusing the rationale for such pay-out may recommend the final dividend or declare the interim dividend.
- 5.3 The final dividend recommended by the Board is subject to approval/declaration by the shareholders in the ensuing general meeting.
- 5.4 The interim dividend approved by the Board requires confirmation by the shareholders in the ensuing general meeting.

- 5.5 In case of inadequacy of profits in any financial year, the Board may consider recommendation of final dividend out of accumulated profits as may be permitted under the applicable laws and regulations from time to time.

### 6. GENERAL

- 6.1 The Company may declare dividend out of the profits of the Company for the year or out of the profits for any previous year or years or out of the free reserves available for distribution of dividend, after having due regard to the parameters laid down in this Policy and as per the provisions of Companies Act. Further, any amount representing unrealised gains, notional gains or revaluation of assets and any change in carrying amount of an asset or of a liability on measurement of the asset or the liability at fair value shall be excluded while computing the profits for the purpose of declaration of dividend.
- 6.2 Subject to compliance with applicable law, the Company's retained earnings, if any will be used for the Company's growth plans, issuance of bonus shares capital adequacy/ liquidity requirements, debt repayments, and other contingencies and/or for any of the purposes specified in paragraph 2 above.
- 6.3 If the Board decides to deviate from this Policy, the rationale for the same will be suitably disclosed.

### 7. REVIEW / MODIFICATION OF THE POLICY

- 7.1 The Board reserves the right to amend, modify or review this Policy along with the rationale for the same in whole or in part, at any point of time, as may be deemed necessary in accordance with the amendment of the Companies Act and the Regulations, and any other regulations, guidelines/clarifications as may be issued from time to time by relevant statutory and regulatory authority.

### 8. DISCLOSURE

- 8.1 The Company shall make appropriate disclosures as required under the Listing Regulations.

## **9. PENALTY FOR NON ADHERENCE OF THE CLAUSES OF THE POLICY**

- 9.1 Non – Adherence to any of the Clause as mentioned in this Policy will attract penalty of one lakh rupees which may extend to one crore rupees as prescribed under Section 15 HB of SEBI Act, 1992.

## **10. DISCLAIMER**

- 10.1 This document does not solicit investments in the Company's securities. Nor is it an assurance of guaranteed returns (in any form), for investments in the Company's shares.

## ANNEXURE - 7

## 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 | Re-serves & surplus | Total assets | Total Liabilities | Investments | Turn-over/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                | January 08, 2008                        | March 31, 2020  | INR   | 100           | 2,313.44            | 3,920.31     | 1,506.87          | -           | 3,941.61             | 1,192.18               | 240.33                 | 951.85                | -                                 | 100.00%            |
| 2      | Lab One Metropolis Healthcare Services Private Limited          | October 31, 2012                        | March 31, 2020  | INR   | 133.00        | 398.10              | 795.35       | 286.25            | -           | 788.47               | 221.45                 | 56.34                  | 165.11                | -                                 | 100.00%            |
| 3      | Micron Metropolis Healthcare Private Limited                    | December 15, 2011                       | March 31, 2020  | INR   | 10.00         | 395.28              | 651.13       | 402.56            | 156.71      | 1,143.61             | 225.08                 | 47.07                  | 178.01                | -                                 | 100.00%            |
| 4      | Raj Metropolis Healthcare Private Limited                       | February 06, 2012                       | March 31, 2020  | INR   | 1.82          | 94.43               | 229.04       | 132.79            | -           | 203.48               | 14.59                  | 12.85                  | 1.74                  | -                                 | 51.00%             |
| 5      | Amin's Pathology Laboratory Private Limited                     | October 15, 2012                        | March 31, 2020  | INR   | 10            | 912.45              | 1,277.56     | 355.11            | -           | 638.36               | 170.08                 | 35.27                  | 134.81                | -                                 | 100.00%            |
| 6      | Ekopath Metropolis Lab Services Private Limited                 | February 14, 2013                       | March 31, 2020  | INR   | 51            | 222.20              | 284.50       | 155.55            | 144.25      | 504.59               | 73.13                  | 18.52                  | 54.61                 | -                                 | 60.00%             |
| 7      | Sudharma Metropolis Health Services Private Limited             | March 27, 2008                          | March 31, 2020  | INR   | 67.50         | 2,689.98            | 3,435.56     | 1,092.35          | 394.27      | 4,959.44             | 1,190.67               | 289.09                 | 901.58                | -                                 | 100.00%            |
| 8      | Bokil Golwilar Metropolis Healthcare Private Limited            | August 30, 2013                         | March 31, 2020  | INR   | 101.00        | 388.07              | 576.41       | 134.27            | 46.93       | 683.09               | 183.85                 | 46.97                  | 136.88                | -                                 | 100.00%            |
| 9      | Dr. Patel Metropolis Healthcare Private Limited                 | February 02, 2012                       | March 31, 2020  | INR   | 5.00          | 1,062.30            | 827.61       | 274.75            | 514.44      | 1,465.37             | 597.62                 | 150.30                 | 447.32                | -                                 | 100.00%            |
| 10     | R.V. Metropolis Diagnostic & Health Care Center Private Limited | April 03, 2008                          | March 31, 2020  | INR   | 3.38          | 2,068.22            | 2,956.79     | 885.19            | -           | 4,349.86             | 824.62                 | 242.72                 | 581.90                | -                                 | 100.00%            |

## ANNEXURE - 7 (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 | Re-serves & surplus | Total assets | Total Liabilities | Investments | Turn-over/Op. Income | Profit before taxation | Provision for taxation | Profit after taxation | Proposed Dividend (inclusive tax) | % of share-holding |
|--------|--|---|---|---|---------------|---------------------|--------------|-------------------|-------------|----------------------|------------------------|------------------------|-----------------------|-----------------------------------|--------------------|
| 11     | Metropolis Healthcare (Mauritius) Ltd  | September 11, 2012                      | March 31, 2020  | 1USD= (BS)=74.8109<br>1USD= (P&L)=70.8601   | 125.69        | (588.12)            | 1,284.81     | 1,747.24          | -           | 342.58               | (256.16)               | -                      | (256.16)              | -                                 | 100.00%            |
| 12     | Metropolis Bramser Lab Services (Mtius) Ltd  | December 20, 2013                       | December 31, 2019   | 1MUR= (BS)= 1.9602<br>1MUR= (PL)=1.9797   | 0.19          | 266.73              | 400.49       | 133.57            | -           | 206.96               | (38.48)                | (0.42)                 | (38.06)               | -                                 | 100.00%            |
| 13     | Metropolis Star Lab Kenya Limited  | November 21, 2012                       | December 31, 2019   | 1KES= (BS)=0.7031<br>1KES= (P&L)=0.6899   | 5.44          | 1,234.96            | 2,060.82     | 820.42            | -           | 2,716.75             | 684.81                 | 201.34                 | 483.47                | -                                 | 100.00%            |
| 14     | Metropolis Healthcare Ghana Ltd  | May 02, 2014                            | December 31, 2019   | 1GHS = (BS)=12.4935<br>1GHS = (PL)=13.1596  | 182.40        | (312.66)            | 600.65       | 730.91            | -           | 647.97               | (61.30)                | 10.23                  | (71.53)               | -                                 | 100.00%            |
| 15     | Metropolis Healthcare Lanka Pvt. Limited (Formerly known as Nawaoka Metropolis Laboratories Private Limited) | May 26, 2005                            | March 31, 2020  | 1SLR= (BS)=0.3955<br>1SLR= (P & L)=0.3949   | 11.04         | 15.06               | 520.27       | 494.17            | -           | 128.38               | (97.89)                | (26.88)                | (71.01)               | -                                 | 100.00%            |
| 16     | Metropolis Healthcare (Tanzania) Limited   | August 19, 2018                         | December 31, 2019   | 1TZS= (BS)=0.03101<br>1TZS= (P & L)=0.03049   | 139.39        | (41.08)             | 141.52       | 43.21             | -           | 92.81                | (43.56)                | -                      | (43.56)               | -                                 | 99.99%             |
| 17     | Metropolis Healthcare Uganda Limited <sup>^</sup>  | July 22, 2015                           | December 31, 2019   | 1UGS= (BS)=0.01932  | 4.83          | -                   | 4.83         | -                 | -           | -                    | -                      | -                      | -                     | -                                 | 100.00%            |

<sup>^</sup> The Company yet to commence operations

## ANNEXURE - 7 (Contd.)

### ANNEXURE "B": FORM AOC-I

(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 "B": ASSOCIATES AND JOINT VENTURES

(Information in respect of each Associate/Joint Venture Companies presented with amounts in ₹ for the year ended March 31, 2020)

| Sr. No | Name of Associates/Joint Ventures   | Star Metropolis Health Services Middle East LLC# | Metropolis Histoexpert Digital Services Private Limited |
|--------|---|--|---|
| 1      | Latest audited Balance Sheet Date   | Unaudited  | March 31, 2020  |
| 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                       |  | -6.51   |
| 6      | Profit / (Loss) for the year  |  | (86.48)   |
| (i)    | Considered in Consolidation   |  | (51.98)   |
| (ii)   | Not Considered in Consolidation   |  | (34.50)   |
| 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. |  |   |

# Entity no longer an Associate (Refer note no 54)

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

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

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

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

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

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

Date : 29 May 2020

# CORPORATE GOVERNANCE REPORT

## 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 its Shareholders, Employees, Customers, Government and also the general public at large. Transparency and accountability are the fundamental principles of our Corporate Governance practice, which ensures that the organization is managed and monitored in a responsible manner for creating and sharing Stakeholder's value.

Your Company is committed to good Corporate Governance and adheres to the best practices at all times and its philosophy is based on five basic elements namely, Board's Accountability, Value Creation, Strategic-guidance, Transparency and Equitable treatment of all of its Stakeholders.

## 2. BOARD OF DIRECTORS:

As on March 31, 2020, the Board of Directors of your Company comprised of Six (6) Directors, out of which Three (3) were Non-Executive Independent Directors, one (1) was a Non-Executive Non Independent Director and Two (2) were Executive Directors. The Board of your Company consists of a balanced combination of

Executive Directors and Non-Executive Directors in accordance with the requirements of the Companies Act, 2013 ("Act"), and Regulation 17 of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, as amended and the Articles of Association of the Company.

Mr. Mihir Doshi (DIN: 01283331), Non-Executive Non Independent Director resigned from the Board of your Company with effect from April 30, 2020.

Ms. Anita Ramachandran (DIN: 00118188) was appointed as an Additional Non-Executive Independent Director on the Board of your Company with effect from May 14, 2020.

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> and also forms part of this Annual Report.

Composition and category of the Board of Directors, their shareholding in the Company, their directorship in other companies, is as given below:

| Name of Director                       | DIN       | Category                      | Designation                   | Shareholding in the Company | No. of Directorships in Other Public Companies* | No. of Committee positions in Other Public Companies |          | Directorships in Other listed entities |                      |
|--|-----------|-------------------------------|-------------------------------|-----------------------------|---|--|----------|--|----------------------|
|  |           |                               |                               |                             |   | \$Chairman   | \$Member | Name of the Listed entity              | Category             |
| Dr. Sushil Kanubhai Shah               | 00179918  | Promoter                      | Chairman & Executive Director | 37,25,245                   | 1   | -  | -        | Span Divergent Limited                 | Independent Director |
| Ms. Ameera Sushil Shah                 | 00208095  | Promoter                      | Managing Director             | 1,81,845                    | 3   | -  | 4        | Kaya Limited                           | Independent Director |
|  |           |                               |                               |                             |   |  |          | Torrent Pharmaceuticals Limited        | Independent Director |
|  |           |                               |                               |                             |   |  |          | Shoppers Stop Limited                  | Independent Director |
| Mr. Mihir Jagdish Doshi <sup>(1)</sup> | 001283331 | Non-Executive Non-Independent | Director                      | -                           | -   | -  | -        | -                                      | -                    |

## CORPORATE GOVERNANCE REPORT (Contd.)

| Name of Director                      | DIN       | Category                  | Designation         | Share-holding in the Company | No. of Directorships in Other Public Companies* | No. of Committee positions in Other Public Companies |        | Directorships in Other listed entities         |                         |
|---------------------------------------|-----------|---------------------------|---------------------|------------------------------|---|--|--------|--|-------------------------|
|                                       |           |                           |                     |                              |   | Chairman   | Member | Name of the Listed entity                      | Category                |
| Mr. Milind Shripad Sarwate            | 00109854  | Non-Executive Independent | Director            | -                            | 6   | 3  | 3      | Matrimony.com Limited                          | Independent Director    |
|                                       |           |                           |                     |                              |   |  |        | Glenmark Pharmaceuticals Limited               | Independent Director    |
|                                       |           |                           |                     |                              |   |  |        | Mindtree Limited                               | Independent Director    |
|                                       |           |                           |                     |                              |   |  |        | Mahindra & Mahindra Financial Services Limited | Independent Director    |
| Mr. Vivek Gambhir                     | 006527810 | Non-Executive Independent | Director            | -                            | 1   | -  | 1      | Godrej Consumer Products Limited               | Managing Director & CEO |
| Mr. Sanjay Bhatnagar                  | 00867848  | Non-Executive Independent | Director            | -                            | 1   | -  | 1      | EIH Limited                                    | Independent Director    |
| Ms. Anita Ramachandran <sup>(2)</sup> | 00118188  | Non-Executive Independent | Additional Director | -                            | 8   | -  | 1      | Grasim Industries Limited                      | Director                |
|                                       |           |                           |                     |                              |   |  |        | Rane (Madras) Limited                          | Director                |

(1) Ceased to be a Director of the Company with effect from April 30, 2020

(2) Appointed as a Director with effect from May 14, 2020

#### Relationship with other directors –

Apart from Ms. Ameera Sushil Shah (Daughter of Dr. Sushil Kanubhai Shah) and Dr. Sushil Kanubhai Shah (Father of Ms. Ameera Sushil Shah), none of the other Directors are related to each other.

#### Note:

\*The above list of other directorships includes Public Companies (listed and unlisted) but does not include Private Limited Companies, Foreign Companies, directorship in Metropolis Healthcare Limited, Companies under Section 8 of the Companies Act, 2013 and any alternate directorships.

§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. Membership in only Audit Committee and Stakeholders Relationship Committee is considered.

As detailed in the table, none of the Directors hold directorships in more than 20 Companies (including limit of maximum directorship in 10 Public Companies) pursuant to the provisions of Section 165 of the Companies Act, 2013 ('Act').

Further, none of the Directors are members of more than ten Committees of the prescribed nature or hold Chairmanship of more than five such committees across all listed or unlisted public limited Companies in which they are Directors, thereby complying with the provisions of Regulation 26 of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015.

## CORPORATE GOVERNANCE REPORT (Contd.)

No Director on the Board of your Company holds directorship in more than Eight (8) Listed Companies. None of the Independent Director serves as an Independent Director in more than seven (7) Listed Companies. Further, none of the Directors who serves as Whole-time Director / Managing Director in any listed entity serves as an Independent Director in more than three listed entities. The necessary disclosures regarding their Directorships and Committee memberships have duly been made by them.

Independent Directors are Non-Executive Directors as defined under Regulation 16(1)(b) of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, read with Section 149(6) of the Companies Act, 2013. All the Independent Directors have confirmed that they meet the criteria as mentioned under Regulation 16(1)(b) and 25(8) of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, read with Section 149(6) of the Companies Act, 2013.

### Board Meetings & Attendance of Directors

The Board Meeting of your Company is conducted at least once in every quarter to discuss the performance of the Company and to approve its Quarterly Financial Results, along with other matters. The Board also meets to consider other business(es), whenever required, from time to time. Agenda of the business(es) to be transacted at the Board Meeting along with explanatory notes thereto are drafted and circulated well in advance to the Board of Directors of the Company. The Company always ensures that Board members are presented with all the relevant information on vital matters affecting the working of the Company including the information as inter-alia specified under Part A of Schedule II of Regulation 17(7) of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015. Every Board Member is free to suggest the inclusion of any item on the agenda and hold due discussions thereto.

Six meetings were held during the year and the gap between two meetings did not exceed 120 days. The dates of the meetings were as follows:

| Sr. No. | Date of Meeting   |
|---------|-------------------|
| 1       | April 8, 2019     |
| 2       | May 13, 2019      |
| 3       | August 6, 2019    |
| 4       | November 11, 2019 |
| 5       | January 15, 2020  |
| 6       | February 6, 2020  |

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

| Name of the Director              | Particulars of attendance for the Board Meetings |                         | Attendance at the last AGM held on August 6, 2019 |
|-----------------------------------|--|-------------------------|---|
|                                   | Meetings held during the Director's tenure       | Board Meetings attended |   |
| Dr. Sushil Kanubhai Shah          | 6  | 6                       | Yes   |
| Ms. Ameera Sushil Shah            | 6  | 5                       | Yes   |
| Mr. Mihir Jagdish Doshi           | 6  | 4                       | Yes   |
| Mr. Milind Shripad Sarwate        | 6  | 6                       | Yes   |
| Mr. Vivek Gambhir                 | 6  | 4                       | Yes   |
| Mr. Sanjay Bhatnagar <sup>1</sup> | 6  | 3                       | No  |

<sup>1</sup>Mr. Sanjay Bhatnagar was unable to attend the Annual General Meeting (AGM) due to his pre-occupation.

\*As Ms. Anita Ramachandran has been appointed on the Board with effect from May 14, 2020, and therefore, the details pertaining to her attendance at the Board meetings held in Financial Year ended 2019-2020 are not applicable.

### Independent Directors:

At the time of appointment, the Independent Directors are made aware of their roles and responsibilities through a formal letter of appointment which stipulates various terms and conditions. At Board and Committee meetings, the Independent Directors are regularly being familiarized on the business model, strategies, operations, functions, policies and procedures of the Company and its subsidiaries.

The familiarization policy is hosted on the website of the Company and can be accessed through the following weblink: [https://prod-metropolisindia-bucket.s3.ap-south-1.amazonaws.com/Investors/code-of-conduct/MHL\\_Familiarization-Programme-for-Independent-Directors.pdf](https://prod-metropolisindia-bucket.s3.ap-south-1.amazonaws.com/Investors/code-of-conduct/MHL_Familiarization-Programme-for-Independent-Directors.pdf)

Pursuant to Schedule IV of the Companies Act, 2013 and Regulation 25(3) of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, a separate meeting of Independent Directors of the Company was held on Thursday, February 6, 2020. All the Independent Directors attended the meeting. The agenda was to review the performance of Non-Independent Directors (including the Chairperson), the entire Board and Committees thereof, quality, quantity and timeliness of the flow of information between the management and the Board.

## CORPORATE GOVERNANCE REPORT (Contd.)

Based on the disclosures received from all the Independent Directors and also in the opinion of the Board, the Independent Directors fulfil the criteria of Independence as specified in the Companies Act, 2013, and the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, and are Independent of the Management.

No Independent Director resigned before the expiry of his tenure during this financial year.

### Matrix of Skills / Expertise/ Competencies of the Board of Directors

The Board of your Company comprises of qualified members with the required skills, competence and expertise in the field in which the Company operates, for effective contribution to the business and overall functioning of the Company. The Board members are committed to ensure that the Company is in compliance with the highest standards of Corporate Governance. The table below summarizes the list of core skills/ expertise/ competencies identified by the Board of Directors for effectively conducting the business of the Company and are available with the Board. The table also mentions the specific areas of expertise of individual Director against each skill/ expertise/ competence:

| Core skills/ expertise/ Competencies   | Name of Directors possessing the requisite skill / expertise / competency   |
|--|---|
| Healthcare – Understanding the complexities of the healthcare sector and expertise in the field of diagnostics.  | 1. Dr. Sushil Kanubhai Shah<br>2. Ms. Ameera Sushil Shah  |
| 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. | 1. Ms. Ameera Sushil Shah<br>2. Mr. Milind Sarwate<br>3. Mr. Vivek Gambhir<br>4. Mr. Mihir Doshi<br>5. Mr. Sanjay Bhatnagar |
| Law – Experience in understanding the dynamics of the legal and regulatory aspect at a global level.   | 1. Ms. Ameera Sushil Shah<br>2. Mr. Milind Sarwate<br>3. Mr. Vivek Gambhir<br>4. Mr. Mihir Doshi<br>5. Mr. Sanjay Bhatnagar |

| Core skills/ expertise/ Competencies   | Name of Directors possessing the requisite skill / expertise / competency   |
|--|---|
| Information Technology – Providing support and guidance in relation to information technology up gradation of the organisation as a whole. | 1. Ms. Ameera Sushil Shah<br>2. Mr. Sanjay Bhatnagar<br>3. Mr. Vivek Gambhir  |
| Risk Management – Experience in mitigation of risk by actively getting involved in the risk management of the organisation.                | 1. Ms. Ameera Sushil Shah<br>2. Mr. Milind Sarwate<br>3. Mr. Vivek Gambhir<br>4. Mr. Mihir Doshi<br>5. Mr. Sanjay Bhatnagar |
| Strategy & Marketing – Exposure in managing the sales and marketing needs of the sector adequately.  | 1. Ms. Ameera Sushil Shah<br>2. Mr. Milind Sarwate<br>3. Mr. Vivek Gambhir<br>4. Mr. Mihir Doshi<br>5. Mr. Sanjay Bhatnagar |

### 3. COMMITTEES OF THE BOARD OF DIRECTORS

In compliance with the requirements of the Companies Act, 2013 and the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, the Board of Directors of your Company have constituted various Committees. These Committees are entrusted with such powers and functions as detailed in their respective terms of reference. Besides, the Committees also help focus attention on the specific matters of the organisation. There are total five (5) Committees constituted by the Board as on March 31, 2020.

#### Committees of the Board (as mandated under the Companies Act, 2013 and the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015)

1. Audit Committee;
2. Nomination and Remuneration Committee
3. Stakeholders' Relationship Committee;
4. Corporate Social Responsibility Committee;
5. Risk Management Committee.

The Board of Directors at their meeting held on August 6, 2019 dissolved the IPO Committee of the Company which was constituted to administer and monitor the IPO of the Company.

#### A. AUDIT COMMITTEE:

The Audit Committee of the Company is duly constituted as per Regulation 18 of the SEBI (Listing Obligations and

## CORPORATE GOVERNANCE REPORT (Contd.)

Disclosure Requirements) Regulations, 2015, read with the provisions of Section 177 of the Companies Act, 2013.

All the Members of the Audit Committee are financially literate and capable of analysing Financial Statements of the Company. The constitution of the Audit Committee is in Compliance with the applicable laws.

Mr. Milind Shripad Sarwate is the Chairman of the Audit Committee. The Statutory Auditors are invited to attend the Audit Committee Meetings. The Audit Committee members invite the Internal Auditor or any other concerned officer of the Company in the meetings, whenever required on case to case basis. The Audit Committee acts as a link between the Management, Statutory Auditors, Internal Auditors and the Board of Directors and oversees the financial reporting process.

The Company Secretary acts as the Secretary of the Audit Committee.

### **Terms of Reference of the Audit Committee are as follows:**

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, 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;

## CORPORATE GOVERNANCE REPORT (Contd.)

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 Obligations and Disclosure Requirements) Regulations, 2015, 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;
  - (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 SEBI (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 SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015

23. To review the utilization of loans and/ or advances from/investment by the holding company in the subsidiary exceeding rupees 100 crore or 10% of the asset size of the subsidiary, whichever is lower including existing loans / advances / investments existing as on the date of coming into force of this provision."

### Composition and Attendance of the meetings by the members of the Audit Committee

In the Financial Year 2019-2020, Five (5) meetings of the Audit Committee were held. The meetings were held on May 13, 2019, August 6, 2019, November 11, 2019, January 15, 2020 and February 6, 2020. The Chairman of the Audit Committee attended the 19th AGM of the Company held during the Financial Year 2019-2020 i.e. on August 6, 2019. During the Financial Year under review, the Board accepted all the recommendations made by the Audit Committee.

The details of Composition of Audit Committee and attendance of meetings by each of the Committee Member is as follows:

| Name of the Members                  | Designation in the Committee | Particulars of attendance                       |  |
|--------------------------------------|------------------------------|---|--|
|                                      |                              | No. of meetings held during the Member's tenure | No. of meetings attended by the Member |
| Mr. Milind Shripad Sarwate           | Chairman                     | 5   | 5                                      |
| Mr. Vivek Gambhir                    | Member                       | 5   | 4                                      |
| Mr. Sanjay Bhatnagar                 | Member                       | 5   | 2                                      |
| Mr. Mihir Jagdish Doshi <sup>1</sup> | Member                       | 5   | 4                                      |

<sup>1</sup>Mr. Mihir Jagdish Doshi ceased to be a member of Audit Committee with effect from March 30, 2020.

### B. NOMINATION AND REMUNERATION COMMITTEE:

The Nomination and Remuneration Committee is constituted in Compliance with the requirements of Regulation 19 of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, read with the provisions of Section 178 of the Companies Act, 2013. The Nomination and Remuneration Committee recommends the nomination of Directors and carries out evaluation of performance of Individual Directors. Besides, it recommends remuneration for Directors, Key Managerial Personnel and the Senior Management of the Company.

## CORPORATE GOVERNANCE REPORT (Contd.)

### Terms of Reference of the Nomination and Remuneration Committee are as follows:

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;
- 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;
- 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 SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, as amended, or by any other regulatory authority.
- m) recommend to the board, all remuneration, in whatever form, payable to senior management."

### Nomination and Remuneration Committee Meetings

During the financial year under review, four meetings of the Nomination and Remuneration Committee were held:

The meetings were held on May 13, 2019, August 6, 2019, November 11, 2019 and February 6, 2020. The Chairman of the Nomination and Remuneration committee attended the 19th AGM of the Company held during the Financial Year 2019-2020 i.e. on August 6, 2019. During the Financial year under review, the Board accepted all recommendations made by the Nomination and Remuneration Committee.

The details of Composition of Nomination and Remuneration Committee and attendance of meetings by each of the Committee Member is as follows:

| Name of the Members                  | Designation in the Committee | Particulars of attendance                       |  |
|--------------------------------------|------------------------------|---|--|
|                                      |                              | No. of meetings held during the Member's tenure | No. of meetings attended by the Member |
| Mr. Vivek Gambhir                    | Chairman                     | 4   | 4                                      |
| Mr. Milind Shripad Sarwate           | Member                       | 4   | 4                                      |
| Mr. Mihir Jagdish Doshi <sup>1</sup> | Member                       | 4   | 3                                      |
| Mr. Sanjay Bhatnagar <sup>2</sup>    | Member                       | -   | -                                      |

## CORPORATE GOVERNANCE REPORT (Contd.)

<sup>1</sup>Mr. Mihir Jagdish Doshi ceased to be a member of Nomination and Remuneration Committee with effect from March 30, 2020;

<sup>2</sup>Mr. Sanjay Bhatnagar ceased to be member of Nomination and Remuneration Committee with effect from May 2, 2019 and was re-inducted as a member of Nomination and Remuneration Committee with effect from March 30, 2020.

The Company Secretary of the Company acts as a Secretary to the Committee.

### Performance Evaluation Criteria for Independent Directors

The Board of Directors of the Company carried out an Annual Evaluation of its own performance, Performance of its Committees, and Individual Directors pursuant to the provisions of the Companies Act, 2013 and the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015. The performance evaluation was conducted through structured questionnaires which covered various aspects such as the Board / Committee Composition, Structure, Effectiveness and Contribution to Board / Committee processes, adequacy, appropriateness and timeliness of information and the overall functioning of the Board / Committees etc. The Individual Director's response to the questionnaire on the performance of the Board, Committee(s), Individual Directors and the Chairman, was analysed. The Directors were satisfied with the evaluation process.

In compliance with Regulation 19 read with Part D of Schedule II of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, the Board of Directors has formulated a criteria for evaluation of the Company's Independent Directors' performance. The performance evaluation of Independent Directors is carried out on the basis of their role and responsibilities, effective participation in the Board and Committee meetings, expertise, skills and exercise of independent judgment in major decisions of the Company.

### REMUNERATION TO DIRECTORS

#### Remuneration to Non-Executive/Independent Directors

##### Sitting Fees

The Non-executive Directors are entitled to sitting fees for attending the meetings of the Board of Directors and Committees thereof. Sitting fees paid to Non-Executive Directors are within the prescribed limits under the Companies Act, 2013 and as determined by the Board of Directors from time to time.

### Commission

The shareholders of the Company at their Annual General Meeting held on September 10, 2018 approved the payment of Commission to the Independent and Non-Executive Directors of the Company on an Annual basis, subject to the aggregate limit of one percent of the Net Profits of the Company as computed in the manner prescribed under Section 198 of the Companies Act, 2013, in such amount and proportion and in such manner as may be determined by the Board of Directors from time to time, in addition to the sitting fees as determined by the Board of Directors from time to time.

### Reimbursement of expenses

The Non-Executive directors are also entitled to reimbursement of expenses for participation in the Board and other meetings in terms of the Companies Act, 2013.

The details of Sitting Fees and Commission paid during the year are as under:

| Amount in ₹                      |              |            |
|----------------------------------|--------------|------------|
| Names of Non-Executive Directors | Sitting Fees | Commission |
| Mr. Mihir Doshi                  | 8,50,000     | -          |
| Mr. Vivek Gambhir                | 10,75,000    | 6,77,000   |
| Mr. Milind Sarwate               | 12,00,000    | 6,77,000   |
| Mr. Sanjay Bhatnagar             | 4,50,000     | 6,77,000   |

During the year, there was no pecuniary relationship or transaction between the Company and any of its Non-Executive Directors apart from sitting fees and commission. The Company has not granted any stock options to any of its Non-Executive Directors.

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

The Company has paid remuneration to its Managing Director and Whole-time Directors, by way of salary and perquisites, if any, within the limits stipulated under the Companies Act, 2013 and the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, and as per the approval sought from the shareholders of the Company.

Details of the remuneration paid to the Executive Directors and the Key Managerial Personnel of the Company during the Financial Year 2019-2020 are as follows:

## CORPORATE GOVERNANCE REPORT (Contd.)

Amount in lakhs

| Name   | Designation   | Gross Remuneration <sup>1</sup> |
|--|---|---------------------------------|
| Dr. Sushil Kanubhai Shah   | Chairman and Executive Director                         | 180.00                          |
| Ms. Ameera Sushil Shah   | Managing Director                                       | 491.21                          |
| Mr. Vijender Singh   | Chief Executive Officer                                 | 441.98                          |
| Mr. Tushar Manohar Karnik<br>(upto November 11, 2019)            | Chief Financial Officer                                 | 54.52                           |
| Mr. Rakesh Kumar Agarwal<br>(Appointed w.e.f. November 11, 2019) | Chief Financial Officer                                 | 30.67                           |
| Mr. Jayant Prakash<br>(upto December 6, 2019)                    | Head Legal, Company Secretary<br>and Compliance Officer | 32.72                           |
| Ms. Poonam Tanwani<br>(Appointed w.e.f. February 10, 2020)       | Company Secretary and<br>Compliance Officer             | 3.59                            |

<sup>(1)</sup>Gross remuneration is exclusive of Company's Contribution to Provident Fund.

The performance criteria of the above-mentioned Directors and KMP are laid down by the Nomination and Remuneration Committee in accordance with the Nomination and Remuneration Policy of the Company.

The Company has a Nomination & Remuneration Policy for remuneration of Directors, Key Managerial Personnel and Senior Management of the Company. There was no change in the Policy in the Financial Year 2019-2020.

### The objective of the Nomination and 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, if required;
- To recommend to the Board the remuneration payable to the Directors, Key Managerial Personnel and Senior Management;
- To devise a policy on Board diversity.

The term of appointment of the Executive Directors & the Independent Directors on the Board of your Company is for a period of five (5) years from the respective dates of appointment.

The Company does not have any service contract with any of its Directors.

### Service Contracts, Severance Fees and Notice Period

The appointment and remuneration of the Executive Chairman and Whole-time Director, Managing Director is

subject to the provisions of the Act and the Resolution passed by the Board of Directors and Members of the Company which covers the terms and conditions of such appointment. There is no separate provision for payment of severance fee under the resolutions governing the appointment of Executive Chairman and Whole-time Director and Managing Director.

### Employee Stock Options

The Company has in place Metropolis Employee Stock Option Scheme 2015 (MESOS - 2015). The details of "Metropolis Employee Stock Option Scheme 2015 (MESOS- 2015)" including the number of outstanding options are given in the Annexure - 4 of the Board Report.

### Metropolis-Restrictive Stock Unit Plan, 2020

The members of the Company have approved the Metropolis-Restrictive Stock Unit Plan, 2020 ("Metropolis RSU Plan") for the employees of the Company and its subsidiaries (if any) on April 6, 2020 through a Postal Ballot.

## C. STAKEHOLDERS' RELATIONSHIP COMMITTEE:

The Stakeholders' Relationship Committee of the Company is constituted in line with the provisions of Regulation 20 of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, read with Section 178 of the Companies Act, 2013.

### Terms of Reference of the Stakeholders Relationship Committee

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

## CORPORATE GOVERNANCE REPORT (Contd.)

1. Considering and resolving grievances of security holders of the Company, including complaints related to transfer/transmission of shares, non-receipt of Annual Report and non-receipt of declared dividends;
2. Investigating complaints relating to allotment of shares, approval of transfer or transmission of shares, debentures or any other securities;
3. To review the measures taken for effective exercise of voting rights by shareholders.
4. To review the adherence to the service standards adopted by the listed entity in respect of various services being rendered by the Registrar & Share Transfer Agent.
5. Issuing duplicate certificates and new certificates on split/consolidation/renewal; and
6. Carrying out any other function as may be decided by the board of directors or prescribed under the Companies Act, 2013, the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, as amended, or by any other regulatory authority.
7. Review of the various measures and initiatives taken by the listed entity for reducing the quantum of unclaimed dividends and ensuring timely receipt of dividend warrants/annual reports/statutory notices by the shareholders of the company."

**Stakeholders Relationship Committee meetings**

During the financial year under review, three meetings of the Stakeholders Relationship Committee were held on May 13, 2019, August 6, 2019 and November 11, 2019. The Chairman of the Stakeholders' Relationship Committee attended the 19th AGM of the Company held during the Financial Year 2019-2020 i.e. on August 6, 2019.

The Company Secretary of the Company acts as a Secretary to the Committee.

The details of Composition of Stakeholders Relationship Committee and attendance of meetings by each of the Committee Member is as follows:

| Name of the Members      | Designation in the Committee | Particulars of attendance                       |  |
|--------------------------|------------------------------|---|--|
|                          |                              | No. of meetings held during the Member's tenure | No. of meetings attended by the Member |
| Mr. Vivek Gambhir        | Chairman                     | 3   | 3                                      |
| Ms. Ameera Sushil Shah   | Member                       | 3   | 3                                      |
| Dr. Sushil Kanubhai Shah | Member                       | 3   | 3                                      |

The details of Investor complaints received / redressed during the financial year is as under:

| Complaints as on April 1, 2019 | Received during the year | Resolved during the year | Complaints Pending as on March 31, 2020 |
|--------------------------------|--------------------------|--------------------------|---|
| Nil                            | 1                        | 1                        | Nil                                     |

**Name, Designation and address of Compliance Officer**

Ms. Poonam Tanwani

**Company Secretary & Compliance Officer**

250-D, Udyog Bhavan, Hind Cycle Marg, Worli,

Mumbai- 400030

Tel. No.: 91 22 6258 2810

Fax No.: NA

Email: poonam.tanwani@metropolisindia.com / investor.relations@metropolisindia.com

**D. CORPORATE SOCIAL RESPONSIBILITY (CSR) COMMITTEE:**

The Corporate Social Responsibility (CSR) Committee of the Board was constituted in compliance with the provisions of Section 135 of the Companies Act, 2013. The Company is focused on stakeholder value creation, especially for the shareholders and local communities by contributing to the social and environmental needs. The Board accepted all the recommendations made by the Corporate Social Responsibility Committee during the year.

**Terms of Reference of the Corporate Social Responsibility Committee**

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.

## CORPORATE GOVERNANCE REPORT (Contd.)

### Corporate Social Responsibility Committee meetings

During the financial year under review, one meeting of the Corporate Social Responsibility Committee was held on May 13, 2019.

The Chairman of the Corporate Social Responsibility Committee attended the 19th AGM of the Company held during the Financial Year 2019-2020 i.e. on August 6, 2019.

The details of Composition of Corporate Social Responsibility Committee and attendance of meetings by each of the Committee Member is as follows:

| Name of the Members        | Designation in the Committee | Particulars of attendance                       |  |
|----------------------------|------------------------------|---|--|
|                            |                              | No. of meetings held during the Member's tenure | No. of meetings attended by the Member |
| Mr. Vivek Gambhir          | Chairman                     | 1   | 1                                      |
| Ms. Ameera Sushil Shah     | Member                       | 1   | 1                                      |
| Mr. Milind Shripad Sarwate | Member                       | 1   | 1                                      |

### E. RISK MANAGEMENT COMMITTEE (RMC) COMMITTEE:

The Risk Management Committee of the Board was constituted in compliance with the provision of Regulation 21 of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015.

#### 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;
- 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 meetings by the members of the Risk Management Committee

The Risk Management Committee was constituted w.e.f. February 11, 2019 and the Company shall hold the meeting of the committee in compliance with Regulation 21(3A) of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 during the extended time allowed under SEBI Circular No SEBI/HO/CFD/CMD1/CIR/P/2020/48 dated March 26, 2020 for the Financial Year 2019-2020.

The Composition of the Committee is as under:

| Name of the Members      | Designation in the Committee |
|--------------------------|------------------------------|
| Ms. Ameera Sushil Shah   | Chairman                     |
| Dr. Sushil Kanubhai Shah | Member                       |
| Mr. Vijender Singh       | Member                       |

## CORPORATE GOVERNANCE REPORT (Contd.)

## 4. GENERAL BODY MEETINGS

The details of Annual General Meetings convened during the last three years are as follows:

| Particulars         | F.Y. 2016-2017  | F.Y. 2017-2018  | F.Y. 2018-2019  |
|---------------------|---|---|---|
| Date                | September 18, 2017  | September 10, 2018  | August 6, 2019  |
| Time                | 10:00 a.m.  | 4:00 p.m.   | 9.00 a.m.   |
| Venue               | 250-D, Udyog Bhavan, Hind Cycle Marg, Worli, Mumbai-400030  | 250-D, Udyog Bhavan, Hind Cycle Marg, Worli, Mumbai-400030  | Hall of Culture, Nehru Centre, Worli, Mumbai - 400 018 Maharashtra, India |
| Special Resolutions | a) Revision in Borrowing Limits<br>b) Authority to create charge<br>c) Authority to make investments<br>d) Approval for increase in share limit under Metropolis Employees Stock Option Scheme 2015 | a) Change in Designation of Mr. Mihir Jagdish Doshi from Independent Director to Non-Executive Director<br>b) Offer and Issue of Equity Shares for consideration other than cash on Preferential / Private Placement Basis<br>c) Revision in terms of appointment of Ms. Ameera Sushil Shah, Managing Director of the Company<br>d) Revision in terms of appointment of Dr. Sushil Kanubhai Shah, Chairman and Executive Director of the Company<br>e) Approval for fixing commission on profits to Non-Executive Directors and Independent Directors<br>f) Amendment to the terms of issue of convertible warrants<br>g) Revision in terms and conditions of Metropolis Employee Stock Option Scheme 2015 (MESOS 2015) | No Special Resolution was passed  |

**Extra Ordinary General Meeting**

No Extra Ordinary General Meeting were held during the year under review.

**Postal Ballot**

Pursuant to Section 110 of the Companies Act, 2013 read with Rule 22 of the Companies (Management and Administration) Rules, 2014, during the year under review, no resolutions were passed by members of the Company through the Postal Ballot process.

The details of resolutions passed through a Postal Ballot Process subsequent to March 31, 2020 are as under:

## CORPORATE GOVERNANCE REPORT (Contd.)

### Resolutions for which approval was sought from the members through the Postal Ballot:

- (i) Approval of Metropolis – Restrictive Stock Unit Plan, 2020 for the employees of the Company
- (ii) Extension of the Metropolis – Restrictive Stock Unit Plan, 2020 to the employees of the Subsidiary Company(ies), if any, of the Company.

|   |   |
|---|---|
| <b>Date of Dispatch of Postal Ballot Notice</b> | March 6, 2020   |
| <b>Voting period</b>                            | From March 8, 2020 (9:00 a.m.) to April 6, 2020 (5:00 p.m.)   |
| <b>Date of declaration of result</b>            | April 8, 2020   |
| <b>Details of Scrutinizer</b>                   | Mr. Manish Ghia – Partner of M/s Manish Ghia and Associates, Practising Company Secretaries was appointed as a scrutinizer to conduct the entire Postal Ballot process. |

Currently there are no foreseen matters for which a Special resolution may be passed through a Postal ballot. Special Resolution by way of a Postal Ballot, if required to be passed in the future, will be decided at that relevant time and accordingly, would be communicated to the stakeholders.

## 5. DISCLOSURES

### A. Disclosures on materially significant related party transactions that may have potential conflict with the interests of the company

During the year under review, there were no materially significant related party transactions. All the Related Party Transactions other than material as defined under the Companies Act, 2013 and SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, were in the ordinary course of business and at an Arm's Length basis. The Board has approved the policy for Related Party Transactions which has been uploaded on the Company's website viz. [https://prod-metropolisindia-bucket.s3.ap-south-1.amazonaws.com/Investors/code-of-conduct/MHL\\_Policy-on-Related-Party-Transaction.pdf](https://prod-metropolisindia-bucket.s3.ap-south-1.amazonaws.com/Investors/code-of-conduct/MHL_Policy-on-Related-Party-Transaction.pdf)

### B. Details of non-compliance by the company, penalties, strictures imposed on the company by stock exchange(s) or the board or any statutory authority, on any matter related to capital markets, during the last three years

No penalties, strictures were imposed on the Company by the Stock Exchange(s) or SEBI or any Statutory Authority on any matter related to Capital Markets.

### C. Policy for determining 'material' subsidiaries

The Company does not have any material Subsidiary as defined under Regulation 24 of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015.

The Company has formulated a policy for determining material subsidiaries in terms of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015. This Policy has been posted on the website of the Company at the web link: [https://prod-metropolisindia-bucket.s3.ap-south-1.amazonaws.com/Investors/code-of-conduct/MHL\\_Policy-for-determination-of-Material-Subsidiary.pdf](https://prod-metropolisindia-bucket.s3.ap-south-1.amazonaws.com/Investors/code-of-conduct/MHL_Policy-for-determination-of-Material-Subsidiary.pdf)

The Audit Committee of the Company reviews the financial statements and the investments made by the unlisted subsidiary companies. The minutes of the Board meetings of the subsidiaries are placed at the meeting of the Board of Directors of the Company. The management of the unlisted subsidiary periodically brings to the notice of the Board of Directors of the Company a statement of the significant transactions and arrangements entered into by the unlisted subsidiary, if any.

### D. Disclosure of vigil mechanism/ whistle blower policy and access to the chairman of the audit committee

The Company has adopted a Whistle Blower Policy and has established the necessary vigil mechanism as defined under Regulation 22 of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, 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. The vigil mechanism of the Company has a direct access to the Chairperson of the Audit Committee of the Company. The said policy has been put up on the Company's website viz. [https://prod-metropolisindia-bucket.s3.ap-south-1.amazonaws.com/Investors/code-of-conduct/MHL\\_Whistle-Blower-PolicyA.pdf](https://prod-metropolisindia-bucket.s3.ap-south-1.amazonaws.com/Investors/code-of-conduct/MHL_Whistle-Blower-PolicyA.pdf)

Details of concerns and grievances raised in fiscal 2020 are as follows:

| Nature                          | Complaints Received | Complaint Resolved |
|---------------------------------|---------------------|--------------------|
| Whistle Blower Policy           | 1                   | -                  |
| Sexual Harassment at Work place | 2                   | 1                  |
| Code of Conduct                 | 23                  | 20                 |
| <b>Total</b>                    | <b>26</b>           | <b>21</b>          |

There were in all a total of 5 open complaints as on March 31, 2020 for which the necessary steps were taken to resolve them.

## CORPORATE GOVERNANCE REPORT (Contd.)

**E. Code of Fair Disclosure of Unpublished Price Sensitive Information**

In order to restrict communication of Unpublished Price Sensitive Information (UPSI), the Company has adopted Code of Practices and Procedures for Fair Disclosure of Unpublished Price Sensitive Information in compliance with SEBI (Prohibition of Insider Trading) Regulations, 2015 as amended by SEBI (Prohibition of Insider Trading) (Amendment) Regulations, 2018. The said Code is available on the website of the Company at the Web link: <https://prod-metropolisindia-bucket.s3.ap-south-1.amazonaws.com/Investors/code-of-conduct/Code-of-Fair-Disclosure-for-UPSI-Revised-May-13-2019.pdf>

The Company Secretary is the Compliance Officer for monitoring adherence to the said Regulations.

**F. 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 at the Web link: [https://prod-metropolisindia-bucket.s3.ap-south-1.amazonaws.com/Investors/code-of-conduct/MHL\\_Code-of-Conduct-for-Directors-and-Senior-Management.pdf](https://prod-metropolisindia-bucket.s3.ap-south-1.amazonaws.com/Investors/code-of-conduct/MHL_Code-of-Conduct-for-Directors-and-Senior-Management.pdf)

**G. 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.

**H Policy on determining materiality of events**

The Company has adopted a Policy for Determining Materiality of Events / Information as defined under Regulation 30 of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015. The said policy has been put on the Company's website viz. [https://prod-metropolisindia-bucket.s3.ap-south-1.amazonaws.com/Investors/code-of-conduct/MHL\\_Policy-for-determination-of-materiality-of-events.pdf](https://prod-metropolisindia-bucket.s3.ap-south-1.amazonaws.com/Investors/code-of-conduct/MHL_Policy-for-determination-of-materiality-of-events.pdf)

**I. Policy on Dividend Distribution**

The Company has adopted a Dividend Distribution Policy for distributing the profits of the Company to the shareholders as defined under Regulation 43A of the SEBI (Listing Obligations and Disclosure Requirements)

Regulations, 2015. The said policy is available on the Company's website viz. <https://prod-metropolisindia-bucket.s3.ap-south-1.amazonaws.com/Investors/code-of-conduct/MHL-Dividend-Distribution-Policy.pdf>

The said Policy is disclosed under Annexure - 6 to this Report.

**J. Policy on Preservation of Documents and Archival Policy**

The Company has adopted a Preservation of Documents and Archival Policy for preservation of documents as defined under Regulation 9 of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015. The said policy has been put on the Company's website viz. <https://www.metropolisindia.com>

**K. Non-compliance of any requirement of Corporate Governance Report**

There have been no instances of non-compliance of any requirement of the Corporate Governance Report as prescribed by the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015.

**L. Proceeds of public, rights and preferential issues**

The Company has not raised any fund through Preferential Allotment or Qualified Institutions Placement as specified under Regulation 32 (7A) of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, during the financial year ended March 31, 2020.

**M. Total fees paid by the company and its subsidiaries, on a consolidated basis to BSR & Co., LLP, Statutory Auditors and all entities in its network firm/network entity, during the Financial Year 2019-2020**

(Amount in Lakhs)

| Particulars                    | Amount (including GST) |
|--------------------------------|------------------------|
| Audit Fees                     | 99.52                  |
| Other Services/ certifications | 31.00                  |
| Reimbursement of expenses      | 2.85                   |
| <b>Total</b>                   | <b>133.37</b>          |

**N. Certificate from a Company Secretary in Practice**

A certificate dated May 29, 2020, from M/s. Manish Ghia & Associates, Company Secretaries in Practice has been obtained certifying that none of the directors on the board of the Company has been debarred or disqualified from being appointed or continuing as director of the

## CORPORATE GOVERNANCE REPORT (Contd.)

Company by Securities and Exchange Board of India/ Ministry of Corporate Affairs or any such statutory authority and the same is enclosed as an Annexure to this report.

### **O. Disclosure in relation to Sexual Harassment of Women at workplace (Prevention, Prohibition and 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 details of complaints received and redressed during the financial year 2019-2020 are as under:-

- a) Number of complaints filed during the financial year : Two
- b) Number of complaints disposed of during the financial year : One
- c) Number of complaints pending as on end of the financial year : One

### **P. Disclosure on Compliance with Corporate Governance Requirements**

Your Company has complied with all the Corporate Governance requirements specified in Regulation 17 to 27 and clauses (b) to (i) of sub-regulation (2) of Regulation 46 of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, wherever applicable to your Company.

### **Q. Compliance with mandatory requirements:**

The Company has complied with all applicable mandatory requirements of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 as on March 31, 2020. Quarterly Compliance Report on Corporate Governance, in the prescribed format, duly signed by the Compliance Officer is submitted with the Stock Exchanges where the shares of the Company are listed.

### **R. Accounting treatment**

The Financial Statement of the company for Financial Year 2019-2020 have been prepared in accordance with the applicable accounting principles in India and the Indian accounting standards (Ind As) prescribed under Section 133 of the Companies Act, 2013 read with the rules made thereunder.

### **S. Adaption and Compliance of Non-mandatory requirements:**

#### **a. Audit Qualifications:**

There were no qualifications in the Standalone and the Consolidated Financial Statements of the Company for the Financial year ended March 31, 2020.

#### **b. Internal Auditors:**

The Internal Auditors directly report to the Audit Committee of the Company.

## **6. MEANS OF COMMUNICATION**

|  |   |
|--|---|
| Financial Results                      | The Company communicates to the Stock Exchanges about the annual, half yearly and quarterly financial results immediately from the conclusion of the Board Meeting in which the same is approved. The results are usually published in (Financial Express/Free Press Journal) English newspaper having country-wide circulation and in (Loksatta/Navshakti) Marathi newspaper where the registered office of the Company is situated. These results were also placed on the Company's website at <a href="http://www.metropolisindia.com">www.metropolisindia.com</a> |
| Annual Report                          | Annual Report containing inter alia Audited Financial Statements, Consolidated Financial Statements, Board's Report, Auditor's Report, and other important information is circulated to the shareholders and others entitled thereto. The Management's Discussion and Analysis Report forms a part of the Annual Report. The Annual Report is displayed on the Company's website at <a href="http://www.metropolisindia.com">www.metropolisindia.com</a> .  |
| Communication to shareholders on Email | As mandated by the Ministry of Corporate Affairs (MCA) documents like Notices, Annual Report, ECS advices for dividends, etc. are sent to the shareholders at their email address, as registered with their Depository Participants/ Company/ Registrar and Transfer Agents (RTA), which help in prompt delivery of document, reduce paper consumption, save trees and avoid loss of documents in transit.  |

## CORPORATE GOVERNANCE REPORT (Contd.)

|   |   |
|---|---|
| Website   | <p>All the information and disclosures required to be disseminated as per Regulation 46(2) of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, and Companies Act, 2013 are being posted at Company's website: <a href="http://www.metropolisindia.com">www.metropolisindia.com</a>.</p> <p>The official news releases and presentations to the institutional investors or analysts, if made any are disseminated to the Stock Exchange at <a href="http://www.nseindia.com">www.nseindia.com</a> and <a href="http://www.bseindia.com">www.bseindia.com</a> and the same is also uploaded on the website of the Company <a href="http://www.metropolisindia.com">www.metropolisindia.com</a></p> |
| Designated E-mail address for investor services | <p>The Company has organised investor conferences calls to discuss its financial results, where investor queries were answered by the Executive Management of the Company. The transcript of the conference calls are posted on the website of the Company viz. <a href="http://www.metropolisindia.com">www.metropolisindia.com</a>.</p> <p>To serve the investors better and as required under SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, the designated e-mail address for investors complaints is <a href="mailto:investor.relations@metropolisindia.com">investor.relations@metropolisindia.com</a>.</p>  |
| SEBI Complaints Redress System (SCORES):        | The investor complaints are processed in a Centralised web-based complaints redress system. The salient features of this system are: Centralised database of all complaints, online upload of Action Taken Reports (ATRs) by concerned companies and online viewing by investors of actions taken on the complaint and its current status.  |

## 7. 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 L73100MH2000PLC192798.

Annual General Meeting for the Financial Year 2019-2020

|   |  |
|---|--|
| AGM date, time and venue  | September 16, 2020, 9:00 a.m. through Video Conferencing / Other Audio Visual Means (VC) / (OAVM)  |
| Financial Year  | April 1, 2019 to March 31, 2020  |
| Book Closure Date   | N.A.   |
| Interim Dividend Payment Date   | February 6, 2020   |
| Registered Office   | <p>250-D, Udyog Bhavan,<br/>Hind Cycle Marg, Worli, Mumbai -400030<br/>Tel.: 022 6258 2810<br/>Email Id: <a href="mailto:secretarial@metropolisindia.com">secretarial@metropolisindia.com</a> / <a href="mailto:investor.relations@metropolisindia.com">investor.relations@metropolisindia.com</a><br/>Website: <a href="http://www.metropolisindia.com">www.metropolisindia.com</a></p> |
| Name and Address of Stock Exchanges where Company's securities are listed | <p><b>National Stock Exchange of India Limited</b><br/>Exchange Plaza, C-1, Block G, Bandra-Kurla Complex, Bandra (East), Mumbai - 400 051 Trading Symbol - METROPOLIS</p> <p><b>BSE Limited</b><br/>Phiroze Jeejeebhoy Towers, Dalal Street, Mumbai - 400 001<br/>Scrip Code: 542650</p>  |
| Listing fees  | The Annual Listing fees for the Financial Year 2020-2021 have been paid to the respective Stock Exchanges.   |
| Share Registrar and Transfer Agents                                       | <p>Link Intime India Private Limited<br/>C101, 247 Park, L.B.S. Marg, Vikhroli (West), Mumbai - 400083, Maharashtra,<br/>India Tel No.: +91-22-4918 6270 Fax No.: +91-22-4918 6060<br/>Investor query<br/>registration: <a href="mailto:rnt.helpdesk@linkintime.co.in">rnt.helpdesk@linkintime.co.in</a></p>   |
| Company Secretary & Compliance officer                                    | Ms. Poonam Tanwani   |

## CORPORATE GOVERNANCE REPORT (Contd.)

### 8. MARKET INFORMATION:

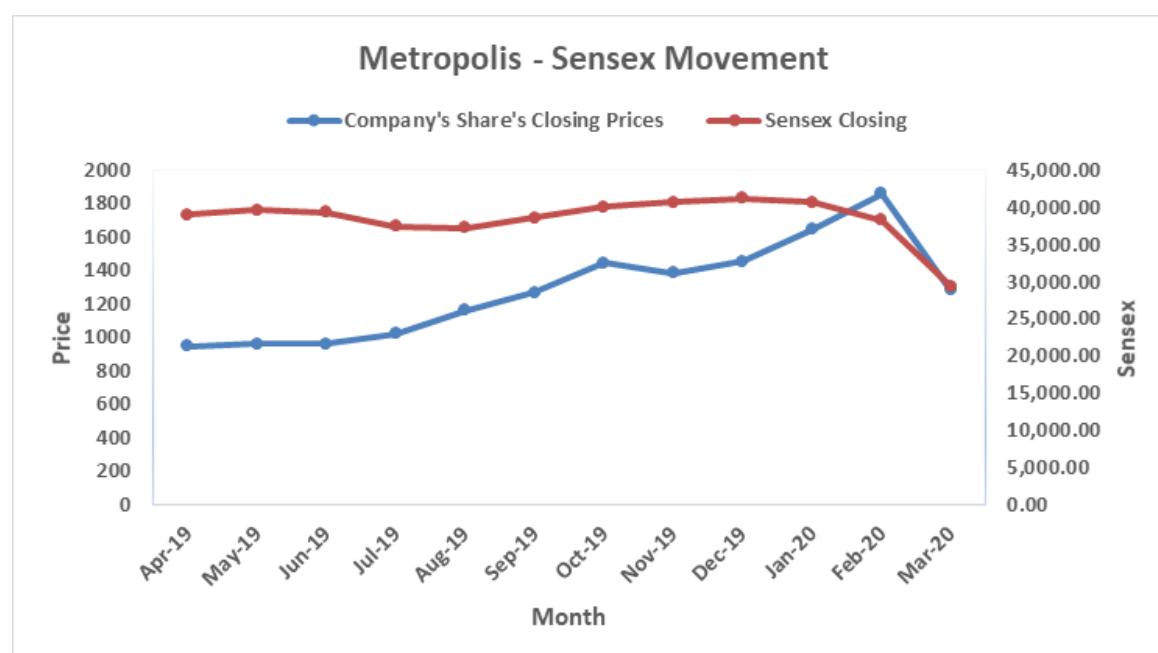
#### Share Capital Structure as March 31, 2020

| Authorised Share Capital              | ₹                   |
|---------------------------------------|---------------------|
| 295754015 Equity Shares of ₹ 2/- each | <b>59,15,08,030</b> |
| Paid up Capital                       |                     |
| 50630566 Equity Shares of ₹ 2/- each  | <b>10,12,61,132</b> |

The high and low prices and volume of your Company's scrip at BSE as compared to the high and low of the SENSEX for the Financial Year 2019-2020 are as under:

| Month<br>(2019-2020) | BSE      |         | SENSEX   |          | Volume |
|----------------------|----------|---------|----------|----------|--------|
|                      | High     | Low     | High     | Low      |        |
| April, 2019          | 1,005.25 | 928.25  | 39487.45 | 38460.25 | 807099 |
| May, 2019            | 980.00   | 904.85  | 40124.96 | 36956.10 | 62163  |
| June, 2019           | 995.80   | 927.40  | 40312.07 | 38870.96 | 18458  |
| July, 2019           | 1080.00  | 949.55  | 40032.41 | 37128.26 | 30059  |
| August, 2019         | 1175.00  | 1001.30 | 37807.55 | 36102.35 | 23712  |
| September, 2019      | 1359.90  | 1145.00 | 39441.12 | 35987.80 | 69877  |
| October, 2019        | 1474.50  | 1215.00 | 40392.22 | 37415.83 | 177204 |
| November, 2019       | 1480.05  | 1349.65 | 41163.79 | 40014.23 | 43663  |
| December, 2019       | 1465.90  | 1248.65 | 41809.96 | 40135.37 | 46068  |
| January, 2020        | 1732.30  | 1337.50 | 42273.87 | 40476.55 | 182819 |
| February, 2020       | 1950.00  | 1521.80 | 41709.30 | 38219.97 | 108936 |
| March, 2020          | 2110.00  | 993.20  | 39083.17 | 25638.9  | 240394 |

#### Metropolis Healthcare Price Movement Chart–BSE

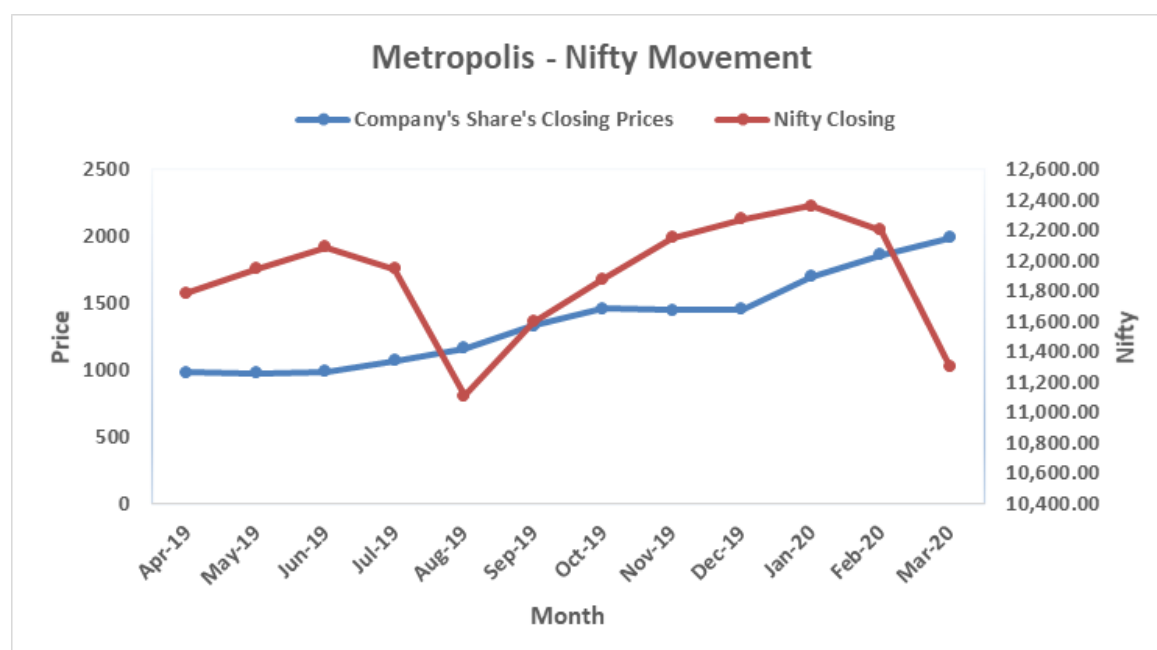


## CORPORATE GOVERNANCE REPORT (Contd.)

The high and low prices and volume of your Company's scrip at NSE as compared to the high and low of the NIFTY for the Financial Year 2019-2020 are as under:

| Month<br>(2019-2020) | NSE     |         | NIFTY    |          | Volume  |
|----------------------|---------|---------|----------|----------|---------|
|                      | High    | Low     | High     | Low      |         |
| April, 2019          | 1005.60 | 927.1   | 11856.15 | 11549.10 | 9385099 |
| May, 2019            | 980.00  | 907.00  | 12041.15 | 11108.30 | 1332168 |
| June, 2019           | 995.95  | 927.40  | 12103.05 | 11625.10 | 440057  |
| July, 2019           | 1080.00 | 946.15  | 11981.75 | 10999.40 | 511989  |
| August, 2019         | 1174.00 | 1000.00 | 11181.45 | 10637.15 | 732985  |
| September, 2019      | 1360.00 | 1142.30 | 11694.85 | 10670.25 | 785817  |
| October, 2019        | 1480.00 | 1218.70 | 11945.00 | 11090.15 | 754151  |
| November, 2019       | 1488.00 | 1336.60 | 12158.80 | 11802.65 | 844293  |
| December, 2019       | 1465.00 | 1250.00 | 12293.90 | 11832.30 | 761696  |
| January, 2020        | 1730.00 | 1340.00 | 12430.50 | 11929.60 | 944585  |
| February, 2020       | 1950.00 | 1515.00 | 12246.70 | 11175.05 | 1176726 |
| March, 2020          | 2109.00 | 998.05  | 11433.00 | 7511.10  | 2569959 |

### \*Metropolis Healthcare Price Movement Chart—NSE



\*Price movement is based upon Monthly higher closing price vs. Nifty Monthly Higher Closing

## 9. SHARE TRANSFER SYSTEM

### Nomination Facility for shares held in physical form

Shareholders who hold shares in physical form and wish to make/ change a nomination in respect of their shares in the Company, as permitted under Section 72 of the Companies Act, 2013, may submit request to Registrar and Transfer Agent (RTA) in the prescribed Forms SH-13/SH-14.

### For Shares held in Electronic Form

Shareholders holding shares in electronic form may please note that instructions regarding change of address, bank details, email address, nomination and power of attorney should be given directly to the Depository Participant (DP).

### Number of Shares held in Physical Form

As on March 31, 2020, only Two (2) shares were held in physical form.

## CORPORATE GOVERNANCE REPORT (Contd.)

### Distribution of shareholding as on March 31, 2020

| Range         | Holders      | % to Total Holders | Holding         | Amount (₹)       | % to Capital |
|---------------|--------------|--------------------|-----------------|------------------|--------------|
| 1-500         | 21342        | 98.025             | 570715          | 1141430          | 1.1272       |
| 501- 1000     | 140          | 0.643              | 104888          | 209776           | 0.2072       |
| 1001- 2000    | 102          | 0.4685             | 145755          | 291510           | 0.2879       |
| 2001- 3000    | 28           | 0.1286             | 69653           | 139306           | 0.1376       |
| 3001- 4000    | 19           | 0.0873             | 66933           | 133866           | 0.1322       |
| 4001- 5000    | 15           | 0.0689             | 68916           | 137832           | 0.1361       |
| 5001- 10000   | 26           | 0.1194             | 195281          | 390562           | 0.3857       |
| 10001 & Above | 100          | 0.4593             | 49408425        | 98816850         | 97.5862      |
| <b>Total</b>  | <b>21772</b> | <b>100</b>         | <b>50630566</b> | <b>101261132</b> | <b>100</b>   |

### Shareholding pattern as on March 31, 2020

| Sr. No       | Category of Shareholders                | No. of Shares   | % to Total Holding |
|--------------|---|-----------------|--------------------|
| <b>A.</b>    | <b>PROMOTERS</b>                        | 28807536        | 56.90              |
| <b>B.</b>    | <b>PUBLIC SHAREHOLDING</b>              |                 |                    |
| 1.           | Alternate Investment Funds              | 45409           | 0.09               |
| 2.           | Clearing Members                        | 81126           | 0.16               |
| 3.           | Financial Institutions                  | 1871            | 0.00               |
| 4.           | Foreign Company                         | 7179579         | 14.18              |
| 5.           | Foreign Portfolio Investors (Corporate) | 8170870         | 16.14              |
| 6.           | Hindu Undivided Family                  | 35485           | 0.07               |
| 7.           | Insurance Companies                     | 2000            | 0.00               |
| 8.           | Mutual Funds                            | 3042316         | 6.01               |
| 9.           | Non Resident (Non Repatriable)          | 8359            | 0.02               |
| 10.          | Non Resident Indians                    | 28833           | 0.06               |
| 11.          | Other Bodies Corporate                  | 1582295         | 3.13               |
| 12.          | Public                                  | 1643863         | 3.25               |
| 13.          | Trust (Employees)                       | 1024            | 0.00               |
| <b>Total</b> |   | <b>50630566</b> | <b>100.00</b>      |

### Top ten equity shareholders of the Company (other than promoters) as on March 31, 2020:

| Sr. No. | Name of the Shareholder  | Number of equity shares held of ₹ 2/- each | Percentage of holding |
|---------|--|--|-----------------------|
| 1       | CA Lotus Investments   | 71,79,579                                  | 14.18                 |
| 2       | Smallcap World Fund, INC   | 27,80,746                                  | 5.49                  |
| 3       | Bright Star Investments Pvt Ltd  | 14,45,130                                  | 2.85                  |
| 4       | UTI - Equity Fund  | 11,79,868                                  | 1.84                  |
| 5       | Aditya Birla Sun Life Trustee Private Limited A/C Aditya Birla Sun Life Equity Fund    | 15,33,583                                  | 1.40                  |
| 6       | Fundsmith Emerging Equities Trust PLC  | 5,44,334                                   | 1.08                  |
| 7       | Wasatch International Opportunities Fund   | 4,98,039                                   | 0.98                  |
| 8       | Grandeur Peak International Opportunities Fund   | 4,08,000                                   | 0.81                  |
| 9       | Destinations International Equity Fund, A Series of Brinker Capital Destinations Trust | 3,89,315                                   | 0.77                  |
| 10      | Grandeur Peak Emerging Markets Opportunities Fund                                      | 3,67,701                                   | 0.73                  |

## CORPORATE GOVERNANCE REPORT (Contd.)

**10. DEMATERIALIZATION OF SHARES AND LIQUIDITY**

The Company has established connectivity with Central Depository Services (India) Limited (CDSL) and National Securities Depository Limited (NSDL) for dematerialisation of shares and the same are available in electronic segment under ISIN: INE112L01020. Equity Shares representing 100% of the Company's Share Capital are dematerialised as on March 31, 2020 except as shown below:

The shares of the Company are regularly traded at both the Stock Exchanges where they are listed, which ensures the necessary liquidity to the shareholders.

| Physical and Dematerialised Shares as on March 31, 2020 | Shares          | % of Total Issued Capital |
|---|-----------------|---------------------------|
| No. of Shares held in dematerialised form in CDSL       | 2013535         | 3.98                      |
| No. of Shares held in dematerialised form in NSDL       | 48617029        | 96.02                     |
| No. of Physical Shares                                  | 2               | 0.00                      |
| <b>Total</b>  | <b>50630566</b> | <b>100.00</b>             |

**11. OUTSTANDING GDRS/ADRS/WARRANTS OR ANY CONVERTIBLE INSTRUMENTS, CONVERSION DATE AND LIKELY IMPACT ON EQUITY**

As on March 31, 2020, there are no GDR/ ADR/ Warrants or any Convertible Instruments pending conversion or any other instruments likely to impact the equity share capital of the Company.

**12. COMMODITY PRICE RISK OR FOREIGN EXCHANGE RISK AND HEDGING ACTIVITIES**

The Company has taken suitable steps from time to time for protecting it against foreign exchange risk(s). The Company does not enter into hedging activities.

As such, the Company is not exposed to any commodity price risk, and hence the disclosure required under Clause 9(n) of Part C of Schedule V in terms of the format prescribed vide SEBI Circular, dated 15th November, 2018, is not required.

**13. EQUITY SHARES IN THE SUSPENSE ACCOUNT**

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

**14. TRANSFER OF UNCLAIMED/UNPAID AMOUNT TO THE INVESTOR EDUCATION AND PROVIDENT FUND**

The Company had not declared any dividend for the Financial Year 2012-2013, and therefore, there is no

unpaid / unclaimed dividend for the Financial Year 2012-2013 that is liable to be transferred to the Investor Education and Provident Fund.

**15. PLANT LOCATION**

Since the Company is in the business of service providing, the Company does not have any manufacturing plant. It is a diagnostic Company wherein, it offers a comprehensive range of clinical laboratory testing, profiles & support services to patients, smaller labs, nursing homes and hospitals. Our laboratory network consists of 124 labs (including Global Reference Lab in Mumbai and 13 Regional Reference Labs) and 2,731 Patient Service Centre.

**16. 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 issued any NCD or availed any bank loan for the year ended on March 31, 2020.

**17. CEO/CFO CERTIFICATION**

The Chief Executive Officer & Chief Financial Officer (CEO & CFO) have certified to the Board with regard to the compliance made by them in terms of Regulation 17(8) read with Part B of Schedule II of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, and the said certificate is annexed hereto and forms a part of this Report.

**18. DECLARATION PURSUANT TO REGULATION 26(3) READ WITH SCHEDULE V OF SEBI (LISTING OBLIGATIONS AND DISCLOSURE REQUIREMENTS) REGULATIONS, 2015**

In accordance with Regulation 26(3) read with Schedule V of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, we hereby declare that the Board of Directors and Senior Management Personnel of the Company have affirmed compliance with the Code of Conduct as applicable to them for the financial year March 31, 2020 and the compliance certificate by the CEO of the Company in this regard is annexed hereto and forms a part of this Report.

## CORPORATE GOVERNANCE REPORT (Contd.)

### 19. COMPLIANCE CERTIFICATE OF THE AUDITORS

Certificate from the Auditors, M/s Manish Ghia & Associates, Company Secretaries, confirming compliance with conditions of Corporate Governance as stipulated under Regulation 34 read with Schedule V of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, is annexed hereto and forms a part of this Report.

### 20. ADDRESS FOR CORRESPONDENCE:

#### A. Registered Office Address:

Metropolis Healthcare Limited  
250-D, Udyog Bhavan, Hind Cycle Marg,  
Worli, Mumbai -400030  
Tel.: +91 6258 2810  
Fax: NA  
Email Id: [secretarial@metropolisindia.com](mailto:secretarial@metropolisindia.com) / [investor.relations@metropolisindia.com](mailto:investor.relations@metropolisindia.com)  
Website: [www.metropolisindia.com](http://www.metropolisindia.com)

#### B. Company's Registrar and Share Transfer Agent Address:

Link Intime India Private Limited  
C 101, 247 Park, L. B. S. Marg, Vikhroli (West),  
Mumbai - 400 083, Maharashtra, India  
Tel No.: +91-22-4918 6270  
Fax No.: +91-22-4918 6060  
Investor query registration: [rnt.helpdesk@linkintime.co.in](mailto:rnt.helpdesk@linkintime.co.in)

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

**Dr. Sushil Kanubhai Shah**

Chairman & Executive Director  
(DIN: 00179918)

Place: Mumbai

Date: May 29, 2020

# ANNEXURE TO THE CORPORATE GOVERNANCE REPORT

To  
The Members  
**Metropolis Healthcare Limited**  
Mumbai - 400030.

We have examined the compliance of conditions of Corporate Governance by **Metropolis Healthcare Limited**, for the year ended on 31st March 2020 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

Place: Mumbai  
Date: May 29, 2020  
UDIN: F006252B000297235

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

## ANNEXURE TO THE CORPORATE GOVERNANCE REPORT

# 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  
**Metropolis Healthcare Limited**  
250 D, Udyog Bhavan, Worli, Mumbai - 400030

We have examined the relevant registers, records, forms, returns and disclosures received from the Directors of **Metropolis Healthcare Limited** having CIN: L73100MH2000PLC192798 and having registered office at 250 D, Udyog Bhavan, 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](http://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 31st March, 2020 has 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       | DIN      | Date of Appointment in Company |
|--------|----------------------------|----------|--------------------------------|
| 1      | Mr. Sushil Kanubhai Shah   | 00179918 | 17-08-2005                     |
| 2      | Ms. Ameera Sushil Shah     | 00208095 | 06-05-2008                     |
| 3      | Mr. Sanjay Bhatnagar       | 00867848 | 07-09-2018                     |
| 4      | Mr. Mihir Jagdish Doshi    | 01283331 | 27-03-2015                     |
| 5      | Mr. Vivek Gambhir          | 06527810 | 07-09-2018                     |
| 6      | Mr. Milind Shripad Sarwate | 00109854 | 07-09-2018                     |

Ensuring the eligibility 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: May 29, 2020  
UDIN: F006252B000297268

## CEO AND CFO CERTIFICATION

Pursuant to Regulation 17(8) of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015.

To,  
The Board of Directors,  
**Metropolis Healthcare Limited**

We, Vijender Singh, the Chief Executive Officer (CEO) and Rakesh Agarwal, the Chief Financial Officer (CFO) of Metropolis Healthcare Limited (the Company) to the best of our knowledge and belief, certify that:

- A. We have reviewed the financial statements and the cash flow statement for the financial year ended March 31, 2020 and that these statements:
  1. do not contain any materially untrue statement or omit any material fact or contain statements that might be misleading; and
  2. together present a true and fair view of the Company's affairs and are in compliance with existing accounting standards, applicable laws and regulations.
  3. We further state that to the best of our knowledge and belief, there are no transactions entered into by the Company during the year which are fraudulent, illegal or violative of the Company's Code of Conduct.
- B. We accept responsibility for establishing and maintaining internal controls for financial reporting and that we have evaluated the effectiveness of the internal control systems of the Company pertaining to financial reporting and 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 address these deficiencies.
- C. We have indicated, based on our most recent evaluation, wherever applicable, to the Auditors and the Audit committee that:
  1. there has been no significant change in internal control over financial reporting during the financial year ended March 31, 2020;
  2. there has been no significant change in accounting policies during the financial year ended March 31, 2020, and;
  3. there has been no instance of significant fraud of which we have become aware and the involvement therein, if any, of the management or any employee having significant role in the Company's internal control systems over financial reporting.

**Vijender Singh**

Chief Executive Officer

Place : Gurugram

Date : May 29, 2020

**Rakesh Agarwal**

Chief Financial Officer

Place : Gurugram

Date : May 29, 2020

## ANNUAL DECLARATION BY THE CHIEF EXECUTIVE OFFICER (CEO) PURSUANT TO SCHEDULE V(D) OF THE LISTING REGULATIONS

The Company has laid down a 'Code of Business Conduct and Ethics' for the Directors and the Senior Management Personnel.

Pursuant to the Regulation 26(3) of the Listing Regulations, I, Vijender Singh, Chief Executive Officer of the Company hereby declare that the Board members and the Senior Management Personnel of the Company have affirmed the compliance with the Code of Conduct of the Company for the financial year ended March 31, 2020.

Place: Gurugram

Date: May 29, 2020

**Vijender Singh**

Chief Executive Officer

# BUSINESS RESPONSIBILITY REPORT

Pursuant to Regulation 34(2)(f) of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, the Board of Directors present the Business Responsibility Report of the Company for the Financial Year ended on March 31, 2020.

## SECTION A: GENERAL INFORMATION ABOUT THE COMPANY

|  |  |
|--|--|
| Corporate Identity Number (CIN) of the Company   | L73100MH2000PLC192798  |
| Name of the Company  | Metropolis Healthcare Limited  |
| Registered address   | 250 D, Udyog Bhavan, Hind Cycle Marg, Worli, Mumbai - 400 030, Maharashtra, India  |
| Website  | www.metropolisindia.com  |
| E-mail id  | secretarial@metropolisindia.com  |
| Financial Year reported  | April 01, 2019 to March 31, 2020   |
| Sector(s) that the Company is engaged in (industrial activity code-wise)                                 | <b>Section:</b> Human health and social work activities<br><b>Description:</b> Activities of independent diagnostic/pathological laboratories<br><b>Industrial activity code:</b> 86905* |
| List three key products/services that the Company manufactures/ provides (as mentioned in balance sheet) | The Company provides Diagnostic Services in the area of Pathology.   |
| Total number of locations where business activity is undertaken by the Company:                          |  |
| Number of International Locations  | The Company has its business operations in 6 International locations.  |
| Number of National Locations   | The Company has presence in 220 Locations across India.  |
| Markets served by the Company - Local/State/National/ International                                      | <b>International Locations:</b> Kenya, Ghana, Mauritius, Zambia, Tanzania and Sri Lanka.<br><b>National Locations:</b> PAN India   |

\* As per National Industrial Classification made by Ministry of Statistics & Programme Implementation

## SECTION B: FINANCIAL DETAILS OF THE COMPANY

(Amount in Lakhs)

|   |  |
|---|--|
| Paid up Capital   | 1,012.61   |
| Total Income  | 69,462.50  |
| Total profit after taxes  | 11,205.43  |
| Total Spending on Corporate Social Responsibility (CSR) as percentage of profit after tax (%) | 0.69%  |
| List of activities in which expenditure as stated above has been incurred                     | Please refer to the "Report on CSR Activities" attached as annexure to the Board's Report forming part of the Annual Report. |

## SECTION C: OTHER DETAILS

### 1. Does the Company have any Subsidiary Company/ Companies?

Yes, as on March 31, 2020, the Company has 18 subsidiary companies (including foreign step down subsidiaries), the details of the same have been provided in another section of the Annual Report.

### 2. Do the Subsidiary Company/Companies participate in the BR Initiatives of the parent company? If yes, then indicate the number of such subsidiary company(s)?

All the subsidiary companies as mentioned above participate in the BR initiatives of the parent Company i.e. Metropolis Healthcare Limited.

**Do any other entity/entities (e.g. suppliers, distributors etc.) that the Company does business with, participate in the BR initiatives of the Company? If yes, then indicate the percentage of such entity/entities? [Less than 30%, 30-60%, More than 60%]**

No, there is no such participation by any other entity/entities.

## BUSINESS RESPONSIBILITY REPORT (CONTD.)

### SECTION D: BUSINESS RESPONSIBILITY INFORMATION

#### 1. Details of Director/Directors responsible for BR

a) Details of the Director / Directors responsible for implementation of the Business Responsibility policy/policies:

| Sr. No. | Name               | DIN      | Designation       |
|---------|--------------------|----------|-------------------|
| 1       | AMEERA SUSHIL SHAH | 00208095 | Managing Director |

#### b) Details of the Business Responsibility Head

|                  |                               |
|------------------|-------------------------------|
| DIN              | 00208095                      |
| Name             | AMEERA SUSHIL SHAH            |
| Designation      | Managing Director             |
| Telephone Number | 022 62582810                  |
| E-mail ID        | md.office@metropolisindia.com |

#### 2. Principle-wise (as per National Voluntary Guidelines [NVGs]) BR Policy/policies

The NVGs on Social, Environmental and Economic Responsibilities of Business released by the Ministry of Corporate Affairs has adopted nine areas of Business Responsibility. These principles (P1-P9) are as follows:

P1 - Businesses should conduct and govern themselves with Ethics, Transparency and Accountability.

P2 - Businesses should provide goods and services that are safe and contribute to sustainability throughout their life cycle.

P3 - Businesses should promote the well-being of all employees.

P4 - Businesses should respect the interests of and be responsive towards all stakeholders, especially those who are disadvantaged, vulnerable and marginalized.

P5 - Businesses should respect and promote human rights.

P6 - Business should respect, protect and make efforts to restore the environment.

P7- Businesses, when engaged in influencing public and regulatory policy, should do so in a responsible manner.

P8 - Businesses should support inclusive growth and equitable development.

P9 - Businesses should engage with and provide value to their customers and consumers in a responsible manner.

#### (a) Details of compliance

| Sr. No. | Questions   | P1   | P2 | P3 | P4 | P5 | P6 | P7 | P8 | P9 |
|---------|---|--|----|----|----|----|----|----|----|----|
| 1.      | Do you have a policy/ policies for  | Y  | Y  | Y  | Y  | Y  | Y  | Y  | Y  | Y  |
| 2.      | Has the policy being formulated in consultation with the relevant stakeholders?   | Y  | Y  | Y  | Y  | Y  | Y  | Y  | Y  | Y  |
| 3.      | Does the policy confirm to any national / international standards? If yes, specify?*(50 words)                            | Y  | Y  | Y  | Y  | Y  | Y  | Y  | Y  | Y  |
|         |   | Yes. The policies are based on the 'National Voluntary Guidelines on Social, Environmental and Economic Responsibilities of Business issued by the Ministry of Corporate Affairs, Government of India. |    |    |    |    |    |    |    |    |
| 4.      | Has the policy being approved by the Board? If yes, has it been signed by MD/ owner/ CEO/ appropriate Board Director?     | Y  | Y  | Y  | Y  | Y  | Y  | Y  | Y  | Y  |
| 5.      | Does the company have a specified committee of the Board/ Director/ Official to oversee the implementation of the policy? | Y  | Y  | Y  | Y  | Y  | Y  | Y  | Y  | Y  |
| 6.      | Indicate the link for the policy to be viewed online?   | www.metropolisindia.com<br>https://prod-metropolisindia-bucket.s3.ap-south-1.amazonaws.com/Investors/code-of-conduct/MHL_Business-Responsibility-policy.pdf  |    |    |    |    |    |    |    |    |

## BUSINESS RESPONSIBILITY REPORT (CONTD.)

| Sr. No. | Questions  | P1   | P2 | P3 | P4 | P5 | P6 | P7 | P8 | P9 |
|---------|--|--|----|----|----|----|----|----|----|----|
| 7.      | Has the policy been formally communicated to all relevant internal and external stakeholders?  | Y  | Y  | Y  | Y  | Y  | Y  | Y  | Y  | Y  |
|         |  | The Policy has been communicated to the relevant internal and external stakeholders.                                   |    |    |    |    |    |    |    |    |
| 8.      | Does the company have in-house structure to implement the policy/policies?   | Y  | Y  | Y  | Y  | Y  | Y  | Y  | Y  | Y  |
| 9.      | Does the Company have a grievance redressal mechanism related to the policy/ policies to address stakeholders' grievances related to the policy/ policies? | Y  | Y  | Y  | Y  | Y  | Y  | Y  | Y  | Y  |
|         |  | Yes.<br>The grievances can be reported in respect of violation of the policy to the Compliance Officer of the Company. |    |    |    |    |    |    |    |    |
| 10.     | Has the company carried out independent audit/ evaluation of the working of this policy by an internal or external agency?                                 | Y  | Y  | Y  | Y  | Y  | Y  | Y  | Y  | Y  |

\*The policies formulated by the Company are materially in compliance with all mandatory/applicable laws, rules, regulations, guidelines and standards.

- (b) If answer to the question at serial number 1 against any principle, is 'No', please explain why: **Not Applicable**

| Sr. No. | Questions   | P1 | P2 | P3 | P4 | P5 | P6 | P7 | P8 | P9 |
|---------|---|----|----|----|----|----|----|----|----|----|
| 1.      | The company has not understood the Principles   | -  | -  | -  | -  | -  | -  | -  | -  | -  |
| 2.      | The company is not at a stage where it finds itself in a position to formulate and implement the policies on specified principles | -  | -  | -  | -  | -  | -  | -  | -  | -  |
| 3.      | The company does not have financial or manpower resources available for the task  | -  | -  | -  | -  | -  | -  | -  | -  | -  |
| 4.      | It is planned to be done within next 6 months   | -  | -  | -  | -  | -  | -  | -  | -  | -  |
| 5.      | It is planned to be done within the next 1 year   | -  | -  | -  | -  | -  | -  | -  | -  | -  |
| 6.      | Any other reason (please specify)   | -  | -  | -  | -  | -  | -  | -  | -  | -  |

### 3. Governance related to BR

- (a) Indicate the frequency with which the Board of Directors, Committee of the Board or CEO to assess the BR performance of the Company.

The formulation of Business Responsibility Report has become applicable to the Company from Financial Year 2019-20 based on the market capitailization of the Company. On quarterly basis, the Management shall monitor the BR initiatives and BR performance of the Company to be complied in the BR report, which shall form part of Annual Report every year and shall be placed before the Board for their approval, every year.

- (b) Does the Company publish a BR or a Sustainability Report? What is the hyperlink for viewing this report? How frequently it is published?

The formulation of Business Responsibility Report is applicable to the Company from the financial year 2019-20. The Company shall publish its Business Responsibility

Report on an annual basis in the Annual Report of the Company and its website at [www.metropolisindia.com](http://www.metropolisindia.com).

### SECTION E: PRINCIPLE-WISE PERFORMANCE

#### Principle 1: Ethics, Transparency and Accountability

1. Does the policy relating to ethics, bribery and corruption cover only the company? Yes/ No. Does it extend to the Group/Joint Ventures/ Suppliers/Contractors/NGOs/ Others?

The policy relating to ethics, bribery and corruption is primarily applicable to the Company and its Subsidiaries. However, the Company encourages the contractors, suppliers and others to comply with the same, wherever possible.

2. How many stakeholder complaints have been received in the past Financial Year and what percentage was satisfactorily resolved by the management?

The Company has not received any complaint from any stakeholders relating to ethics, bribery and Corruption.

## BUSINESS RESPONSIBILITY REPORT (CONTD.)

### Principle 2: Product Life Cycle Sustainability

1. List up to 3 of your products or services whose design has incorporated social or environmental concerns, risks and/or opportunities.

Our company provides pathology services (single segment) and does not have environmental risks or concerns. We recognise that our operations indirectly impact the environment. Our safety protocol affirms our commitment of reducing impact on the environment. We do this through responsible environmental management, conservation, and protection across all our operations.

- Metropolis utilises services of Agencies authorised by the Pollution Control Board for collecting Bio-medical waste from our labs and we follow the guidelines issued by the local municipal governing bodies of different cities and states.
- Metropolis maintains power factor (PF) up to .97 (unity).
- Sewage Water Processing (SWP) installed at our biggest lab (The Global Reference Lab in Mumbai) and treated water is used for toilet flush and Gardening.
- LED lights are being used instead of conventional lights for energy saving exercise at all our corporate offices and labs.

2. For each such product, provide the following details in respect of resource use (energy, water, raw material etc.) per unit of product (optional):

The Company is engaged into providing pathology services and it does not undertake any activity of manufacturing of a product.

3. Does the company have procedures in place for sustainable sourcing (including transportation)? If yes, what percentage of your inputs was sourced sustainably? Also, provide details thereof, in about 50 words or so.

The Company has built a healthy and strong relationship with its vendors and suppliers. We make sure that our vendors are selected carefully by evaluating multiple aspects including quality, ethics and their capabilities.

4. Has the company taken any steps to procure goods and services from local & small producers, including communities surrounding their place of work? (a) If yes, what steps have been taken to improve their capacity and capability of local and small vendors?

Yes. At our lab and network centres across the country, we procure goods and services from local vendors and mid-size businesses which meets our criteria of quality and cost.

5. Does the company have a mechanism to recycle products and waste? If yes what is the percentage of recycling of products and waste (separately as 10%). Also, provide details thereof, in about 50 words or so.

The Company does not have any mechanism for recycling of bio-medical waste, however bio-medical waste is disposed-off with the help of the Agencies authorised by the Pollution Control Board.

### Principle 3: Business should promote the well-being of all employees

All employees are covered under Group Personal Accidental Insurance Coverage and Group Hospitalization Policy. Additionally, employees can avail free of cost testing as well as testing at a subsidized level. We urge employees to keep a regular check on their wellness.

|   |                |
|---|----------------|
| Total number of employees   | 4013           |
| Total number of employees hired on temporary/ contractual/casual basis                          | 600            |
| Number of permanent women employees   | 1609           |
| Number of permanent employees with disabilities   | 1              |
| Do you have an employee association that is recognized by management                            | No             |
| What percentage of your permanent employees is members of this recognized employee association? | Not Applicable |

**Details of the number of complaints relating to child labour, forced labour, involuntary labour, sexual harassment, are as follows:**

| No. | Category                                       | No of complaints filed during the Financial Year | No of complaints pending as on end of the Financial year |
|-----|--|--|--|
| 1.  | Child labour/forced labour/ involuntary labour | Nil  | Nil  |
| 2.  | Sexual harassment                              | 2  | 1  |
| 3.  | Discriminatory Employment                      | Nil  | Nil  |

## BUSINESS RESPONSIBILITY REPORT (CONTD.)

**What percentage of your under mentioned employees were given safety & skill upgradation training in the last year?**

| Category                                   | Percentage (%) |
|--|----------------|
| a) Permanent Employees                     | 65%            |
| b) Permanent Women Employees               | 66%            |
| c) Casual/Temporary/ Contractual Employees | 68%            |
| d) Employees with Disabilities             | 100%           |

### Principle 4: Stakeholder Engagement

- Has the company mapped its internal and external stakeholders?

Yes

- Are there any special initiatives taken by the company to engage with the disadvantaged, vulnerable and marginalized stakeholders? If so, provide details thereof, in about 50 words or so?

As a socially responsible organization, the Company fully realizes the need to integrate its business and operations to benefit the community in which the Company operates. The CSR Programs of the Company are focused on women's health and well-being, education and skill development, and women empowerment.

### Principle 5: Human Rights

- Does the policy of the company on human rights cover only the company or extend to the Group/Joint Ventures/ Suppliers/ Contractors/NGOs/Others?

The commitment to human rights is covered under the code of conduct adopted by the Company.

- How many stakeholder complaints have been received in the past Financial Year and what percent was satisfactorily resolved by the management?

| Type of Complaints  | Received    | Resolved    | Pending   |
|---------------------|-------------|-------------|-----------|
| Shareholder Related | 1           | 1           | Nil       |
| Employee Related    | 26          | 21          | 05        |
| Customer Related    | 6854        | 6854        | Nil       |
| <b>Total</b>        | <b>6881</b> | <b>6876</b> | <b>05</b> |

### Principle 6: Environment

- Does the policy relate to Principle 6 cover only the company or extends to the Group/Joint Ventures/ Suppliers/Contractors/ NGOs/others?

The Company's policy on Environment, Health and Safety and Standard Operating Procedures are applicable to the Company and its subsidiaries.

- Does the company have strategies/ initiatives to address global environmental issues such as climate change, global warming, etc? Y/N. If yes, please give hyperlink for webpage etc?

The company does not have any specific initiative to reduce environmental issues such as climate change or global warming. However the Company undertakes the environmentally responsible actions that includes utilisation of LED lighting system at corporate offices and labs, recycling water at the biggest laboratory of the Company i.e., the global reference laboratory in Mumbai and reducing the usage of paper across all offices and centers of the Company.

- Does the company identify and assess potential environmental risks?

As a responsible Company in the Healthcare industry, the Company takes utmost care for safe disposal of bio-medical waste. The Company uses services of authorized agencies for safe disposal of bio-waste. These agencies are authorized by the Pollution Control Board.

- Does the company have any project related to Clean Development Mechanism? If so, provide details thereof, in about 50 words or so. Also, if yes, whether any environmental compliance report is filed?

No.

- Has the company undertaken any other initiatives on - clean technology, energy efficiency, renewable energy etc.? If yes, please give hyperlink for web page etc.

No.

- Are the Emissions/Waste generated by the company within the permissible limits given by CPCB/SPCB for the Financial Year being reported?

Yes. All emissions/waste generated are within permissible limits.

- Number of show cause/ legal notices received from CPCB/SPCB which are pending (i.e. not resolved to satisfaction) as on end of Financial Year.

The Company has not received any Show Cause Notice or Legal Notices from CPCB / SPCB during the financial year under review.

### Principle 7: Policy Advocacy

- Is your company a member of any trade and chamber or association? If Yes, Name only those major ones that your business deals with:

Yes, the Company is a member of NATHEALTH - Healthcare Federation of India and CII - Confederation of Indian Industries.

## BUSINESS RESPONSIBILITY REPORT (CONTD.)

2. Have you advocated/lobbied through above associations for the advancement or improvement of public good? Yes/No; If yes, specify the broad areas ( drop box: Governance and Administration, Economic Reforms, Inclusive Development Policies, Energy security, Water, Food Security, Sustainable Business Principles, Others)

The Company has partnered with NATHEALTH – The Healthcare Federation of India to represent the Healthcare industry and the multiple challenges the industry is facing during the COVID-19 pandemic. This helped the industry navigate challenges and to serve the public more efficiently.

### Principle 8: Equitable Development

1. Does the company have specified programmes/ initiatives/ projects in pursuit of the policy related to Principle 8? If yes details thereof.

The Company's CSR Policy is aimed at inducing growth and equitable development of all stakeholders. The Company has also implemented Employee Stock Option Scheme 2015 and Metropolis–Restrictive Stock Unit Plan, 2020 and accordingly, issued ESOPs and RSUs to its employees, resulting in value creation for the employees.

The company has taken various initiatives for Equitable Development in the areas mentioned below:

- Quality Education: Our MEDENGAGE program is focused on nurturing the medical and scientific talent in the country. Through Medengage, we identify and provide scholarship, observership, skills training and facilitate research for medical and para medical students across the country.
- Gender Equality: Our app Too Shy to Ask is India's only gender education, adolescent and reproductive sexual health education app in the country that is targeted towards adolescents, teachers and parents. Through the app, users can also post anonymous queries and get their queries resolved in a safe manner. The content has been written by a highly qualified medical team.
- Our initiative EMPOWERESS helps women micro-entrepreneurs scale their businesses through focused mentoring and networking sessions.
- Good Health and well-being: Our initiative METHEALTH is committed to create wide spread education amongst high risk groups to prevent life threatening disorders.

2. Are the programmes/projects undertaken through in-house team/own foundation/external NGO/government structures/ any other organization?

The Company's CSR Activities are executed by the in-house team.

3. Have you done any impact assessment of your initiative?

The Internal Team of the Company continuously monitors and assesses the impact of all its CSR projects. During the Financial Year 2019-20, the Company conducted over 82 health and wellness workshops for women and targeted over 9163 women through this initiative. In addition, the Company's Gender Education and Adolescence Sexual Health app TSTA has answered over 20,000 queries so far and has over 25,000 downloads to date. Over 100+ Medical Institutes are registered under MEDENGAGE program of the Company and regularly avail Scholarship, Observership and academic research benefits.

4. What is your company's direct contribution to community development projects–Amount in ` and the details of the projects undertaken.

Details of Company's contribution are mentioned below:

(In ₹)

| Sr. No. | CSR Project or activity Identify   | Expenditure up to the reporting period |
|---------|--|--|
| 1.      | Promoting education including continuing medical Education.                        | 67,66,922                              |
| 2.      | Women Empowerment and Employment Enhancement and vocational skills among children. | 9,30,290                               |
|         | <b>Total</b>   | <b>76,97,212</b>                       |

5. Have you taken steps to ensure that this community development initiative is successfully adopted by the community?

Yes, the Company ensures that its initiatives are successfully adopted by the final beneficiaries.

For eg: the Company's app, Too Shy To Ask (TSTA), the Company has enlisted the help of research agency to gauge the level of understanding amongst its users and further enhance the app to ensure that the initiative has maximum impact for its users.

Additionally, over 1328 women underwent the PCOS Self-Assessment tool built by the Company and over 372 women and girls were identified as high-risk and they took medical decisions for their own better health basis the self-assessment. Poly-Cystic Ovarian Syndrome is an often undiagnosed condition that has life-long implications on women's health.

## BUSINESS RESPONSIBILITY REPORT (CONTD.)

### Principle 9: Customer Value

1. What percentage of customer complaints/consumer cases are pending as on the end of Financial Year?

There are no customer complaints/consumer cases pending as on the end of the Financial year.

2. Does the company display product information on the product label, over and above what is mandated as per local laws? Yes/ No/N.A. /Remarks (additional information)

The Company is engaged into providing pathology services. Hence, the above requirements are not applicable to the Company.

3. Is there any case filed by any stakeholder against the company regarding unfair trade practices, irresponsible advertising and/ or anti-competitive behaviour during the last five years and pending as on end of Financial Year?

There are no cases filed by any stakeholder against the company regarding unfair trade practices, irresponsible advertising and/ or anti-competitive behaviour.

4. Did your company carry out any consumer survey/ consumer satisfaction trends?

The Company adopts the Net Performance Score to gauge customer satisfaction levels. The Net Promoter Score is an index ranging from -100 to 100 that measures the willingness of customers to recommend a company's products or services to others. It is used as a tool to gauge the customer's overall satisfaction with a company's product or service and the customer's loyalty to the brand.

A feedback link is sent to each customer availing our service. The link requests the customer's likeliness to promote services of Metropolis to their friends and family. Basis the customer's feedback, customers are differentiated as Promoters, Passives and Detractors.

Passives are those neutral to the score and detractors are the once who have had an unpleasant experience. Our customer experience team reaches out to them to understand their concern and takes feedback. The feedback is used continually to tweak our processes and systems in our relentless pursuit of Customer Satisfaction.

# INDEPENDENT AUDITORS' REPORT

**To the Members of**

**Metropolis Healthcare Limited**

## REPORT ON THE AUDIT OF THE STANDALONE FINANCIAL STATEMENTS

### Opinion

We have audited the standalone financial statements of Metropolis Healthcare Limited ("the Company"), which comprise the standalone balance sheet as at 31 March 2020, and the standalone statement of profit and loss (including other comprehensive income), standalone statement of changes in equity and standalone statement of cash flows for the year then ended, and notes to the standalone financial statements, including a summary of the significant accounting policies and other explanatory information.

In our opinion and to the best of our information and according to the explanations given to us, the aforesaid standalone financial statements give the information required by the Companies Act, 2013 ("Act") in the manner so required and give a true and fair view in conformity with the accounting principles generally accepted in India, of the state of affairs of the Company as at 31 March 2020, and profit and other comprehensive loss, changes in equity and its cash flows for the year ended on that date.

### DESCRIPTION OF KEY AUDIT MATTER

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

### Basis for Opinion

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

### Key Audit Matters

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

## INDEPENDENT AUDITORS' REPORT (Contd.)

### OTHER INFORMATION

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

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

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

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

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

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

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

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

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

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

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

## INDEPENDENT AUDITORS' REPORT (Contd.)

are required to draw attention in our auditor's report to the related disclosures in the standalone financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Company to cease to continue as a going concern.

- Evaluate the overall presentation, structure and content of the standalone financial statements, including the disclosures, and whether the standalone financial statements represent the underlying transactions and events in a manner that achieves fair presentation.

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

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

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

### REPORT ON OTHER LEGAL AND REGULATORY REQUIREMENTS

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

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

- a) We have sought and obtained all the information and explanations which to the best of our knowledge and belief were necessary for the purposes of our audit;
- b) In our opinion, proper books of account as required by law have been kept by the Company so far as it appears from our examination of those books;
- c) The standalone balance sheet, the standalone statement of profit and loss (including other comprehensive income), the standalone statement of changes in equity and the standalone statement of cash flows dealt with by this Report are in agreement with the books of account;
- d) In our opinion, the aforesaid standalone financial statements comply with the Ind AS specified under section 133 of the Act;
- e) On the basis of the written representations received from the directors as on 31 March 2020 taken on record by the Board of Directors, none of the directors is disqualified as on 31 March 2020 from being appointed as a director in terms of section 164(2) of the Act; and
- f) With respect to the adequacy of the internal financial controls with reference to financial statements of the Company and the operating effectiveness of such controls, refer to our separate Report in "Annexure B".

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

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

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

- ii. The Company did not have any long-term contracts including derivative contracts for which there were any material foreseeable losses;
- iii. There has been no delay in transferring amounts, required to be transferred, to the Investor Education and Protection Fund by the Company; and
- iv. The disclosures in the standalone financial statements regarding holdings as well as dealings in specified bank notes during the period from 8 November 2016 to 30 December 2016 have not been made in these financial statements since they do not pertain to the financial year ended 31 March 2020.

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

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

For **BSR & Co. LLP**

Chartered Accountants

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

**Tarun Kingor**

Partner

Place: Mumbai

Membership No: 105003

Date: 29 May 2020

ICAI UDIN: 20105003AAAABA3677

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

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

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

| Description | Total number of cases | Whether leasehold/ freehold | Gross block as on 31 March 2020 (₹ Lakhs) | Net block as on 31 March 2020 (₹ Lakhs) | Remarks   |
|-------------|-----------------------|-----------------------------|---|---|---|
| Land        | 1                     | Freehold                    | 1,035.40                                  | 1,035.40                                | Title deeds are in the names of the entities which got merged with the Company in the past. |
| Building    | 4                     | Freehold                    | 1,092.87                                  | 888.50                                  |   |

- (ii) Inventory has been physically verified by management at reasonable intervals during the year. In our opinion, the frequency of such verification is reasonable. Discrepancies noticed on such verification between physical stocks and the book records were not material and these have been properly dealt with in the books of account.
- (iii) In our opinion and according to information and explanations given to us, the Company has not granted any loans, secured or unsecured, to companies, firms, limited liability partnerships or other parties covered in the register maintained under section 189 of the Act. Accordingly, paragraph 3(iii) of the Order is not applicable to the Company.
- (iv) The Company has not granted any loans or provided any guarantees or security to the parties covered under section 185 and 186 of the Act.
- (v) In our opinion, and according to the information and explanations given to us, the Company has not accepted deposits as per the directives issued by the Reserve Bank of India and the provisions of sections 73 to 76 or any other relevant provisions of the Act and the rules framed thereunder. Accordingly, paragraph 3(v) of the Order is not applicable to the Company.
- (vi) We have broadly reviewed the books of account maintained by the Company pursuant to the Rules made by the Central Government for the maintenance of cost records under sub-section (1) of section 148 of the Act in respect of the Company's services and are of the opinion that, prima facie, the prescribed accounts and records have been made and maintained. However, we have not made a detailed examination of the cost records with a view to determine whether they are accurate or complete.
- (vii) (a) According to the information and explanations given to us and on the basis of our examination of the records of the Company, amounts deducted/ accrued in the books of account in respect of undisputed statutory dues including Provident fund, Employees' State Insurance, Income-tax, Goods and Service tax and other material statutory dues have been generally regularly deposited during the year with the appropriate authorities. As explained to us, the Company did not have any dues on account of Sales tax, Value added tax, Duty of excise and Cess.
- According to the information and explanations given to us, there are no undisputed amount payable, in respect of Provident fund, Employees State Insurance, Goods and Service tax, Income tax, Duty of Customs and other material statutory dues were in arrears as at 31 March 2020 for a period of more than six months from the date they became payable.

## ANNEXURE A TO THE INDEPENDENT AUDITOR'S REPORT – 31 MARCH 2020 (CONTD.)

- (b) According to the information and explanations given to us, except as stated below, there are no dues of Income tax, Sales tax, Service tax, Duty of customs, Duty of excise and Value added tax as at 31 March 2020 which have not been deposited with the appropriate authorities on account of any dispute:

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

- (viii) In our opinion and according to the information and explanations given to us, during the year, the Company did not defaulted in repayment of loans from banks. The Company did not have any outstanding debenture or any outstanding dues to financial institutions and government during the year.
- (ix) According to the information and explanations given to us and based on our examination of the records of the Company, the Company has not raised any moneys by way of initial public offer or further public offer (including debt instruments) and has not obtained any term loans during the year. Accordingly, paragraph 3(ix) of the Order is not applicable to the Company.
- (x) According to the information and explanations, given to us, no material fraud by the Company or on the Company by its officers or employees has been noticed or reported during the course of our audit.
- (xi) According to the information and explanations given to us and based on our examination of the records of the Company, the Company has paid or provided for managerial remuneration in accordance with the provisions of section 197 read with Schedule V to the Act.
- (xii) In our opinion and according to the information and explanations given to us, the Company is not a Nidhi company and the Nidhi Rules, 2014 are not applicable to it. Accordingly, paragraph 3(xii) of the Order is not applicable to the Company.
- (xiii) According to the information and explanations given to us and based on our examination of the records of the Company, transactions with the related parties are in compliance with sections 177 and 188 of the Act, where applicable. The details of such transactions have been disclosed in the standalone financial statements as required under Ind AS -24.
- (xiv) According to the information and explanations given to us and based on our examination of the records of the Company, the Company has not made any preferential allotment or private placement of shares or fully or partly convertible debentures during the year. Accordingly, paragraph 3(xiv) of the Order is not applicable to the Company.
- (xv) According to the information and explanations given to us and based on our examination of the records, the Company has not entered into any non-cash transactions with directors or persons connected with them. Accordingly, paragraph 3(xv) of the Order is not applicable to the Company.
- (xvi) In our opinion and according to the information and explanations given to us, the Company is not required to be registered under section 45-IA of the Reserve Bank of India Act, 1934. Accordingly, paragraph 3(xvi) of the Order is not applicable to the Company.

For **BSR & Co. LLP**

Chartered Accountants

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

**Tarun Kinger**

Partner

Place: Mumbai

Membership No: 105003

Date: 29 May 2020

ICAI UDIN: 20105003AAAABA3677

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

**Report on the internal financial controls with reference to the aforesaid standalone financial statements under Clause (i) of sub-section 3 of section 143 of the Companies Act, 2013**

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

### **Opinion**

We have audited the internal financial controls with reference to financial statements of Metropolis Healthcare Limited ("the Company") as of 31 March 2020 in conjunction with our audit of the standalone financial statements of the Company for the year ended on that date.

In our opinion, the Company, has, in all material respects, adequate internal financial controls with reference to the standalone financial statements and such internal financial controls were operating effectively as at 31 March 2020, based on the internal financial controls with reference to the standalone financial statements criteria established by the Company considering the essential components of internal control stated in the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting issued by the Institute of Chartered Accountants of India (the "Guidance Note").

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

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

### **AUDITORS' RESPONSIBILITY**

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

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

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

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

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

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

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

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

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

For **BSR & Co. LLP**

Chartered Accountants

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

**Tarun Kinger**

Partner

Place: Mumbai

Membership No: 105003

Date: 29 May 2020

ICAI UDIN: 20105003AAAABA3677

# STANDALONE BALANCE SHEET

AS AT 31 MARCH 2020

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

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

**Tarun Kinger**  
Partner  
Membership No: 105003

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

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

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

Place : Mumbai  
Date : 29 May 2020

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

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

Date : 29 May 2020

# STANDALONE STATEMENT OF PROFIT AND LOSS

FOR THE YEAR ENDED 31 MARCH 2020

(₹ in Lakhs)

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

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

As per our report of even date attached

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

**Tarun Kinger**  
Partner  
Membership No: 105003

Place : Mumbai  
Date : 29 May 2020

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

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

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

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

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

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

Date : 29 May 2020

# STANDALONE STATEMENT OF CASH FLOWS

FOR THE YEAR ENDED 31 MARCH 2020

(₹ in Lakhs)

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

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

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

- The Cash Flow Statement has been prepared under the "Indirect Method" as set out in the Indian Accounting Standard - 7 "Cash Flow Statement".
- The figures in the brackets indicate outflow of cash and cash equivalents.
- During the previous year ended 31 March 2019, 64,596 shares against total consideration of ₹ 2,634.22 Lakhs at premium of ₹4,068 per share were issued to shareholders of subsidiary for acquiring balance stake (Refer Note 51 (a)).
- During the previous year ended 31 March 2019, 1 share for total non consideration of ₹ 0.00 Lakhs was issued to shareholders of Bacchus Hospitality Services and Real Estate Private Limited pursuant to amalgamation (Refer Note 41(iii)).
- The movement of borrowing as per Ind AS 7 is as follows:

| (₹ in Lakhs)                         |               |                 |
|--------------------------------------|---------------|-----------------|
| Particulars                          | 31 March 2020 | 31 March 2019   |
| Balance at beginning of the year     | 1,734.47      | -               |
| Cashflows                            | (1,734.47)    | 1,734.47        |
| <b>Balance as at the end of year</b> | <b>-</b>      | <b>1,734.47</b> |

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

As per our report of even date attached

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

**Tarun Kinger**  
Partner  
Membership No: 105003

Place : Mumbai  
Date : 29 May 2020

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

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

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

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

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

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

Date : 29 May 2020

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

## FOR THE YEAR ENDED 31 MARCH 2020

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

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

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

|   | Fully<br>convert-<br>ible share<br>warrants<br>(Refer<br>Note 53) | Reserves & Surplus         |                    |                                       |   |                      | Other comprehensive<br>income (OCI)                      |  | Total other<br>equity |
|---|---|----------------------------|--------------------|---------------------------------------|---|----------------------|--|--|-----------------------|
|   |   | Secu-<br>rities<br>premium | General<br>reserve | Capital<br>redemp-<br>tion<br>reserve | Employ-<br>ee stock<br>options<br>reserve | Retained<br>earnings | Remeasure-<br>ments of the<br>defined ben-<br>efit plans | Debts in-<br>struments<br>through<br>OCI |                       |
| <b>Balance as at 1 April 2018</b>   | <b>0.20</b>   | <b>5,826.41</b>            | <b>1,684.07</b>    | <b>32.05</b>                          | <b>170.34</b>                             | <b>27744.28</b>      | <b>(8.78)</b>  | <b>0.27</b>                              | <b>35,448.84</b>      |
| Profit for the year   | -   | -                          | -                  | -                                     | -   | 10,145.70            | -  | -  | 10,145.70             |
| Gain on re-measurement<br>of defined benefit plans<br>(net of tax)  | -   | -                          | -                  | -                                     | -   | -                    | 33.43  | -  | 33.43                 |
| <b>Total comprehensive<br/>income</b>   | <b>-</b>  | <b>-</b>                   | <b>-</b>           | <b>-</b>                              | <b>-</b>                                  | <b>10,145.70</b>     | <b>33.43</b>   | <b>-</b>                                 | <b>10,179.13</b>      |
| Share warrants exercised<br>during the year (Refer<br>Note 53)  | (0.20)  | 223.58                     | -                  | -                                     | -   | -                    | -  | -  | 223.38                |
| Utilised during the year<br>pursuant to the scheme<br>of Amalgamation with<br>Bacchus Hospitality<br>Services and Real Estate<br>Private Limited. (Refer<br>Note 41(iii)) | -   | (0.00) <sup>A</sup>        | -                  | -                                     | -   | -                    | -  | -  | (0.00)                |
| Utilised on issue of bonus<br>shares  | -   | (6.55)                     | -                  | (32.05)                               | -   | -                    | -  | -  | (38.60)               |
| Share options exercised<br>under MESOS 2007 (Refer<br>Note 49(c))   | -   | 29.52                      | -                  | -                                     | -   | -                    | -  | -  | 29.52                 |

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

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

^ Amount is ₹ 10

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

As per our report of even date attached

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

Chartered Accountants

Firm Registration No: 101248W/W-100022

**Tarun Kinger**

Partner

Membership No: 105003

Place : Mumbai

Date : 29 May 2020

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

L73100MH2000PLC192798

**Dr. Sushil Shah**

Chairman & Executive Director

DIN: 00179918

Place : Mumbai

**Vijender Singh**

Chief Executive Officer

Place : Gurugram

**Ameera Shah**

Managing Director

DIN: 00208095

Place : Mumbai

**Rakesh Agarwal**

Chief Financial Officer

Place : Gurugram

**Poonam Tanwani**

Company Secretary

Membership No: ACS 19182

Place : Mumbai

Date : 29 May 2020

# NOTES TO STANDALONE FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 MARCH 2020

## 1 BACKGROUND OF THE COMPANY AND NATURE OF OPERATION

Metropolis Healthcare Limited (the 'Company'), was incorporated in India as Pathnet India Private Limited in the year 2000 and is engaged in the business of providing pathology and related healthcare services.

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

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

### 2.1 Basis of preparation and measurement

#### a Statement of compliance:

The standalone Balance Sheet of the Company as at 31 March 2020 and the standalone Statement of Profit and Loss (including Other Comprehensive Income), the Standalone Statement of Changes in Equity and the standalone Statement of Cash flows for the year ended 31 March 2020 and summary of significant accounting policies and other financial information (together referred as 'Standalone Financial Statements') has been prepared under Indian Accounting Standards ('Ind AS') notified under Section 133 of the Companies Act, 2013 read with the Companies (Indian Accounting Standards) Rules, 2015, as amended by the Companies (Indian Accounting Standard) amendment Rules, 2018.

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

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

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

Assets:

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

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

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

Liabilities:

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

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

Operating cycle:

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

#### d Basis of measurement

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

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

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

### e Key estimates and assumptions

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

The areas involving critical estimates or judgements are :

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

### f Measurement of fair values

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

The Company has an established control framework with respect to the measurement of fair values (including Level 3 fair values).

The Company uses valuation techniques that are appropriate in the circumstances and for which sufficient data are available to measure fair value, maximizing the use of relevant observable inputs and minimizing the use of unobservable inputs.

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

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

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

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

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

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

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

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

## 2.2 Significant accounting policies

### a) Business combinations

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

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

#### Common Control:

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

- The assets and liabilities of the combining entities are reflected at their carrying amounts.
- No adjustments are made to reflect the fair values, or recognise new assets or liabilities. Adjustments are made to harmonise accounting policies.

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

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

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

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

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

### b) **Property plant and equipment**

#### **Recognition and measurement:**

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

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

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

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

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

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

#### **Depreciation:**

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

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

Leasehold improvements are depreciated over the tenure of lease term.

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

### c) **Intangible assets**

#### **Goodwill**

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

#### **Other Intangible assets:**

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

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

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

### Amortization:

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

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

Computer software - 5 years

Brand - 10 years

Customer relationship - 5 years

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

### d) Impairment of non-financial assets

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

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

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

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

### e) Financial Instruments

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

#### 1 Financial assets

##### Initial recognition and measurement

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

##### Subsequent measurement

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

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

##### Amortized cost :

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

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

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

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

All financial assets that do not meet the criteria for amortised cost or fair value

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

through other comprehensive income are measured at fair value through profit or loss with all changes recognized in the standalone statement of profit and loss. Interest income (basis EIR method), from financial assets at fair value through profit or loss is recognised in the statement of profit and loss within finance income/ finance costs separately from the other gains/ losses arising from changes in the fair value.

Derivative financial instruments (call option over shares of subsidiaries) are classified as financial instruments at fair value through profit or loss. Such derivative financial instruments are initially recognised at fair value.

They are subsequently re-measured at their fair value, with changes in fair value being recognised in the statement of profit and loss.

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

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

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

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

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

Other net gains and losses are recognized in other comprehensive Income.

### **Derecognition:**

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

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

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

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

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

### **Impairment of financial assets**

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

### **Trade receivables**

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

### **Impairment of financial instruments (other than at fair value)**

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

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

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

### 2 Financial liabilities

#### Initial recognition and measurement

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

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

#### Subsequent measurement

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

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

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

#### Financial Liabilities at amortized cost:

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

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

#### Derecognition

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

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

#### Derivative financial instruments

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

#### Offsetting of financial instruments

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

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

Investments representing equity interest in subsidiaries, associates and joint ventures carried at cost less any provision for impairment.

Investments are reviewed for impairment if events or changes in circumstances indicate that the carrying amount may not be recoverable.

#### g) Inventories

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

#### h) Cash and Cash Equivalents

Cash and cash equivalents in the balance sheet and cash flow statement includes cash at bank and on

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

hand, deposits held at call with banks, with original maturities less than three months which are readily convertible into cash and which are subject to insignificant risk of changes in value.

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

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

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

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

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

### j) **Revenue Recognition**

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

Revenue comprise of revenue from providing healthcare services such as health checkup and laboratory services.

Pathology service is the only principal activity and reportable segment from which the Group generates its revenue.

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

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

### k) **Other income**

#### **Interest income**

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

#### **Dividend income**

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

### l) **Employee Benefits**

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

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

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

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

### (ii) Share-based payments

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

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

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

### (iii) Post-Employment Benefits

#### Defined Contribution Plans:

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

#### Defined Benefit Plans:

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

balance sheet date by an independent actuary using the projected unit credit method. The Company makes annual contribution to the fund based on the expected requirement.

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

### m) Leases

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

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

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

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

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

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

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

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

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

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

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

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

#### **Current Tax**

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

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

### **Deferred Tax**

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

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

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

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

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

Deferred tax assets and liabilities are offset only if:

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

### **o) Foreign currency transactions**

#### **Functional and Presentation currency**

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

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

### Transactions and balances

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

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

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

### p) Dividend

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

### q) Earnings per share:

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

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

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

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

### r) Segment Reporting

Operating segments are reported in a manner consistent with the internal reporting provided to the Chief Operating Decision Maker (CODM) as defined in Ind AS-108 'Operating Segments' for allocating resources and assessing performance.

As per IND AS-108, if a financial report contains both the consolidated financial statements of a parent that is within the scope of Ind AS-108 as well as the parent's separate financial statements, segment information is required only in the consolidated financial statements. Accordingly, information required to be presented under IND AS-108 has been given in the consolidated financial statements.

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

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

### t) Rounding of amounts

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

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

### 3. PROPERTY, PLANT AND EQUIPMENT

As at 31 March 2020

(₹ in Lakhs)

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

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

(₹ in Lakhs)

| Particulars  | Freehold land   | Building        | Laboratory equipment | Furniture & fixtures | Vehicles      | Office equipment | Computers     | Leasehold improvement | Total            |
|--|-----------------|-----------------|----------------------|----------------------|---------------|------------------|---------------|-----------------------|------------------|
| Cost as at 1 April 2018                                  | 1,035.40        | 4,965.19        | 2,729.36             | 1,094.80             | 156.58        | 778.28           | 620.71        | 48.08                 | 11,428.40        |
| Additions during the year                                | -               | 18.00           | 1,136.28             | 89.16                | 66.75         | 118.09           | 178.36        | 108.94                | 1,715.58         |
| Disposals during the year                                | -               | -               | -                    | -                    | -             | -                | -             | -                     | -                |
| <b>Cost as at 31 March 2019 (A)</b>                      | <b>1,035.40</b> | <b>4,983.19</b> | <b>3,865.64</b>      | <b>1,183.96</b>      | <b>223.33</b> | <b>896.37</b>    | <b>799.07</b> | <b>157.02</b>         | <b>13,143.98</b> |
| 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                                | -               | -               | -                    | -                    | -             | -                | -             | -                     | -                |
| <b>Accumulated depreciation as at 31 March 2019 (B)</b>  | <b>-</b>        | <b>691.80</b>   | <b>1,232.41</b>      | <b>463.13</b>        | <b>80.82</b>  | <b>510.66</b>    | <b>449.72</b> | <b>89.73</b>          | <b>3,518.27</b>  |
| <b>Net carrying amount as at 31 March 2019 (A) - (B)</b> | <b>1,035.40</b> | <b>4,291.39</b> | <b>2,633.23</b>      | <b>720.83</b>        | <b>142.51</b> | <b>385.71</b>    | <b>349.35</b> | <b>67.29</b>          | <b>9,625.71</b>  |

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

### 4. OTHER INTANGIBLE ASSETS

(₹ in Lakhs)

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

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

(₹ in Lakhs)

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

#### Goodwill with indefinite useful life

Carrying amount of goodwill which is allocated to the pathology division as at 31 March 2020 is ₹ 4,880.90 Lakhs. This goodwill is acquired on account of business acquisition of Sanjeevani Pathology Laboratory and on account of merger of Golwilkar Metropolis Health Services (India) Private Limited (erstwhile subsidiary company) i.e. goodwill as appearing in consolidated financial statement of the Company on account of merger.

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

(₹ in Lakhs)

| Particulars  | 31 March 2020   | 31 March 2019   |
|--|-----------------|-----------------|
| <b>Cash Generating Unit</b>                                  |                 |                 |
| Sanjeevani Pathology Laboratory                              | 4,593.90        | 4,593.90        |
| Golwilkar Metropolis Health Services (India) Private Limited | 287.00          | 287.00          |
|  | <b>4,880.90</b> | <b>4,880.90</b> |

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

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

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

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

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

(₹ in Lakhs)

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

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

As at 31 March 2020 the estimated recoverable amount of the CGU exceeded its carrying amount and accordingly, no impairment was recognized.

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

## 5. NON CURRENT INVESTMENT

(₹ in Lakhs)

| Particulars   | 31 March 2020 | 31 March 2019 |
|---|---------------|---------------|
| <b>Investment in subsidiaries</b>   |               |               |
| <b>Unquoted equity shares at cost</b>   |               |               |
| Desai Metropolis Health Services Private Limited<br>100,000 (31 March 2019: 100,000) Equity shares of Face value of Indian Rupees 100 each (Fully paid up)            | 4,210.30      | 4,210.30      |
| Sudharma Metropolis Health Services Private Limited<br>1,350 (31 March 2019: 1,350) Equity shares of Face value of Indian Rupees 5,000 each (Fully paid up)           | 1,678.03      | 1,678.03      |
| R.V.Metropolis Diagnostics & Health Care Center Private Limited<br>3,375 (31 March 2019: 3,375) Equity shares of Face value of Indian Rupees 100 each (Fully Paid up) | 2,461.24      | 2,461.24      |

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

(₹ in Lakhs)

| Particulars   | 31 March 2020    | 31 March 2019    |
|---|------------------|------------------|
| Dr. Patel Metropolis Healthcare Private Limited<br>50,000 (31 March 2019: 50,000) Equity shares of Face value of Indian Rupees 10 each (Fully Paid up)                                | 1,512.57         | 1,512.57         |
| Micron Metropolis Healthcare Private Limited<br>100,000 (31 March 2019: 100,000) Equity shares of Face value of Indian Rupees 10 each (Fully Paid up)                                 | 799.52           | 799.52           |
| Ekopath Metropolis Lab Services Private Limited<br>306,000 (31 March 2019: 306,000) Equity shares of Face value of Indian Rupees 10 each (Fully Paid up)                              | 30.60            | 30.60            |
| Metropolis Healthcare Mauritius Limited<br>225,100 (31 March 2019: 225,100) Equity shares of Face value of USD 1 each (Fully Paid up)   | 127.49           | 127.49           |
| Amins Pathology Laboratory Private Limited<br>100,000 (31 March 2019: 100,000) Equity shares of Face value of Indian Rupees 10 each (Fully Paid up)                                   | 10.00            | 10.00            |
| Raj Metropolis Healthcare Services Private Limited<br>9,256 (31 March 2019: 9,256) Equity shares of Face value of Indian Rupees 10 each (Fully Paid up) (Refer Note 41)(v))           | 35.70            | 35.70            |
| Bokil Golwilkar Metropolis Healthcare Private Limited<br>10,10,000 (31 March 2019: 10,10,000) Equity shares of Face value of Indian Rupees 10 each (Fully paid up)(Refer Note 41)(v)) | 483.73           | 483.73           |
| Lab One Metropolis Healthcare Services Private Limited<br>133,000 (31 March 2019: 133,000) Equity shares of Face value of Indian Rupees 100 each (Fully Paid up)                      | 1,442.14         | 1,442.14         |
| Metropolis Healthcare Lanka Pvt. Ltd, Sri Lanka<br>250,000 (31 March 2019: 250,000) Equity shares of Face value of Sri Lankan Rupee 10 each (Fully paid up)(Refer Note 55)            | 11.04            | 11.04            |
| <b>Total Investment in subsidiaries (A)</b>   | <b>12,802.36</b> | <b>12,802.36</b> |
| <b>Investment in joint ventures</b>   |                  |                  |
| <b>Unquoted equity shares at cost</b>   |                  |                  |
| Metropolis Histoxpert Digital Services Private Limited<br>1,950,000 (31 March 2019: 1,950,000) Equity shares of Face value of Indian Rupees 10 each (Fully paid up)                   | 195.00           | 195.00           |
| Less : Provision for impairment   | (195.00)         | -                |
| <b>Total Investment in joint ventures (B)</b>   | <b>-</b>         | <b>195.00</b>    |
| <b>Investment in Associates</b>   |                  |                  |
| <b>Unquoted equity shares at cost</b>   |                  |                  |
| Star Metropolis Health Services Middle East LLC, Dubai<br>1,020 (31 March 2019: 1,020) Equity shares of Face value of AED of 1,000 each (Fully Paid up)(Refer Note 52)                | -                | 129.85           |
| <b>Investment in Associates</b>   | -                | 129.85           |
| Less : Provision for impairment   |                  | (129.85)         |
| <b>Total Investment in associates (C)</b>   | <b>-</b>         | <b>-</b>         |
| <b>Investments in subsidiaries, joint ventures &amp; associates (A+B+C)</b>   | <b>12,802.36</b> | <b>12,997.36</b> |

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

(₹ in Lakhs)

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

### 6. NON CURRENT LOANS

(₹ in Lakhs)

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

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

### 7. DERIVATIVES

| (₹ in Lakhs)                          |               |               |
|---------------------------------------|---------------|---------------|
| Particulars                           | 31 March 2020 | 31 March 2019 |
| Call options on shares of subsidiary* | 27.77         | 83.25         |
|                                       | <b>27.77</b>  | <b>83.25</b>  |

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

### 8. OTHER NON CURRENT FINANCIAL ASSETS

| (₹ in Lakhs)               |                 |                 |
|----------------------------|-----------------|-----------------|
| Particulars                | 31 March 2020   | 31 March 2019   |
| Fixed Deposits with banks^ | 1,105.28        | 1,007.90        |
|                            | <b>1,105.28</b> | <b>1,007.90</b> |

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

### 9. OTHER NON-CURRENT ASSETS

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

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

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

### 11. INVENTORIES

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

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

### 12. CURRENT INVESTMENTS

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

### 13. TRADE RECEIVABLES

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

\* Includes amount receivable from related parties - Refer Note 40

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

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

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

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

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

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

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

### 15. CURRENT LOANS

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

### 16. OTHER CURRENT FINANCIAL ASSETS

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

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

### 17. OTHER CURRENT ASSETS

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

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

### 18. EQUITY SHARE CAPITAL

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

- Issue of 3,85,990 (before split with face value of ₹ 10 each) bonus shares during the previous year ended 31 March 2019
- During the previous year ended 31 March 2019, 1 share (before split with face value of ₹ 10 each) has been allotted to the Shareholders of Bacchus Hospitality Services and Real Estate Private Limited pursuant to the scheme of amalgamation (Refer Note 41 (iii))
- During the previous year ended 31 March, 2019, 64,596 shares (before split with face value of ₹ 10 each) have been allotted as consideration for swap of shares with the shareholders of subsidiary companies on acquisition of further stake (Refer Note 51(a))
- Buy-back of 320,484 shares (before split with face value of ₹ 10 each) which was brought back pursuant to section 68 of the Companies Act, 2013 during the year ended 31 March 2016.

### (f) Dividends

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

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

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

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

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

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

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

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

### 19. OTHER EQUITY

| Particulars  | (₹ in Lakhs)     |                  |
|--|------------------|------------------|
|  | 31 March 2020    | 31 March 2019    |
| Securities Premium   | 11,880.97        | 8,700.73         |
| General Reserve  | 1,808.17         | 1,684.07         |
| Employee stock options reserve   | 207.06           | 258.78           |
| Retained Earnings  | 36,329.65        | 29,893.25        |
|  | <b>50,225.85</b> | <b>40,536.83</b> |
| <b>Securities Premium</b>  |                  |                  |
| Balance at the beginning of the year   | 8,700.73         | 5,826.41         |
| Utilised during the previous year pursuant to the scheme of Amalgamation with Bacchus Hospitality Services and Real Estate Private Limited.* | -                | (0.00)^          |
| Utilised on issue of bonus shares  | -                | (6.55)           |
| Share options exercised under MESOS 2007/2015 (Refer Note 49(c))   | 3,180.24         | 29.52            |
| Share warrants exercised during the year (Refer Note 53)   | -                | 223.58           |
| Shares Issued to the Shareholders of Subsidiary Companies on acquisition of further stake (Refer Note 51(a))                                 | -                | 2,627.77         |
| <b>Balance at the end of the year</b>  | <b>11,880.97</b> | <b>8,700.73</b>  |

\*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

|   |                 |                 |
|---|-----------------|-----------------|
| <b>General Reserve</b>  |                 |                 |
| Balance at the beginning and end of the year  | 1,684.07        | 1,684.07        |
| Transfer from ESOP exercised during the year (Refer Note 49c)                             | 124.10          | -               |
| <b>Balance at the end of the year</b>   | <b>1,808.17</b> | <b>1,684.07</b> |
| <b>Capital Redemption Reserve</b>   |                 |                 |
| Balance at the beginning of the year  | -               | 32.05           |
| Balance at the beginning of the year  | -               | (32.05)         |
| <b>Balance at the end of the year</b>   | <b>-</b>        | <b>-</b>        |
| <b>Employee stock options reserve</b>   |                 |                 |
| Balance at the beginning of the year  | 258.78          | 170.34          |
| Transfer to General Reserve on account of ESOP exercised during the year (Refer Note 49c) | (124.10)        | -               |
| Share based payments (Refer Note 32)  | 72.38           | 88.44           |
| <b>Balance at the end of the year</b>   | <b>207.06</b>   | <b>258.78</b>   |

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

(₹ in Lakhs)

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

### Nature and purpose of Reserves

#### Securities Premium

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

#### General Reserve

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

#### Capital Redemption Reserve

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

#### Employee stock options reserve

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

#### Retained Earnings

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

#### Debt instruments fair valued through OCI

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

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

### 20. OTHER NON-CURRENT FINANCIAL LIABILITIES

(₹ in Lakhs)

| Particulars  | 31 March 2020 | 31 March 2019 |
|--|---------------|---------------|
| Deferred purchase consideration payable (Refer Note 51(b)) | 106.55        | 208.89        |
|  | <b>106.55</b> | <b>208.89</b> |

### 21. NON-CURRENT PROVISIONS

(₹ in Lakhs)

| Particulars                      | 31 March 2020 | 31 March 2019 |
|----------------------------------|---------------|---------------|
| Provision for employee benefits: |               |               |
| - Gratuity (Refer Note 49(a))    | 458.69        | 233.31        |
|                                  | <b>458.69</b> | <b>233.31</b> |

### 22. CURRENT BORROWINGS

(₹ in Lakhs)

| Particulars                               | 31 March 2020 | 31 March 2019   |
|---|---------------|-----------------|
| Secured loan from bank (Refer Note below) | -             | 1,734.47        |
|   | <b>-</b>      | <b>1,734.47</b> |

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

### 23. TRADE PAYABLES

(₹ in Lakhs)

| Particulars  | 31 March 2020   | 31 March 2019   |
|--|-----------------|-----------------|
| Total outstanding due of micro and small enterprises (Refer Note 48)       | 670.81          | 1.78            |
| Total outstanding due of creditors other than micro and small enterprises* | 6,418.89        | 3,603.16        |
|  | <b>7,089.70</b> | <b>3,604.94</b> |

\* Includes amount payable to related parties - Refer Note 40

### 24. OTHER CURRENT FINANCIAL LIABILITIES

(₹ in Lakhs)

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

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

### 25. OTHER CURRENT LIABILITIES

(₹ in Lakhs)

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

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

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

### 26. CURRENT PROVISIONS

(₹ in Lakhs)

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

### 27. CURRENT TAX LIABILITIES (NET)

(₹ in Lakhs)

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

### 28. REVENUE FROM OPERATIONS

(₹ in Lakhs)

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

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

### 29. OTHER INCOME

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

### 30. COST OF MATERIALS CONSUMED

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

### 31. LABORATORY TESTING CHARGES

|                            | (₹ in Lakhs)  |               |
|----------------------------|---------------|---------------|
| Particulars                | 31 March 2020 | 31 March 2019 |
| Laboratory testing charges | 649.76        | 469.16        |
|                            | <b>649.76</b> | <b>469.16</b> |

### 32. EMPLOYEE BENEFITS EXPENSE

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

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

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

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

### 33. FINANCE COSTS

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

### 34. DEPRECIATION AND AMORTISATION EXPENSE

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

### 35. OTHER EXPENSES

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

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

### 36. EXCEPTIONAL ITEMS

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

#### Notes:

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

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

### 37. INCOME TAXES

#### Tax expense

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

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

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

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

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

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

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

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

(₹ in Lakhs)

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

(₹ in Lakhs)

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

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

(₹ in Lakhs)

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

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

### (d) Movement in deferred tax balances

As at 31 March 2020

(₹ in Lakhs)

| Particulars                                | Net balance<br>1 April 2019 | Recognised<br>in profit or<br>loss | Recognised<br>in OCI | Recognised<br>in Retained<br>earning | Net deferred<br>tax asset/<br>(liabilities) | Deferred<br>tax asset | Deferred<br>tax<br>(liabilities) |
|--|-----------------------------|------------------------------------|----------------------|--------------------------------------|---|-----------------------|----------------------------------|
| <b>Deferred tax liabilities</b>            |                             |                                    |                      |                                      |   |                       |                                  |
| Property, plant, equipment and intangibles | (1,293.61)                  | 228.79                             | -                    | -                                    | (1,064.82)                                  | -                     | (1,064.82)                       |
| Fair valuation of call options             | (386.49)                    | -                                  | -                    | -                                    | (386.49)                                    | -                     | (386.49)                         |
| <b>Deferred tax asset</b>                  |                             |                                    |                      |                                      |   |                       |                                  |
| Current investments                        | 50.39                       | 70.59                              | -                    | -                                    | 120.98                                      | 120.98                | -                                |
| ROU asset and Lease Liabilities            | -                           | 7.93                               | -                    | 114.21                               | 122.14                                      | 122.14                | -                                |
| Others                                     | 16.07                       | 21.36                              | -                    | -                                    | 37.43                                       | 37.43                 | -                                |
| Provision for bad and doubtful debts       | 726.21                      | 648.92                             | -                    | -                                    | 1,375.13                                    | 1,375.13              | -                                |
| Employee Share based payments              | 82.72                       | (30.60)                            | -                    | -                                    | 52.12                                       | 52.12                 | -                                |
| Provision for employee benefits            | 205.56                      | (37.37)                            | 50.76                | -                                    | 218.95                                      | 218.95                | -                                |
| <b>Tax assets (liabilities)</b>            | <b>(599.15)</b>             | <b>909.62</b>                      | <b>50.76</b>         | <b>114.21</b>                        | <b>475.43</b>                               | <b>1,926.75</b>       | <b>(1,451.31)</b>                |
| <b>Net Tax Assets (Liabilities)</b>        | <b>(599.15)</b>             | <b>909.62</b>                      | <b>50.76</b>         | <b>114.21</b>                        | <b>475.43</b>                               | <b>1,926.75</b>       | <b>(1,451.31)</b>                |

As at 31 March 2019

(₹ in Lakhs)

| Particulars                                | Net balance<br>1 April 2018 | Recognised<br>in profit or<br>loss | Recognised<br>in OCI | Recognised<br>in Retained<br>earning | Net deferred<br>tax asset /<br>(liability) | Deferred<br>tax asset | Deferred<br>tax<br>(liabilities) |
|--|-----------------------------|------------------------------------|----------------------|--------------------------------------|--|-----------------------|----------------------------------|
| <b>Deferred tax liabilities</b>            |                             |                                    |                      |                                      |  |                       |                                  |
| 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                 | -                                |
| <b>Deferred tax asset</b>                  |                             |                                    |                      |                                      |  |                       |                                  |
| 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                | -                                |
| <b>Tax assets (liabilities)</b>            | <b>(524.97)</b>             | <b>(56.23)</b>                     | <b>(17.96)</b>       | <b>-</b>                             | <b>(599.15)</b>                            | <b>1,080.95</b>       | <b>(1,680.10)</b>                |
| <b>Net Tax Assets (Liabilities)</b>        | <b>(524.97)</b>             | <b>(56.23)</b>                     | <b>(17.96)</b>       | <b>-</b>                             | <b>(599.15)</b>                            | <b>1,080.95</b>       | <b>(1,680.10)</b>                |

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

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

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

### 38. EARNINGS PER SHARE (EPS)

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

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

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

#### Note:

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

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

### 39. FINANCIAL INSTRUMENTS – FAIR VALUES

#### A. Accounting classification and fair values

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

(₹ in Lakhs)

| Particulars   | As at 31 March 2020 |       |                |          |  |   |   |       |
|---|---------------------|-------|----------------|----------|--|---|---|-------|
|   | Carrying amount     |       |                |          | Fair value                               |   |   |       |
|   | FVTPL               | FVOCI | Amortised Cost | Total    | Level 1 - Quoted price in active markets | Level 2 - Significant observable inputs | Level 3 - Significant unobservable inputs | Total |
| <b>Non Current Financial assets</b>   |                     |       |                |          |  |   |   |       |
| Non-current investments - Equity instruments (other than Subsidiaries, Joint ventures and Associates)** | -                   | -     | -              | -        | -  | -                                       | -   | -     |
| Non-current loans   | -                   | -     | 450.66         | 450.66   | -  | -                                       | -   | -     |
| Other non current financial assets  | -                   | -     | 1,105.28       | 1,105.28 | -  | -                                       | -   | -     |
| Derivative instruments  | 27.77               | -     | -              | 27.77    | -  | 27.77                                   | -   | 27.77 |

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

(₹ in Lakhs)

| Particulars  | As at 31 March 2020 |          |                  |                  |  |   |   |                 |
|--|---------------------|----------|------------------|------------------|--|---|---|-----------------|
|  | Carrying amount     |          |                  |                  | Fair value                               |   |   |                 |
|  | FVTPL               | FVOCI    | Amortised Cost   | Total            | Level 1 - Quoted price in active markets | Level 2 - Significant observable inputs | Level 3 - Significant unobservable inputs | Total           |
| <b>Current Financial assets</b>                    |                     |          |                  |                  |  |   |   |                 |
| Trade receivables                                  | -                   | -        | 12,439.86        | 12,439.86        | -  | -                                       | -   | -               |
| Cash and cash equivalents                          | -                   | -        | 6,743.18         | 6,743.18         | -  | -                                       | -   | -               |
| Bank Balances other than Cash and cash equivalents | -                   | -        | 6,457.74         | 6,457.74         | -  | -                                       | -   | -               |
| Current loans                                      | -                   | -        | 2,037.77         | 2,037.77         | -  | -                                       | -   | -               |
| Other current financial assets                     | -                   | -        | 168.28           | 168.28           | -  | -                                       | -   | -               |
|  | <b>27.77</b>        | <b>-</b> | <b>29,402.77</b> | <b>29,430.54</b> | <b>-</b>                                 | <b>27.77</b>                            | <b>-</b>                                  | <b>27.77</b>    |
| <b>Non Current Financial liabilities</b>           |                     |          |                  |                  |  |   |   |                 |
| Other non-current financial liabilities            | -                   | -        | 106.55           | 106.55           | -  | -                                       | -   | -               |
| Lease Liabilities                                  | -                   | -        | 3,660.22         | 3,660.22         | -  | -                                       | 3,660.22                                  | 3,660.22        |
| <b>Current Financial liabilities</b>               |                     |          |                  |                  |  |   |   |                 |
| Trade payables                                     | -                   | -        | 7,089.70         | 7,089.70         | -  | -                                       | -   | -               |
| Other current financial liabilities                | -                   | -        | 2,328.22         | 2,328.22         | -  | -                                       | -   | -               |
| Lease Liabilities                                  | -                   | -        | 1,693.59         | 1,693.59         | -  | -                                       | 1,693.59                                  | 1,693.59        |
|  | <b>-</b>            | <b>-</b> | <b>14,878.28</b> | <b>14,878.28</b> | <b>-</b>                                 | <b>-</b>                                | <b>5,353.81</b>                           | <b>5,353.81</b> |

(₹ in Lakhs)

| Particulars   | As at 31 March 2019 |               |                  |                  |  |   |   |               |
|---|---------------------|---------------|------------------|------------------|--|---|---|---------------|
|   | Carrying amount     |               |                  |                  | Fair value                               |   |   |               |
|   | FVTPL               | FVOCI         | Amortised Cost   | Total            | Level 1 - Quoted price in active markets | Level 2 - Significant observable inputs | Level 3 - Significant unobservable inputs | Total         |
| <b>Non Current Financial assets</b>   |                     |               |                  |                  |  |   |   |               |
| 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         |
| <b>Current Financial assets</b>   |                     |               |                  |                  |  |   |   |               |
| 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           | -  | -                                       | -   | -             |
|   | <b>83.25</b>        | <b>336.48</b> | <b>19,065.13</b> | <b>19,484.86</b> | <b>-</b>                                 | <b>419.73</b>                           | <b>-</b>                                  | <b>419.73</b> |

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

(₹ in Lakhs)

| Particulars                              | As at 31 March 2019 |       |                 |                 |  |   |   |       |
|--|---------------------|-------|-----------------|-----------------|--|---|---|-------|
|  | Carrying amount     |       |                 |                 | Fair value                               |   |   |       |
|  | FVTPL               | FVOCI | Amortised Cost  | Total           | Level 1 - Quoted price in active markets | Level 2 - Significant observable inputs | Level 3 - Significant unobservable inputs | Total |
| <b>Non Current Financial liabilities</b> |                     |       |                 |                 |  |   |   |       |
| Other non-current financial liabilities  | -                   | -     | 208.89          | 208.89          | -  | -                                       | -   | -     |
| <b>Current Financial liabilities</b>     |                     |       |                 |                 |  |   |   |       |
| 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        | -  | -                                       | -   | -     |
|  | -                   | -     | <b>8,805.38</b> | <b>8,805.38</b> |  | -                                       |   | -     |

\*\*The fair value in respect of the unquoted equity investments cannot be reliably estimated. The Company has currently measured them at their cost, i.e. ₹ 175.28 Lakhs (31 March 2019 ₹ 175.28 Lakhs)

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

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

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

### B. Fair value hierarchy

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

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

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

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

### Financial instruments measured at fair value

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

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

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

| Type  | Valuation technique   | Significant unobservable inputs   | Inter-relationship between significant unobservable inputs and fair value measurement   |
|---|---|---|---|
| Investment in Commercial Papers   | The fair value of commercial papers is derived through Stochastic Local Volatility process, where in yield is derived from trade data and pooled levels of similar instruments with similar maturity and credit rating that are traded in secondary market, adjusted by an illiquidity factor.  | Not applicable  | Not applicable  |
| Non current financial assets and liabilities measured at amortized cost | Discounted cash flows: Under discounted cash flow method, future cash flows are discounted by using rates which reflect market risks. The valuation requires management to make certain assumptions about the model inputs, including forecast cash flows, discount rate and credit risk. The probabilities of the various estimates within the range can be reasonably assessed and are used in management's estimate of fair value. | Not applicable  | Not applicable  |
| Ekopath Metropolis Lab Services Private Limited - Call option           | <p>The Company has used Black-Scholes model to estimate the fair value of the options.</p> <p>Black-Scholes is a pricing model used to determine the fair price or theoretical value for a call or a put option based on six variables such as volatility, type of option, underlying stock price, time, strike price, and risk-free rate.</p>  | <p>March 2020 ₹ Nil</p> <p>March 2019</p> <p>* Equity value of unlisted company - ₹ 1,047 Lakhs</p> <p>* Volatility in share price of comparable companies - 17.50%</p> <p>Note : The Company intent as to not the exercise the options and hence option Lapsed</p>                         | <p>The estimated fair value would increase (decrease) if:</p> <ul style="list-style-type: none"> <li>• Equity value of unlisted company increases/ (decreases); or</li> <li>• Increase / (decrease) of volatility in share price of comparable companies. Refer below for impact in P&amp;L (net of tax)</li> </ul> |
| Raj Metropolis Healthcare Private Limited - Call option                 | <p>The Company has used Black-Scholes model to estimate the fair value of the options.</p> <p>Black-Scholes is a pricing model used to determine the fair price or theoretical value for a call or a put option based on six variables such as volatility, type of option, underlying stock price, time, strike price, and risk-free rate.</p>  | <p>March 2020</p> <p>* Equity value of unlisted company - ₹ 230.74 Lakhs</p> <p>* Volatility in share price of comparable companies - 22%</p> <p>March 2019</p> <p>* Equity value of unlisted company - ₹ 228 Lakhs</p> <p>* Volatility in share price of comparable companies - 18.40%</p> | <p>The estimated fair value would increase (decrease) if:</p> <ul style="list-style-type: none"> <li>• Equity value of unlisted company increases/ (decreases); or</li> <li>• increase / (decrease) of volatility in share price of comparable companies. Refer below for impact in P&amp;L (net of tax)</li> </ul> |

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

### Transfers between Levels

There have been no transfers between levels during the reporting periods

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

### Liquidity risk:

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

### Maturities of financial liabilities

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

(₹ in Lakhs)

| As at 31 March, 2020                        | Contractual cash flows |                  |                  |                 |                 |                   |
|---|------------------------|------------------|------------------|-----------------|-----------------|-------------------|
|   | Carrying amount        | Total            | Upto 1 year      | 1-3 years       | 3-5 years       | More than 5 years |
| <b>Non-derivative financial liabilities</b> |                        |                  |                  |                 |                 |                   |
| Payable towards acquisition of business     | 522.80                 | 544.00           | 424.00           | 120.00          | -               | -                 |
| Lease Liabilities                           | 5,353.81               | 6,865.61         | 1,693.59         | 2,650.76        | 1,317.72        | 1,203.54          |
| Trade payables                              | 7,089.70               | 7,089.70         | 7,089.70         | -               | -               | -                 |
| Other current financial liabilities         | 1,911.97               | 1,911.97         | 1,911.97         | -               | -               | -                 |
| <b>Total</b>                                | <b>14,878.28</b>       | <b>16,411.28</b> | <b>11,119.26</b> | <b>2,770.76</b> | <b>1,317.72</b> | <b>1,203.54</b>   |

(₹ in Lakhs)

| As at March 31, 2019                        | Contractual cash flows |                 |                 |               |              |                   |
|---|------------------------|-----------------|-----------------|---------------|--------------|-------------------|
|   | Carrying amount        | Total           | Upto 1 year     | 1-3 years     | 3-5 years    | More than 5 years |
| <b>Non-derivative financial liabilities</b> |                        |                 |                 |               |              |                   |
| 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        | -             | -            | -                 |
| <b>Total</b>                                | <b>8,805.38</b>        | <b>8,850.70</b> | <b>8,588.70</b> | <b>242.00</b> | <b>20.00</b> | <b>-</b>          |

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

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

### Market risk:

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

#### a. Currency risk

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

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

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

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

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

#### Sensitivity analysis

A reasonably possible strengthening (weakening) of the Indian Rupee against foreign currencies at 31 March 2020 and 31 March 2019 would have affected the measurement of financial instruments denominated in foreign currencies and affected Statement of profit or loss by the amounts shown below. This analysis assumes that all other variables, in particular interest rates, remain constant and ignores any impact of forecast sales and purchases.

| Effect in INR      | 31 March 2020   |               | 31 March 2019  |              |
|--------------------|-----------------|---------------|----------------|--------------|
|                    | Strengthening   | Weakening     | Strengthening  | Weakening    |
| <b>3% movement</b> |                 |               |                |              |
| USD                | (107.36)        | 107.36        | (82.45)        | 82.45        |
| OMR                | (1.23)          | 1.23          | (0.98)         | 0.98         |
| EUR                | (0.01)          | 0.01          | -              | -            |
| GBP                | (0.00)          | 0.00          | -              | -            |
| SGD                | (0.40)          | 0.40          | -              | -            |
|                    | <b>(108.98)</b> | <b>108.98</b> | <b>(83.43)</b> | <b>83.43</b> |

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

### C Financial risk management

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

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

- Credit risk
- Liquidity risk
- Market risk

#### Credit risk

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

#### a. Trade receivables and other receivables

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

The Company does not have any significant concentration of credit risk. Further, company has one customer (31 March 2019 one customer) which accounts for 10% or more of the total trade receivables at each reporting date.

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

The movement in the provision for bad and doubtful debts for the year ended 31 March 2020

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

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

The Company held cash and cash equivalents and other bank deposits as at 31 March 2020 ₹ 14,251.67 Lakhs (31 March 2019 ₹ 3,452.68 Lakhs). The cash and cash equivalents and other bank balances are held with bank with good credit ratings.

#### c. Investments

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

#### d. Other loans and advances

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

The security deposit pertains to rent deposit given to lessors as at 31 March 2020 ₹ 1,365.61 Lakhs (31 March 2019 ₹ 1,483.85 Lakhs). The Company does not expect any losses from non-performance by these counter-parties; The parties which have defaulted in the past is mainly on account of uncontrollable adverse local market conditions which has diluted parties credit worthiness.

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

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

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

### b. Interest rate risk

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

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

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

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

### D Capital management

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

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

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

### A. Relationships –

Category I: Subsidiaries:

Desai Metropolis Health Services Private Limited

Sudharma Metropolis Health Services Private Limited

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

Dr. Patel Metropolis Healthcare Private Limited

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

Micron Metropolis Healthcare Private Limited

Ekopath Metropolis Lab Services Private Limited

Metropolis Healthcare (Mauritius) Limited

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

Lab One Metropolis Healthcare Services Private Limited

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

Bokil Golwilkar Metropolis Healthcare Private Limited

Raj Metropolis Healthcare Private Limited

### Step down Subsidiary companies

Metropolis Bramser Lab Services (Mtius) Limited

Metropolis Healthcare Ghana Limited

Metropolis Star Lab Kenya Limited

Metropolis Healthcare (Tanzania) Limited

### Category II: Joint Venture:

Metropolis Histoexpert Digital Services Private Limited

### Category III: Associates:

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

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

Dr. Sushil Kanubhai Shah, Chairman and Executive Director

Ms. Ameera Sushil Shah, Managing Director

Mr Vijender Singh, Chief Executive Officer

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

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

Mr Tushar Karnik, Chief Financial Officer (upto 11 November 2019)

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

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

Mr. Milind Shripad Sarwate, Independent Director

Mr. Vivek Gambhir, Independent Director

Mr. Sanjay Bhatnagar, Independent Director

### Category V: Relatives of KMP

Dr. Duru Sushil Shah

Mr. Hemant Sachdev

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

Metz Advisory LLP

Metropolis Health Products Retail Private Limited

Chogori Distribution Private Limited

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

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

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

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

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

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

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

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

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

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

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

(₹ in Lakhs)

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

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

| Name of the Company                             | 31 March 2020       |   | 31 March 2019       |   |
|---|---------------------|---|---------------------|---|
|   | Outstanding Balance | Max. amount outstanding during the year | Outstanding Balance | Max. amount outstanding during the year |
| <b>Subsidiaries</b>                             |                     |   |                     |   |
| Metropolis Healthcare (Mauritius) Limited       | 1,069.55            | 1,069.67                                | 957.84              | 1,022.33                                |
| Micron Metropolis Healthcare Private Limited    | -                   | -                                       | -                   | 89.54                                   |
| Raj Metropolis Healthcare Private Limited       | 4.08                | 4.08                                    | 4.08                | 4.08                                    |
| Ekopath Metropolis Lab Services Private Limited | 60.00               | 60.00                                   | 60.00               | 60.00                                   |
| Metropolis Healthcare Lanka (Pvt) Limited       | 12.76               | 12.76                                   | 12.76               | 12.76                                   |
| Amin's Pathology Laboratory Private Limited     | -                   | -                                       | 16.00               | 16.00                                   |

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

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

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

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

### 41. MERGER OF SUBSIDIARY COMPANIES

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

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

| Particular                         | Amount  |  |  |   |                                 | Total           |
|------------------------------------|---|--|--|---|---------------------------------|-----------------|
|                                    | Sanket Metropolis Health services (India) Private Limited | Golwilkar Metropolis Health services (India) Private Limited | Metropolis Healthcare (Chandigarh) Private Limited | Metropolis Healthcare (Jodhpur) Private Limited | Final Diagnosis Private Limited |                 |
| Property, plant and equipment      | 69.34   | 425.68   | -  | 24.90   | -                               | 519.92          |
| Other intangible assets            | -   | 15.41  | -  | -   | -                               | 15.41           |
| <b>Financial assets</b>            |   |  | -  | -   | -                               | -               |
| 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          |
| <b>Total non current assets</b>    | <b>160.91</b>   | <b>956.47</b>  | <b>-</b>   | <b>28.08</b>                                    | <b>9.03</b>                     | <b>1,154.49</b> |
| Inventories                        | 11.81   | 151.60   | -  | -   | -                               | 163.41          |
| <b>Financial Assets</b>            |   |  |  |   |                                 |                 |
| 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           |
| <b>Total current assets</b>        | <b>209.89</b>   | <b>2,994.41</b>  | <b>10.62</b>                                       | <b>36.04</b>                                    | <b>67.48</b>                    | <b>3,318.44</b> |
| <b>Total Assets</b>                | <b>370.80</b>   | <b>3,950.88</b>  | <b>10.62</b>                                       | <b>64.12</b>                                    | <b>76.51</b>                    | <b>4,472.93</b> |
| <b>Liabilities</b>                 |   |  |  |   |                                 |                 |
| 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        |
| <b>Total Equity</b>                | <b>(71.14)</b>  | <b>3,582.59</b>  | <b>(156.89)</b>                                    | <b>(161.13)</b>                                 | <b>75.94</b>                    | <b>3,269.37</b> |

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

| Particular                           | Amount   |   |  |   |  |                 |
|--------------------------------------|--|---|--|---|--|-----------------|
|                                      | Sanket<br>Metropolis<br>Health<br>services<br>(India) Private<br>Limited | Golwilkar<br>Metropolis<br>Health<br>services<br>(India) Private<br>Limited | Metropolis<br>Healthcare<br>(Chandigarh)<br>Private<br>Limited | Metropolis<br>Healthcare<br>(Jodhpur)<br>Private<br>Limited | Final<br>Diagnosis<br>Private<br>Limited | Total           |
| <b>Financial liabilities</b>         |  |   |  |   |  |                 |
| Borrowings                           | -  | -   | -  | 52.39   | -  | 52.39           |
| Deferred tax liabilities (net)       | -  | -   | -  | (2.30)  | -  | (2.30)          |
| <b>Total Non-current liabilities</b> | <b>-</b>   | <b>-</b>  | <b>-</b>   | <b>50.09</b>  | <b>-</b>                                 | <b>50.09</b>    |
| <b>Financial liabilities</b>         |  |   |  |   |  |                 |
| 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           |
| <b>Total Current liabilities</b>     | <b>441.94</b>  | <b>368.29</b>   | <b>167.51</b>  | <b>175.16</b>   | <b>0.57</b>                              | <b>1,153.47</b> |
| <b>TOTAL EQUITY AND LIABILITIES</b>  | <b>370.80</b>  | <b>3,950.88</b>   | <b>10.62</b>   | <b>64.12</b>  | <b>76.51</b>                             | <b>4,472.93</b> |

- (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 previous 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.

### 42. COMMITMENTS

(₹ in Lakhs)

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

#### Other commitments:

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

The value of purchase commitments for the remaining number of years are ₹ 48,140.09 Lakhs (31 March 2019 ₹ 42,855.62 Lakhs) of which annual commitment for next year is ₹ 13,165.08 Lakhs (31 March 2019 ₹ 15,694.49 Lakhs) as per the terms of these arrangements.

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

### 43. CONTINGENT LIABILITIES NOT PROVIDED FOR

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

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

### 44. AUDITORS' REMUNERATION\*

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

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

### 45. OPERATING LEASE OBLIGATIONS

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

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

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

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

#### 1 Transition

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

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

- Applied a single discount rate to a portfolio of leases of similar assets in similar economic environment with a similar end date
- Applied the exemption not to recognize right-of-use assets and liabilities for leases :
  - with less than 12 months of lease term on the date of initial application
  - Rent outflow of less than ₹ 5 Lakhs in entire tenure of arrangement
- Excluded the initial direct costs from the measurement of the right-of-use asset at the date of initial application.
- Applied the practical expedient to grandfather the assessment of which transactions are leases. Accordingly, Ind AS 116 is applied only to contracts that were previously identified as leases under Ind AS 17.

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

### 48. MICRO AND SMALL ENTERPRISES

There are some micro and small enterprises, to whom the Company owes dues, which are outstanding for more than 45 days as at 31 March 2020. This information as required to be disclosed under the Micro, Small and Medium Enterprises Development Act, 2006, has been determined to the extent such parties have been identified on the basis of information available with the Company.

| (₹ in Lakhs)  |           |           |
|---|-----------|-----------|
| Particulars   | 31-Mar-20 | 31-Mar-19 |
| a. Principal amount remaining unpaid to any supplier as at the year end   | 670.81    | 1.78      |
| <b>Interest due thereon:</b>  |           |           |
| b. Amount of Interest paid during the year  | -         | -         |
| c. Amount of payments made to the supplier beyond the appointed day during the accounting year.   | -         | -         |
| d. Amount of Interest due and payable for the period of delay in making payment (which have been paid but beyond the appointed day during the period) but without adding interest specified under the Micro, Small and Medium Enterprises Act, 2006)                      | 18.17     | -         |
| e. Amount of Interest accrued and remaining unpaid at the end of the accounting year.   | 29.63     | -         |
| f. The amount of further interest remaining due and payable even in the succeeding years, until such date when the interest dues as above are actually paid to the small enterprises for the purpose of disallowance as a deductible expenditure under the MSMED Act 2006 | -         | -         |

### 49. EMPLOYEE BENEFITS

#### a) Defined benefits plan

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

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

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

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

**G. Assumptions used**

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

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

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

### H. Sensitivity analysis

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

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

### I. Expected future cash flows

(₹ in Lakhs)

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

(₹ in Lakhs)

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

### (b) Defined contribution plan

The Company contributes towards statutory provident fund as per the Employees Provident Funds and Miscellaneous Provisions Act, 1952 and towards employee state insurance as per the Employees' State Insurance Act, 1948. The amount of contribution to provident fund and Employee State Insurance Scheme recognised as expenses during the year is ₹ 635.86 Lakhs (31 March 2019 ₹612.56 Lakhs).

### (c) Employee Stock Option Schemes

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

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

#### MESOS 2007 -

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

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

#### MESOS 2015 -

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

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

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

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

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

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

| Grant date / employees entitled                                      | Number of instruments | Vesting conditions   | Contractual life of options  |
|--|-----------------------|--|--|
| MESOS 2007 - Option granted to eligible employees on 1 October 2007  | 1,27,315              | For the Options to vest, the Grantee has to be in employment of the Metropolis Group on the date of the vesting. | The exercise period for Options vested will be two years from date of vesting subject to shares of the company are listed at the time of exercise.<br><br>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<br>(a) Listing of Company shares on an Indian Stock Exchange or<br>(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<br>(a) Listing of Company shares on an Indian Stock Exchange or<br>(b) during the exercise window to be specified individually by Nomination and Remuneration Committee of the Company.  |

### Reconciliation of Outstanding share options

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

#### MESOS 2007

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

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

### MESOS 2015

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

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

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

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

# Summary of Shares/Option exercised during the period

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

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

### Measurement of Fair value

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

(₹ in Lakhs)

| Particulars  | MESOS 2015      |               |
|--|-----------------|---------------|
|  | 16 October 2017 | 25 April 2016 |
| Fair value at grant date                             | 142.80          | 66.00         |
| Share price at grant date                            | 2,910.00        | 2,289.00      |
| Exercise price                                       | 3,670.00        | 3,670.00      |
| Expected volatility (Weighted average volatility)    | 16.04%          | 16.70%        |
| Expected life (expected weighted average life)       | 1.64 years      | 4.05 years    |
| Expected dividends                                   | 3%              | 3%            |
| Risk-free interest rates (Based on government bonds) | 6.35%           | 7.42%         |

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

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

### 50. SEGMENT REPORTING

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

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

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

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

(₹ in Lakhs)

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

(₹ in Lakhs)

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

### 50. (B)

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

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

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

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

#### Investments :

Details of investments made during the year are as under:

(₹ in Lakhs)

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

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

(₹ in Lakhs)

| Particulars  | 31 March 2020 | 31 March 2019   |
|--|---------------|-----------------|
| Micron Metropolis Healthcare Private Limited             | -             | 283.70          |
| Lab One Metropolis Healthcare Services Private Limited # | -             | 1,073.50        |
| Bokil Golwilkar Metropolis Healthcare Private Limited^^  | -             | 187.22          |
| <b>Total</b>   | <b>-</b>      | <b>8,281.47</b> |

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

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

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

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

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

### 51. (B) DEFERRED PAYMENT CONSIDERATION

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

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

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

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

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

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

### Summarised Details of Deferred Purchase Consideration

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

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

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

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

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

### 53. SHARE WARRANT

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

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

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

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

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

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

### 54. TRANSFER PRICING

The Company's management is of the opinion that its international and domestic transactions are at arm's length as per the independent accountants report for the year ended 31 March 2019. Management continues to believe that its international transactions post March 2019 and the specified domestic transactions are at arm's length and that the transfer pricing legislation will not have any impact on these financial statements, particularly on amount of tax expense and that of provision of taxation.

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

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

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

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

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

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

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

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

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

### 57. SUBSEQUENT EVENTS

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

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

As per our report of even date attached

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

**Tarun Kinger**  
Partner  
Membership No: 105003

Place : Mumbai  
Date : 29 May 2020

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

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

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

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

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

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

Date : 29 May 2020

# INDEPENDENT AUDITORS' REPORT

**To the Members of**

**Metropolis Healthcare Limited**

## REPORT ON THE AUDIT OF THE CONSOLIDATED FINANCIAL STATEMENTS

### Opinion

We have audited the consolidated financial statements of Metropolis Healthcare Limited (hereinafter referred to as the "Holding Company") and its subsidiaries (Holding Company and its subsidiaries together referred to as "the Group"), and its joint venture which comprise the consolidated balance sheet as at 31 March 2020, and the consolidated statement of profit and loss (including other comprehensive income), consolidated statement of changes in equity and consolidated statement of cash flows for the year then ended, and notes to the consolidated financial statements, including a summary of significant accounting policies and other explanatory information (hereinafter referred to as "the consolidated financial statements").

In our opinion and to the best of our information and according to the explanations given to us, and based on the consideration of reports of other auditors on separate financial statements of such subsidiaries as were audited by the other auditors, the aforesaid consolidated financial statements give the information required by the Companies Act, 2013 ("Act") in the manner so required and give a true and fair view in conformity with the accounting principles generally accepted in India, of the consolidated state of affairs of the Group, and its joint venture as at 31 March 2020, of its consolidated profit and

other comprehensive loss, consolidated changes in equity and consolidated cash flows for the year then ended.

### Basis for Opinion

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

### Key Audit Matters

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

### DESCRIPTION OF KEY AUDIT MATTER:

| The key audit matter  | How the matter was addressed in our audit  |
|---|--|
| <p>As disclosed in note 4 of the consolidated financial statements the Group has goodwill aggregating ₹ 9,034.79 Lakhs at 31 March 2020.</p> <p>Group tests goodwill for impairment annually, or more frequently when there is an indication, the cash generating unit to which goodwill has been allocated may be impaired.</p> <p>There are judgments used in this, such as projection of future sales, operating costs and profit margins and discount rate in applying discounted cash flow valuation methodology.</p> <p>As impairment assessment involves significant assumptions and judgment, we regard this as a key audit matter.</p> | <p>Our audit procedures included the following:</p> <ul style="list-style-type: none"> <li>Assessing the identification of relevant Cash Generating Units (CGU) to which goodwill is allocated;</li> <li>Assessing the accuracy of prior period forecasts of the CGU with the actual financial performance of the CGU;</li> <li>Challenging the assumptions used in impairment analysis, such as future sales, operating costs and profit margins and discount rate. This was based on our knowledge of the Group and the markets in which the CGU operates. We took assistance of our valuations specialists for above testing;</li> <li>Performing sensitivity analysis of the key assumptions, used in determining the recoverable value;</li> <li>Evaluating the adequacy of disclosures of key assumptions, judgements and sensitivities in respect of goodwill.</li> </ul> |

## INDEPENDENT AUDITORS' REPORT (Contd.)

### OTHER INFORMATION

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

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

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

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

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

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

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

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

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

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

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

## INDEPENDENT AUDITORS' REPORT (Contd.)

- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by the Management and Board of Directors.
- Conclude on the appropriateness of Management and Board of Directors use of the going concern basis of accounting in preparation of consolidated financial statements and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the appropriateness of this assumption. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the consolidated financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Group and its joint venture to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the consolidated financial statements, including the disclosures, and whether the consolidated financial statements represent the underlying transactions and events in a manner that achieves fair presentation.
- Obtain sufficient appropriate audit evidence regarding the financial information of such entities or business activities within the Group and its joint venture to express an opinion on the consolidated financial statements. We are responsible for the direction, supervision and performance of the audit of financial information of such entities included in the consolidated financial statements of which we are the independent auditors. For the other entities included in the consolidated financial statements, which have been audited by other auditors, such other auditors remain responsible for the direction, supervision and performance of the audits carried out by them. We remain solely responsible for our audit opinion. Our responsibilities in this regard are further described in para (a) of the section titled 'Other Matters' in this audit report.

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

We communicate with those charged with governance of the Holding Company and such other entities included in the consolidated financial statements of which we are the independent auditors regarding, among other matters, the

planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

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

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

### OTHER MATTERS

- We did not audit the financial statements of 6 subsidiaries, whose financial statements reflect total assets of ₹ 5,008.55 Lakhs as at 31 March 2020, total revenues of ₹ 4,135.46 Lakhs and net cash flows amounting to ₹ 876.52 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, and our report in terms of sub-section (3) of section 143 of the Act, in so far as it relates to the aforesaid subsidiaries is based solely on the audit reports of the other auditors.

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

- 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:

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

- a) We have sought and obtained all the information and explanations which to the best of our knowledge and belief were necessary for the purposes of our audit of the aforesaid consolidated financial statements.
- b) In our opinion, proper books of account as required by law relating to preparation of the aforesaid consolidated financial statements have been kept so far as it appears from our examination of those books and the reports of the other auditors.
- c) The consolidated balance sheet, the consolidated statement of profit and loss (including other comprehensive income), the consolidated statement of changes in equity and the consolidated statement of cash flows dealt with by this Report are in agreement with the relevant books of account maintained for the purpose of preparation of the consolidated financial statements.
- d) In our opinion, the aforesaid consolidated financial statements comply with the Ind AS specified under section 133 of the Act.
- e) On the basis of the written representations received from the directors of the Holding Company as on 31 March 2020 taken on record by the Board of Directors of the Holding Company and the reports of the statutory auditors of its subsidiary companies and joint venture incorporated in India, none of the directors of the Group companies and its joint venture incorporated in India is disqualified as on 31 March 2020 from being appointed as a director in terms of section 164(2) of the Act.
- f) With respect to the adequacy of the internal financial controls with reference to financial statements of the Holding Company, its subsidiary companies and joint venture incorporated in India and the operating effectiveness of such controls, refer to our separate Report in "Annexure A".
- B. With respect to the other matters to be included in the Auditor's Report in accordance with Rule 11 of the and joint venture (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 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 2020 on the consolidated financial position of the Group and its joint venture. Refer Note 47 to the consolidated financial statements;
- ii. The Group and its joint venture did not have any material foreseeable losses on long-term contracts including derivative contracts during the year ended 31 March 2020;
- iii. There has been no delay in transferring amounts to the Investor Education and Protection Fund by the Holding Company or its subsidiary companies and joint venture incorporated in India during the year ended 31 March 2020; 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 financial statements since they do not pertain to the financial year ended 31 March 2020
- C. With respect to the matter to be included in the Auditor's report under section 197(16):
- In our opinion and according to the information and explanations given to us and based on the reports of the statutory auditors of such subsidiary companies and joint venture incorporated in India which were not audited by us, the remuneration paid during the current year by the Holding Company, its subsidiary companies and joint venture to its directors is in accordance with the provisions of section 197 of the Act. The remuneration paid to any director by the Holding Company, its subsidiary companies and joint venture is not in excess of the limit laid down under section 197 of the Act. The Ministry of Corporate Affairs has not prescribed other details under section 197(16) which are required to be commented upon by us.

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

Chartered Accountants

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

**Tarun Kinger**

Place: Mumbai

Partner

Date: 29 May 2020

Membership No: 105003

ICAI UDIN: 20105003AAAABA3677

## **ANNEXURE A TO THE INDEPENDENT AUDITORS' REPORT ON THE CONSOLIDATED FINANCIAL STATEMENTS OF METROPOLIS HEALTHCARE LIMITED FOR THE YEAR ENDED 31 MARCH 2020**

**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) (f) UNDER 'REPORT ON OTHER LEGAL AND REGULATORY REQUIREMENTS' SECTION OF OUR REPORT OF EVEN DATE)**

### **Opinion**

In conjunction with our audit of the consolidated financial statements of the Company as of and for the year ended 31 March 2020, 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 2020, 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

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

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's Registration No: 101248W/W-100022

**Tarun Kinger**

Place: Mumbai

Partner

Date: 29 May 2020

Membership No: 105003

ICAI UDIN: 20105003AAAAABA3677

# CONSOLIDATED BALANCE SHEET

AS AT 31 MARCH 2020

| Particulars  | Notes   | (₹ in Lakhs)           |                        |
|--|---------|------------------------|------------------------|
|  |         | As at<br>31 March 2020 | As at<br>31 March 2019 |
| <b>I. ASSETS</b>   |         |                        |                        |
| <b>Non-current assets</b>  |         |                        |                        |
| Property, plant and equipment  | 3       | 12,119.62              | 11,667.14              |
| Right of use assets  | 40      | 5,965.92               | -                      |
| Goodwill   | 4       | 9,034.79               | 7,855.08               |
| Other intangible assets  | 4       | 2,516.83               | 1,758.68               |
| Intangible assets under development  |         | 298.73                 | 577.30                 |
| Equity accounted investees   | 46 & 5  | -                      | 51.98                  |
| <b>Financial Assets</b>  |         |                        |                        |
| i) Investments   | 6       | 175.28                 | 175.28                 |
| ii) Loans  | 7       | 546.70                 | 420.65                 |
| iii) Other non-current financial assets  | 8       | 1,239.34               | 1,019.90               |
| Deferred tax assets (Net)  | 38 (iv) | 1,390.11               | 365.71                 |
| Other non-current assets   | 9       | 636.72                 | 155.01                 |
| Non-current tax assets (Net)   | 10      | 1,593.19               | 745.06                 |
| <b>Total non-current assets</b>  |         | <b>35,517.23</b>       | <b>24,791.79</b>       |
| <b>Current assets</b>  |         |                        |                        |
| Inventories  | 11      | 2,440.07               | 2,610.23               |
| <b>Financial Assets</b>  |         |                        |                        |
| i. Investments   | 12      | 1,256.61               | 3,101.62               |
| ii. Trade receivables  | 13      | 12,824.78              | 13,684.78              |
| iii. Cash and cash equivalents   | 14      | 10,717.42              | 5,137.10               |
| iv. Bank balance other than (iii) above  | 15      | 10,329.70              | 2,886.83               |
| v. Loans   | 16      | 1,118.07               | 1,510.15               |
| vi. Other current financial assets   | 17      | 217.10                 | 843.31                 |
| Other current assets   | 18      | 802.19                 | 698.24                 |
| <b>Total current assets</b>  |         | <b>39,705.94</b>       | <b>30,472.26</b>       |
| <b>Total assets</b>  |         | <b>75,223.17</b>       | <b>55,264.05</b>       |
| <b>II. EQUITY AND LIABILITIES</b>  |         |                        |                        |
| <b>Equity</b>  |         |                        |                        |
| Equity share capital   | 19      | 1,012.61               | 1,003.57               |
| Other equity   | 20      | 51,337.00              | 40,850.27              |
| <b>Equity attributable to equity holders of the Company</b>                              |         | <b>52,349.61</b>       | <b>41,853.84</b>       |
| Non-controlling interests  |         | 165.76                 | 143.07                 |
| <b>Total equity</b>  |         | <b>52,515.37</b>       | <b>41,996.91</b>       |
| <b>Liabilities</b>   |         |                        |                        |
| <b>Non-current liabilities</b>   |         |                        |                        |
| <b>Financial liabilities</b>   |         |                        |                        |
| i. Borrowings  | 21      | -                      | 3.51                   |
| ii. Other non-current financial liabilities  | 22      | 467.81                 | 208.89                 |
| iii. Lease Liabilities   | 40      | 4,577.81               | -                      |
| Provisions   | 23      | 541.40                 | 316.08                 |
| Deferred tax liabilities (net)   | 38 (iv) | 172.82                 | 290.02                 |
| <b>Total non-current liabilities</b>   |         | <b>5,759.84</b>        | <b>818.50</b>          |
| <b>Current liabilities</b>   |         |                        |                        |
| <b>Financial liabilities</b>   |         |                        |                        |
| i. Borrowings  | 24      | -                      | 1,757.86               |
| ii. Lease Liabilities  | 40      | 2,088.89               | -                      |
| iii. Trade payables  |         |                        |                        |
| - Total outstanding dues of micro and small enterprises                                  | 25      | 724.72                 | 3.87                   |
| - Total outstanding dues of creditors other than micro enterprises and small enterprises | 25      | 7,778.68               | 4,281.05               |
| Other current financial liabilities  | 26      | 3,441.44               | 4,183.49               |
| Other current liabilities  | 27      | 1,881.15               | 803.85                 |
| Provisions   | 23      | 659.91                 | 488.09                 |
| Current tax liabilities (net)  | 28      | 373.17                 | 930.43                 |
| <b>Total current liabilities</b>   |         | <b>16,947.96</b>       | <b>12,448.64</b>       |
| <b>Total liabilities</b>   |         | <b>22,707.80</b>       | <b>13,267.14</b>       |
| <b>Total Equity and Liabilities</b>  |         | <b>75,223.17</b>       | <b>55,264.05</b>       |

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

As per our report of even date attached

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

**Tarun Kinger**  
Partner  
Membership No: 105003

Place : Mumbai  
Date : 29 May 2020

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

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

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

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

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

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

Date : 29 May 2020

# CONSOLIDATED STATEMENT OF PROFIT AND LOSS

FOR THE YEAR ENDED 31 MARCH 2020

| (₹ in Lakhs)  |       |                                     |                                     |
|---|-------|-------------------------------------|-------------------------------------|
| Particulars   | Notes | For the year ended<br>31 March 2020 | For the year Ended<br>31 March 2019 |
| <b>INCOME</b>   |       |                                     |                                     |
| Revenue from operations   | 29    | 85,640.54                           | 76,118.18                           |
| Other income  | 30    | 856.66                              | 821.32                              |
| <b>Total Income</b>   |       | <b>86,497.20</b>                    | <b>76,939.50</b>                    |
| <b>EXPENSES</b>   |       |                                     |                                     |
| Cost of materials consumed  | 31    | 20,413.50                           | 17,351.02                           |
| Laboratory testing charges  | 32    | 688.99                              | 557.17                              |
| Employee benefits expense   | 33    | 19,015.62                           | 17,620.71                           |
| Finance costs   | 34    | 834.47                              | 53.11                               |
| Depreciation and amortisation expense   | 35    | 3,926.72                            | 2,006.61                            |
| Other expenses  | 36    | 22,239.95                           | 20,552.68                           |
| <b>Total Expenses</b>   |       | <b>67,119.25</b>                    | <b>58,141.30</b>                    |
| <b>Profit before exceptional items, share of profit for equity accounted investees and income tax</b> |       | <b>19,377.95</b>                    | <b>18,798.20</b>                    |
| <b>Exceptional items</b>  | 37    | 2,452.66                            | -                                   |
| <b>Profit before share of profit for equity accounted investees and income tax</b>                    |       | <b>16,925.29</b>                    | <b>18,798.20</b>                    |
| Share of (loss) for equity accounted investees (net of tax)   | 46    | (51.98)                             | (143.02)                            |
| <b>Profit before tax</b>  |       | <b>16,873.31</b>                    | <b>18,655.18</b>                    |
| <b>Income tax expense:</b>  | 38    |                                     |                                     |
| 1. Current tax  |       | 5,326.98                            | 6,309.03                            |
| 2. Deferred tax (income)  |       | (919.33)                            | (15.13)                             |
| 3. Tax adjustments for earlier years  |       | (289.56)                            | -                                   |
| <b>Total Income Tax expenses</b>  |       | <b>4,118.09</b>                     | <b>6,293.90</b>                     |
| <b>Profit for the year</b>  |       | <b>12,755.22</b>                    | <b>12,361.28</b>                    |
| <b>Other Comprehensive Income (OCI)</b>   |       |                                     |                                     |
| (i) Items that will not be reclassified subsequently to profit and loss                               |       |                                     |                                     |
| Remeasurements of the defined benefit plans   | 51(a) | (278.02)                            | 74.50                               |
| Income tax on above   | 38    | 69.98                               | (24.54)                             |
|   |       | <b>(208.04)</b>                     | <b>49.96</b>                        |
| (ii) Items that will be subsequently reclassified to profit and loss                                  |       |                                     |                                     |
| Exchange differences in translating financial statements of foreign operations                        |       | (92.11)                             | 89.32                               |
|   |       | <b>(92.11)</b>                      | <b>89.32</b>                        |
| <b>Other comprehensive income for the year, net of tax</b>  |       | <b>(300.15)</b>                     | <b>139.28</b>                       |
| <b>Total comprehensive income for the year</b>  |       | <b>12,455.07</b>                    | <b>12,500.56</b>                    |
| <b>Profit attributable to:</b>  |       |                                     |                                     |
| Owners of the Company   |       | 12,732.56                           | 12,014.79                           |
| Non-controlling interest  |       | 22.66                               | 346.49                              |
| <b>Other comprehensive income attributable to:</b>  |       |                                     |                                     |
| Owners of the Company   |       | (300.18)                            | 138.14                              |
| Non-controlling interest  |       | 0.03                                | 1.14                                |
| <b>Total comprehensive income attributable to:</b>  |       |                                     |                                     |
| Owners of the Company   |       | 12,432.37                           | 12,152.93                           |
| Non-controlling interest  |       | 22.69                               | 347.63                              |
| <b>Earnings per equity share</b>  |       |                                     |                                     |
| <b>Equity shares of face value of ₹ 2 each</b>  |       |                                     |                                     |
| Basic earnings per share (₹)  | 39    | 25.36                               | 24.06                               |
| Diluted earnings per share (₹)  | 39    | 25.25                               | 24.02                               |

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

As per our report of even date attached

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

**Tarun Kinger**  
Partner  
Membership No: 105003

Place : Mumbai  
Date : 29 May 2020

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

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

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

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

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

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

Date : 29 May 2020

# CONSOLIDATED STATEMENT OF CASH FLOWS

FOR THE YEAR ENDED 31 MARCH 2020

(₹ in Lakhs)

| Particulars   | 31 March 2020      | 31 March 2019    |
|---|--------------------|------------------|
| <b>A CASH FLOW FROM OPERATING ACTIVITIES</b>  |                    |                  |
| Profit before tax   | 16,873.31          | 18,655.18        |
| <b>Adjustments for :</b>  |                    |                  |
| Depreciation and amortisation expense   | 3,926.72           | 2,006.61         |
| Loss/(Gain) on sale of property plant and equipments (net)  | 60.01              | (3.05)           |
| Provision for bad and doubtful debts  | 3,500.00           | 508.15           |
| Provision for bad and doubtful advances   | 246.81             | 3.84             |
| Loss on sale of debt instrument measured at FVOCI   | -                  | 3.79             |
| Foreign exchange (gain)(net)  | (55.09)            | (20.71)          |
| Employee share based payment expenses   | 72.38              | 88.44            |
| Credit impaired trade receivables written off   | -                  | 24.43            |
| Interest income   | (589.96)           | (346.53)         |
| Changes in fair value of current investments  | (90.07)            | (330.59)         |
| Provision for impairment of current investments   | 336.48             | 144.20           |
| Dividend income from mutual fund  | (21.46)            | (96.24)          |
| Share of Loss of equity accounted investment  | 51.98              | 143.02           |
| Interest expense  | 834.47             | 53.11            |
| <b>Operating profit before working capital changes</b>  | <b>25,145.58</b>   | <b>20,833.65</b> |
| <b>Working capital adjustments:</b>   |                    |                  |
| Decrease/(Increase) in loans  | 238.28             | (491.58)         |
| Decrease/(Increase) in inventories  | 170.16             | (491.51)         |
| (Increase) in trade receivables   | (2,658.44)         | (4,128.25)       |
| Decrease/(Increase) in other assets   | 586.07             | (908.28)         |
| Increase in provisions  | 119.12             | 89.54            |
| Increase in trade payables  | 3,163.25           | 751.12           |
| Increase in other financial liabilities   | (151.55)           | 68.76            |
| (Decrease)/Increase in other liabilities  | 1,330.41           | 32.03            |
| <b>Cash generated from operating activities</b>   | <b>27,942.89</b>   | <b>15,755.48</b> |
| Income Taxes (paid)   | (6,442.81)         | (6,740.40)       |
| <b>Net cash generated from operating activities (A)</b>   | <b>21,500.08</b>   | <b>9,015.08</b>  |
| <b>B CASH FLOWS FROM INVESTING ACTIVITIES</b>   |                    |                  |
| Purchase of property, plant and equipment and capital work-in-progress (Including capital advances and capital creditors) | (2,918.36)         | (1,955.80)       |
| Purchase of other intangible assets   | (702.32)           | (418.50)         |
| Proceeds from sale of property, plant and equipment   | 26.31              | 26.53            |
| Purchase consideration paid towards acquisition of business   | (1,237.93)         | (129.12)         |
| Proceeds from sale of non-current investment  | -                  | 0.25             |
| Proceeds from sale of current investments   | 2,465.47           | 11,527.87        |
| Purchase of current investments   | (866.87)           | (4,405.00)       |
| Purchase of stake in joint venture  | -                  | (194.35)         |
| Interest received   | 391.44             | 206.17           |
| Dividend received   | 21.46              | 96.24            |
| Net investments in bank deposits (having original maturity of more than three months)                                     | (7,662.32)         | (1,220.00)       |
| <b>Net cash (used in)/generated from investing activities (B)</b>   | <b>(10,483.12)</b> | <b>3,534.29</b>  |

## CONSOLIDATED STATEMENT OF CASH FLOWS FOR THE YEAR ENDED 31 MARCH 2020 (CONTD.)

| (₹ in Lakhs)  |                   |                    |
|---|-------------------|--------------------|
| Particulars   | 31 March 2020     | 31 March 2019      |
| <b>C CASH FLOW FROM FINANCING ACTIVITIES</b>                                  |                   |                    |
| Proceeds from Share warrants exercise (Refer note 55)^                        | -                 | 224.45             |
| Share based payments  | -                 | (355.45)           |
| Proceeds from Issue of Share to ESOP holders (Refer note 51(c))               | 3,189.27          | 32.80              |
| Repayment of long-term borrowings   | (16.56)           | (16.30)            |
| Repayment of short-term borrowings  | (1,757.86)        | 1,720.90           |
| Lease payments  | (1,332.64)        | -                  |
| Interest on Lease Liabilities   | (722.33)          | -                  |
| Payment of dividend   | (4,014.29)        | (6,653.69)         |
| Payment of dividend tax   | (825.15)          | (1,655.46)         |
| Acquisition of non-controlling interests                                      | -                 | (5,098.87)         |
| Interest expense  | (52.76)           | (13.07)            |
| <b>Net cash (used in) Financing activities (C)</b>                            | <b>(5,532.32)</b> | <b>(11,814.69)</b> |
| <b>Net Increase in cash and cash equivalents (A) + (B) + (C)</b>              | <b>5,484.64</b>   | <b>734.68</b>      |
| Effect of exchange rate changes on cash and cash equivalents                  | 95.68             | 55.66              |
| <b>Net Increase in cash and cash equivalents</b>                              | <b>5,580.32</b>   | <b>790.34</b>      |
| <b>Cash and Cash Equivalents at the beginning of the year (Refer note 14)</b> | <b>5,137.10</b>   | <b>4,346.76</b>    |
| <b>Cash and Cash Equivalents at the end of the year (Refer note 14)</b>       | <b>10,717.42</b>  | <b>5,137.10</b>    |

### Notes:

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

| (₹ in Lakhs)                             |               |                 |
|--|---------------|-----------------|
| Particulars                              | 31 March 2020 | 31 March 2019   |
| Balance as at the beginning of the year  | 1,777.92      | 73.32           |
| Cashflows                                | (1,774.41)    | 1,704.60        |
| <b>Balance as at the end of the year</b> | <b>3.51</b>   | <b>1,777.92</b> |

### Note:

^ During the previous year ended 31 March 2019, 64,596 shares for total non cash consideration of ₹ 2634.42 Lakhs at premium of ₹ 4,068 were issued to shareholders of subsidiary companies for acquiring balance stake and (Refer note 44)

^ During the previous year ended 31 March 2019, 1 share for total non consideration of ₹ 0.00 Lakhs was issued to shareholders of Bacchus Hospitality Services and Real Estate Private Limited pursuant to amalgamation (Refer note 57)

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

As per our report of even date attached

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

**Tarun Kinger**  
Partner  
Membership No: 105003

Place : Mumbai  
Date : 29 May 2020

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

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

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

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

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

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

Date : 29 May 2020

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

### FOR THE YEAR ENDED 31 MARCH 2020

#### A. CHANGES IN EQUITY SHARE CAPITAL (REFER NOTE 19)

| Particulars   | Number of shares   | Amount<br>(in Lakhs) |
|---|--------------------|----------------------|
| <b>Balance as at 1 April 2018</b>   | <b>95,43,646</b>   | <b>954.36</b>        |
| Changes in equity share capital during the year   |                    |                      |
| Issued under Metropolis Employee Stock Option Scheme 2007 (Refer note 51 (c))   | 32,800             | 3.28                 |
| Issued on exercise of share warrants (Refer note 55)  | 8,703              | 0.87                 |
| Issued to the Shareholders of Subsidiary Companies on acquisition of further stake (Refer note 44(i)(ii)(iii)(iv)(v)(vi))                                 | 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 57 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 57 (b)) | (26,57,730)        | (265.77)             |
| Issue of Bonus Shares (Refer Note 19(g))  | 3,85,990           | 38.60                |
| <b>Outstanding before sub-division of shares</b>  | <b>1,00,35,736</b> | <b>1,003.57</b>      |
| Adjustment for Sub-Division of Equity Shares (Refer Note 19(g))   | 4,01,42,944        | -                    |
| <b>Balance as at 1 April 2019</b>   | <b>5,01,78,680</b> | <b>1,003.57</b>      |
| Changes in equity share capital during the year   |                    |                      |
| Issued under Metropolis Employee Stock Option Scheme 2015 (Refer note 51(c))  | 4,51,886           | 9.04                 |
| <b>Balance as at 31 March 2020</b>  | <b>5,06,30,566</b> | <b>1,012.61</b>      |

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

**B. OTHER EQUITY (REFER NOTE 20)**

| Particulars   | Fully convertible share warrants (Refer 55) | Reserves & Surplus  |                            |                 |                 |                                | Other comprehensive income |                                       |  | Total other Equity attributable to owners of Company | Non-controlling Interest | Total other equity |   |
|---|---|---------------------|----------------------------|-----------------|-----------------|--------------------------------|----------------------------|---------------------------------------|--|--|--------------------------|--------------------|---|
|   |   | Securities premium  | Capital redemption reserve | General reserve | Capital reserve | Employee stock options reserve | Retained earnings          | Foreign Currency Translation reserves | Debt instruments fair valued through OCI |  |                          |                    | Gain/Loss on re-measurement of defined benefit plan through OCI |
| Balance as at 1 April 2018  | 0.20  | 5,831.61            | 32.37                      | 1,750.98        | 69.13           | 170.34                         | 32,560.39                  | 143.37                                | 0.27                                     | (36.35)  | 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  | -   | -                   | -                          | -               | -               | -                              | 12,014.79                  | 89.32                                 | -  | 48.82  | 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 44)(i)(iii)(iv)(v)(vi)(vii)(viii))  | -   | -                   | -                          | -               | -               | -                              | (6,446.07)                 | -                                     | -  | -  | (6,446.07)               | (1,641.13)         | (8,087.20)  |
| Utilised during the year pursuant to the scheme of Amalgamation with Bacchus Hospitality Services and Real Estate Private Limited (Refer note 57 (b)) | -   | (0.00) <sup>a</sup> | -                          | -               | -               | -                              | -                          | -                                     | -  | -  | -                        | -                  | -   |
| 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 51(c))   | -   | 29.52               | -                          | -               | -               | -                              | -                          | -                                     | -  | -  | 29.52                    | -                  | 29.52   |
| Share warrants exercised during the year (Refer note 55)  | (0.20)                                      | 223.58              | -                          | -               | -               | -                              | -                          | -                                     | -  | -  | 223.38                   | -                  | 223.38  |
| Shares issued to the Shareholders of Subsidiary Companies on acquisition of further stake (refer note 44)(i)(ii)(iii)(iv)(v)(vi))                     | -   | 2,627.77            | -                          | -               | -               | -                              | -                          | -                                     | -  | -  | 2,627.77                 | -                  | 2,627.77  |
| Share based payments (Refer note 33)  | -   | -                   | -                          | -               | -               | 88.44                          | -                          | -                                     | -  | -  | 88.44                    | -                  | 88.44   |
| Debt instruments fair valued through other comprehensive income   | -   | -                   | -                          | -               | -               | -                              | -                          | -                                     | (0.27)                                   | -  | (0.27)                   | -                  | (0.27)  |
| Balance as at 31 March 2019   | -   | 8,705.93            | 0.33                       | 1,750.98        | 69.13           | 258.78                         | 29,819.96                  | 232.69                                | -  | 12.47  | 40,850.27                | 143.07             | 40,993.34   |

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

| Particulars   | Fully convertible share warrants (Refer 55) | Reserves & Surplus |                            |                 |                 | Other comprehensive income     |                   |                                       |  | Total other Equity attributable to owners of Company | Non-controlling Interest | Total other equity |
|---|---|--------------------|----------------------------|-----------------|-----------------|--------------------------------|-------------------|---------------------------------------|--|--|--------------------------|--------------------|
|   |   | Securities premium | Capital redemption reserve | General reserve | Capital reserve | Employee stock options reserve | Retained earnings | Foreign Currency Translation reserves | Debt instruments fair valued through OCI |  |                          |                    |
| <b>Balance as at 1 April 2019</b>   | -   | <b>8,705.93</b>    | <b>0.33</b>                | <b>1,750.98</b> | <b>69.13</b>    | <b>258.78</b>                  | <b>29,819.96</b>  | <b>232.69</b>                         | -  | <b>40,950.27</b>                                     | <b>143.07</b>            | <b>40,993.34</b>   |
| Profit for the year   | -   | -                  | -                          | -               | -               | -                              | 12,732.56         | -                                     | -  | 12,732.56  | 22.66                    | 12,755.22          |
| Other comprehensive income  | -   | -                  | -                          | -               | -               | -                              | -                 | -                                     | -  | (208.07)   | 0.03                     | (208.04)           |
| Gain/loss on re-measurement of defined benefit plans  | -   | -                  | -                          | -               | -               | -                              | -                 | -                                     | -  | -  | -                        | -                  |
| Exchange differences in translating financial statements of foreign operations                | -   | -                  | -                          | -               | -               | -                              | -                 | (92.11)                               | -  | (92.11)  | -                        | (92.11)            |
| <b>Total comprehensive income</b>   | -   | -                  | -                          | -               | -               | -                              | <b>127,32.56</b>  | <b>(92.11)</b>                        | -  | <b>12,432.38</b>                                     | <b>22.69</b>             | <b>12,455.07</b>   |
| Interim dividend  | -   | -                  | -                          | -               | -               | -                              | (4,014.29)        | -                                     | -  | (4,014.29)   | -                        | (4,014.29)         |
| Tax on Interim dividend   | -   | -                  | -                          | -               | -               | -                              | (825.15)          | -                                     | -  | (825.15)   | -                        | (825.15)           |
| Share options exercised under Metropolis Employee Stock Option Scheme 2007 (Refer note 51(c)) | -   | 3,180.23           | -                          | 124.10          | -               | (124.10)                       | -                 | -                                     | -  | 3,180.23   | -                        | 3,180.23           |
| Transition impact of Ind AS 116, net of tax (Refer note 40)                                   | -   | -                  | -                          | -               | -               | -                              | (358.82)          | -                                     | -  | (358.82)   | -                        | (358.82)           |
| Share based payments (Refer note 33)  | -   | -                  | -                          | -               | -               | 72.38                          | -                 | -                                     | -  | 72.38  | -                        | 72.38              |
| <b>Balance as at 31 March 2020</b>  | -   | <b>11,886.16</b>   | <b>0.33</b>                | <b>1,875.08</b> | <b>69.13</b>    | <b>207.06</b>                  | <b>37,354.26</b>  | <b>140.58</b>                         | -  | <b>51,337.00</b>                                     | <b>165.76</b>            | <b>51,502.76</b>   |

^ Amount is below ₹ 10

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

As per our report of even date attached

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

**Tarun Kinger**  
Partner  
Membership No: 105003

Place : Mumbai  
Date : 29 May 2020

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

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

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

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

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

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

Date : 29 May 2020

# NOTES TO CONSOLIDATED FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 MARCH 2020

## 1 BACKGROUND OF COMPANY AND NATURE OF THE OPERATION

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

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

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

### 2.1 Basis of preparation and measurement

#### a Statement of compliance:

- (i) The Consolidated Balance Sheet of the Group as at 31 March, 2020 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, 2020, summary of significant accounting policies and other financial information (together referred as 'Consolidated Financial Statements') has been prepared under Indian Accounting Standards ('Ind AS') notified under Section 133 of the Companies Act, 2013 read with the Companies (Indian Accounting Standards) Rules, 2015 as amended.

The consolidated Ind AS financial Information were authorized for issue by the Company's Board of Directors on 29 May 2020.

The financial statements of all subsidiaries considered in the consolidated financial statements, are drawn upto 31 March 2020 except for Metropolis Bramser Lab Services (Mtius) Limited, Metropolis Healthcare Ghana Limited, Metropolis Healthcare Tanzania Limited and Metropolis Star Lab Kenya Limited which are drawn upto 31 December 2019. 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 2019

and the date of the Holding Company's financial statements being 31 March 2020 since there were no significant transactions and events that occurred in this period.

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

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

Assets:

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

- 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 realization in cash and cash equivalents, the Group has ascertained its operating cycle as twelve months for the purpose of the classification of assets and liabilities into current and non-current.

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

### c Functional and presentation currency

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

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

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

### d Basis of measurement

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

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

### e Key estimates and assumptions

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

Estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to accounting estimates are recognised prospectively in the

Consolidated Statement of Profit and Loss in the year in which the estimates are revised and in any future periods affected.

The areas involving critical estimates or judgements are:

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

### f Measurement of fair values

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

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

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

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

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

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

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

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

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

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

- Financial instruments (Note 41)
- Share-based payment arrangements (Note 51 (c))
- Business combination (Note 44)

### 2.2 Significant accounting policies

#### a) Principles of consolidation

##### Subsidiaries

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

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

The consolidated financial statements are prepared by adopting uniform accounting policies for like transactions and other events in similar circumstances and are presented to the extent possible, in the same manner as the parent company's separate financial statements unless

stated otherwise. Refer note 43 (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 recognized at cost. The carrying amount of the investment is adjusted to recognized 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 43 (b) & (c) for joint ventures and associates considered for consolidation.

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

### 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 recognized 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 derecognized.

#### Subsequent expenditure:

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

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

#### Depreciation:

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

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

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 CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2020 (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 capitalized and the related expenditure is reflected in the statement of profit and loss in the period in which the expenditure is incurred.

#### Amortization

Goodwill is not amortised and is tested for impairment annually.

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

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

Computer software - 5 years

Brand - 10 years

Customer relationship - 5 years

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

### d) Impairment of non-financial assets

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

The recoverable amount of an individual asset (or where applicable, that of cash generating unit (CGU) to which the asset belongs) is the higher of its value in use and its fair value less costs to sell.

Value in use is based on the estimated future cash flows, discounted to their present value using a pre-tax discount rate that reflects current market assessments of the time value of money and the risks specific to the asset (or CGU).

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

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

### e) Financial Instruments

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

#### Financial assets

##### Initial recognition and measurement

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

##### Subsequent measurement

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

- Amortized cost,
- Fair value through profit (FVTPL)
- Fair value through other comprehensive income (FVTOCI)

on the basis of its business model for managing the financial assets and the contractual cash flow characteristics of the financial asset

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

### **Amortized cost :**

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

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

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

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

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

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

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

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

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

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

### **Derecognition**

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

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

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

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

### **Impairment of financial assets**

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

### **Trade receivables**

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

### **Impairment of financial instruments (other than at fair value)**

The Company assesses on a forward-looking basis the expected credit loss associated with its assets carried at amortised cost and FVOCI debt instruments. The impairment methodology applied depends on whether there has been a significant

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

increase in credit risk. For trade receivables only, the Group applies the simplified approach permitted by Ind AS 109 – Financial Instruments, which requires expected lifetime losses to be recognised from initial recognition of the receivables.

### Financial Liabilities

#### Initial recognition and measurement

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

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

#### Subsequent measurement

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

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

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

#### Financial Liabilities at amortized cost:

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

Amortized cost is calculated by taking into account any discount or premium and fees or costs that are an integral part of the EIR.

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

#### Derecognition

A financial liability is derecognized when the obligation under the liability is discharged or cancelled or expires. When an existing financial liability is replaced by another from the same lender on substantially different terms, or the terms of an existing liability are substantially modified, such an exchange or modification is treated as the derecognition of the original liability and the

recognition of a new liability. The difference in the respective carrying amounts is recognized in the consolidated statement of profit or loss.

#### Offsetting of financial instruments

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

#### f) Inventories

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

#### g) Cash and Cash Equivalents

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

#### h) Provisions, Contingent Liabilities and Contingent Assets

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

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

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

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

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

### i) Revenue Recognition

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

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

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

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

### j) Other income

#### Interest income

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

#### Dividend income

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

### k) Employee Benefits

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

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

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

#### (ii) Share-based payments

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

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

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

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

### (iii) Post-Employment Benefits

#### Defined Contribution Plans:

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

#### Defined Benefit Plans:

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

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

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

### I) Leases

The Group has adopted Ind AS 116-Leases effective 1 April, 2019, using the modified retrospective method. The Group has applied the standard to

its leases with the cumulative impact recognised on the date of initial application (1 April, 2019). Accordingly, previous period information has not been restated.

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

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

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

The right-of-use assets are initially recognised at cost, which comprises the initial amount of the lease liability adjusted for any lease payments made at or prior to the commencement date of the lease plus any initial direct costs less any lease incentives. They are subsequently measured at cost less accumulated depreciation and impairment losses, if any. Right-of-use assets are depreciated from the commencement date on a straight-line basis over the shorter of the lease term and useful life of the underlying asset.

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

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

the carrying amount to reflect interest on the lease liability, reducing the carrying amount to reflect the lease payments made.

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

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

### m) Income-tax

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

#### Current Tax

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

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

#### Deferred Tax

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

Deferred tax assets are recognized for unused tax losses, unused tax credits and deductible temporary differences to the extent that it is probable that future taxable profits will be available against which they can be utilized. Deferred tax assets are reviewed at each reporting date and are reduced to the extent that it is no longer probable that sufficient taxable profit will be available to

allow the benefit of part or all of that deferred tax asset to be utilized such reductions are reversed when it becomes probable that sufficient taxable profits will be available.

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

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

Deferred tax liabilities are not recognised for temporary differences between the carrying amount and tax base of investments in subsidiaries, 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

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

the initial transaction. Non-monetary items that are measured at fair value in a foreign currency are translated using the exchange rate at the date the fair value is determined.

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

### Foreign operations:

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

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

### o) Dividend

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

### p) Earnings per share:

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

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

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

### q) Segment Reporting

Operating segments are reported in a manner consistent with the internal reporting provided to the chief operating decision maker (CODM) as defined in Ind AS-108 'Operating Segments' for allocating resources and assessing performance. The Group operates in one reportable business segment i.e. "Pathology services". Further the geographic segments are not applicable since assets are only in India.

Refer note 52 in the financial statements for additional disclosures on segment reporting.

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

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

### s) Rounding of amounts

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

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

### 3. PROPERTY, PLANT AND EQUIPMENT

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

(₹ in Lakhs)

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

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

(₹ in Lakhs)

| Particulars   | Free-<br>hold land | Building        | Leasehold<br>improve-<br>ment | Furniture<br>& fixtures | Laborato-<br>ry equip-<br>ments | Office<br>equip-<br>ment | Com-<br>puters  | Vehicles      | Total            |
|---|--------------------|-----------------|-------------------------------|-------------------------|---------------------------------|--------------------------|-----------------|---------------|------------------|
| <b>Cost as at 1 April 2018</b>                                  | <b>1,035.40</b>    | <b>5,258.48</b> | <b>445.32</b>                 | <b>1,531.46</b>         | <b>4,001.00</b>                 | <b>1,124.72</b>          | <b>851.11</b>   | <b>310.96</b> | <b>14,558.45</b> |
| Additions during the year                                       | -                  | 23.22           | 128.80                        | 118.41                  | 1,358.00                        | 167.08                   | 229.57          | 89.05         | 2,114.13         |
| Disposals during the year                                       | -                  | (3.96)          | -                             | (2.24)                  | (46.67)                         | -                        | (2.93)          | (30.72)       | (86.52)          |
| Exchange differences<br>on translation of foreign<br>operations | -                  | (2.76)          | 1.50                          | 7.17                    | 9.55                            | 1.50                     | 3.03            | 0.23          | 20.22            |
| <b>Cost as at 31 March 2019 (A)</b>                             | <b>1,035.40</b>    | <b>5,274.98</b> | <b>575.62</b>                 | <b>1,654.80</b>         | <b>5,321.88</b>                 | <b>1,293.30</b>          | <b>1,080.78</b> | <b>369.52</b> | <b>16,606.28</b> |
| Accumulated depreciation as<br>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<br>the year                         | -                  | 239.12          | 132.91                        | 175.92                  | 664.69                          | 215.75                   | 183.80          | 57.29         | 1,669.48         |
| Disposals during the year                                       | -                  | (0.25)          | -                             | (1.20)                  | (35.69)                         | -                        | (2.26)          | (23.65)       | (63.05)          |
| Exchange differences<br>on translation of foreign<br>operations | -                  | (0.40)          | 0.16                          | 1.52                    | 1.09                            | 0.23                     | 1.39            | (0.09)        | 3.90             |
| <b>Accumulated depreciation<br/>as at 31 March 2019 (B)</b>     | <b>-</b>           | <b>731.94</b>   | <b>312.11</b>                 | <b>632.89</b>           | <b>1,830.55</b>                 | <b>662.27</b>            | <b>619.14</b>   | <b>150.24</b> | <b>4,939.14</b>  |
| <b>Net carrying amount as at 31<br/>March 2019 (A) - (B)</b>    | <b>1,035.40</b>    | <b>4,543.04</b> | <b>263.51</b>                 | <b>1,021.91</b>         | <b>3,491.33</b>                 | <b>631.03</b>            | <b>461.64</b>   | <b>219.28</b> | <b>11,667.14</b> |

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

### 4. INTANGIBLE ASSETS

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

(₹ in Lakhs)

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

<sup>^</sup> Amount is below ₹ 500

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

(₹ in Lakhs)

| Particulars   | Goodwill        | Total           | Other Intangible Assets |                 |                        |                               |
|---|-----------------|-----------------|-------------------------|-----------------|------------------------|-------------------------------|
|   |                 |                 | Computer Software       | Brand name      | Customer Relationships | Total other intangible assets |
| <b>Cost as at 1 April 2018</b>                            | <b>8,111.89</b> | <b>8,111.89</b> | <b>493.93</b>           | <b>1,170.00</b> | <b>311.00</b>          | <b>1,974.93</b>               |
| Additions during the year                                 | -               | -               | 418.50                  | -               | -                      | 418.50                        |
| Disposals during the year                                 | -               | -               | -                       | -               | -                      | -                             |
| Exchange differences on translation of foreign operations | 18.18           | 18.18           | 0.03                    | -               | -                      | 0.03                          |
| <b>Cost as at 31 March 2019 (A)</b>                       | <b>8,130.07</b> | <b>8,130.07</b> | <b>912.46</b>           | <b>1,170.00</b> | <b>311.00</b>          | <b>2,393.46</b>               |
| Accumulated amortisation as at 1 April 2018               | 274.99          | 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                          |
| <b>Accumulated amortisation as at 31 March 2019 (B)</b>   | <b>274.99</b>   | <b>274.99</b>   | <b>246.51</b>           | <b>253.50</b>   | <b>134.77</b>          | <b>634.78</b>                 |
| <b>Net carrying amount as at 31 March, 2019 (A) - (B)</b> | <b>7,855.08</b> | <b>7,855.08</b> | <b>665.95</b>           | <b>916.50</b>   | <b>176.23</b>          | <b>1,758.68</b>               |

#### Impairment

Carrying amount of goodwill which is allocated to the pathology division as at 31 March 2020 is ₹ 9,034.79 Lakhs (31 March 2019 is ₹ 7,855.08 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.

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

(₹ in Lakhs)

| Entity  | 31 March 2020   | 31 March 2019   |
|---|-----------------|-----------------|
| Metropolis Healthcare Limited                                   | 4,880.90        | 4,880.90        |
| Sudharma Metropolis Health Services Private Limited             | 57.70           | 57.70           |
| Desai Metropolis Health Services Private Limited*               | 2,010.83        | 836.93          |
| R.V. Metropolis Diagnostic & Health Care Center Private Limited | 258.83          | 258.83          |
| Micron Metropolis Healthcare Private Limited                    | 319.96          | 319.96          |
| Dr. Patel Metropolis Healthcare Private Limited                 | 90.71           | 90.71           |
| Raj Metropolis Healthcare Private Limited                       | 30.37           | 30.37           |
| Lab One Metropolis Healthcare Services Private Limited          | 278.31          | 278.31          |
| Metropolis Bramser Lab Services (Mtius) Limited                 | 0.06            | 0.06            |
| Metropolis Healthcare Ghana Limited                             | 41.76           | 41.76           |
| Metropolis Healthcare (Mauritius) Limited                       | 1.80            | 1.80            |
| Metropolis Star Lab Kenya Limited                               | 283.77          | 277.96          |
| 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          |
| <b>Total</b>  | <b>9,034.79</b> | <b>7,855.08</b> |

\* Note : During the year, the Company has acquired Four Laboratories through a business purchase agreement (refer note : 44 (ix))

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:<br>- Revenue in the diagnostic service is expected to grow on account of changing lifestyle and food habit. Revenue and EBITDA are factored by focused approach towards B2C division, network expansion, operational efficiencies and automation. |
| Terminal value growth rate          | Long-term growth rate used for the purpose of calculation of terminal value has been determined by taking into account nature of business, long term inflation expectation and long term GDP expectation for the Indian economy.  |
| Pre-tax risk adjusted discount rate | The discount rate applied to the cash flows of 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 the Group.      |

(₹ in Lakhs)

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

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

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

As at 31 March 2020, the estimated receivable amount of CGU exceeds its carrying amount and accordingly, no impairment was recognised.

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

### 5. EQUITY ACCOUNTED INVESTEEES

|   | (₹ in Lakhs)  |               |
|---|---------------|---------------|
| Particulars   | 31 March 2020 | 31 March 2019 |
| <b>Investment in joint ventures</b>   |               |               |
| Metropolis Histoxpert Digital Services Private Limited<br>1,950,000 (31 March 2019: 6,500) Equity shares of Face value of ₹ 10 each (Fully paid up)       | -             | 51.98         |
|   | -             | <b>51.98</b>  |
| <b>Investment in Associates</b>   |               |               |
| Star Metropolis Health Services Middle East LLC, Dubai<br>1,020 (31 March 2019: 1,020) Equity shares of AED of 1,000 each (Fully Paid up) (Refer note 46) | -             | 129.85        |
|   | -             | <b>129.85</b> |
| <b>Total value of investments</b>   | -             | 181.83        |
| Less : Provision for impairment -Star Metropolis Health Services Middle East LLC, Dubai   |               | (129.85)      |
| <b>Total</b>  | -             | <b>51.98</b>  |

### 6. NON-CURRENT INVESTMENTS

|   | (₹ in Lakhs)  |               |
|---|---------------|---------------|
| Particulars   | 31 March 2020 | 31 March 2019 |
| <b>Unquoted equity shares at Fair Value through Other comprehensive income</b>  |               |               |
| Centre for Digestive and Kidney Disease Private Limited<br>1,750,000 (31 March 2019: 1,750,000) Equity shares (Face value of ₹ 10 each fully paid up)     | 175.00        | 175.00        |
| Textiles Traders Co-operative Bank Limited<br>1,100 (31 March 2019: 1,100) Equity shares (Face value of ₹ 25 each fully paid up)                          | 0.28          | 0.28          |
| <b>Unquoted equity shares at cost</b>   |               |               |
| Star Metropolis Health Services Middle East LLC, Dubai<br>1,020 (31 March 2019: 1,020) Equity shares of AED of 1,000 each (Fully Paid up) (Refer note 46) | 129.85        | -             |
| <b>Total</b>  | <b>305.12</b> | <b>175.28</b> |
| Less : Provision for impairment - Star Metropolis Health Services Middle East LLC, Dubai (Refer note 46)  | 129.85        | -             |
| <b>Total Investment in Others</b>   | <b>175.28</b> | <b>175.28</b> |
| The aggregate amount and market value of quoted and unquoted non-current investments are as follows:  |               |               |
| Aggregate amount of unquoted investments  | 305.12        | 175.28        |
| Aggregate amount of impairment in value of investments  | 129.85        | -             |

**NOTES TO CONSOLIDATED FINANCIAL STATEMENTS  
FOR THE YEAR ENDED 31 MARCH 2020 (Contd.)**
**7. NON-CURRENT LOANS (UNSECURED, CONSIDERED GOOD)**

|  | (₹ in Lakhs)  |               |
|--|---------------|---------------|
| Particulars  | 31 March 2020 | 31 March 2019 |
| Security deposits  | 540.72        | 329.29        |
| Other advances   | 5.97          | 91.36         |
|  | <b>546.70</b> | <b>420.65</b> |
| (Unsecured, considered doubtful)   |               |               |
| Security deposits  |               |               |
| - significant increase in credit risk                                    | -             | -             |
| - credit impaired  | 86.28         | 61.08         |
|  | <b>86.28</b>  | <b>61.08</b>  |
| Less : Provision for advances having significant increase in credit risk | -             | -             |
| Less : Provision for advances which are credit impaired                  | (86.28)       | (61.08)       |
| <b>Total</b>   | <b>546.70</b> | <b>420.65</b> |

**8. OTHER NON-CURRENT FINANCIAL ASSETS (UNSECURED, CONSIDERED GOOD)**

|  | (₹ in Lakhs)    |                 |
|--|-----------------|-----------------|
| Particulars                            | 31 March 2020   | 31 March 2019   |
| Fixed Deposits with banks <sup>^</sup> | 1,165.34        | 1,019.90        |
| Other advances                         | 74.00           | -               |
| <b>Total</b>                           | <b>1,239.34</b> | <b>1,019.90</b> |

<sup>^</sup> Includes ₹ 1,106.78 Lakhs (31 March 2019: ₹ 1,009.40 Lakhs) of fixed deposits pledged against bank guarantee.

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

|  | (₹ in Lakhs)  |               |
|--|---------------|---------------|
| Particulars  | 31 March 2020 | 31 March 2019 |
| Capital advances   | 602.51        | 131.84        |
| Prepaid expenses   | 34.21         | 23.17         |
|  | <b>636.72</b> | <b>155.01</b> |
| (Unsecured, considered doubtful)   |               |               |
| Capital advances   |               |               |
| - significant increase in credit risk                                    | -             | -             |
| - credit impaired  | 34.86         | -             |
|  | <b>34.86</b>  | <b>-</b>      |
| Less : Provision for advances having significant increase in credit risk | -             | -             |
| Less : Provision for advances which are credit impaired                  | (34.86)       | -             |
| <b>Total</b>   | <b>636.72</b> | <b>155.01</b> |

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

|   | (₹ in Lakhs)    |               |
|---|-----------------|---------------|
| Particulars   | 31 March 2020   | 31 March 2019 |
| Advance taxes (net of provision for taxes - 31 March 2020: ₹ 15,092.93 Lakhs, 31 March 2019: ₹ 13,721.42 Lakhs) | 1,593.19        | 745.06        |
| <b>Total</b>  | <b>1,593.19</b> | <b>745.06</b> |

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

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

(₹ in Lakhs)

| Particulars   | 31 March 2020   | 31 March 2019   |
|---|-----------------|-----------------|
| Raw materials (Reagents, chemicals, diagnostic kits, medicines and consumables) | 2,428.23        | 2,604.97        |
| Traded Goods  | 11.84           | 5.26            |
| <b>Total</b>  | <b>2,440.07</b> | <b>2,610.23</b> |

### 12. CURRENT INVESTMENTS

(₹ in Lakhs)

| Particulars  | 31 March 2020   | 31 March 2019   |
|--|-----------------|-----------------|
| <b>(Non-trade, Unquoted at Fair Value through Profit or Loss)</b>  |                 |                 |
| <b>Investments in mutual funds</b>   |                 |                 |
| Birla Sun Life Cash Plus Growth - 7,473.38 (31 March 2019 - 7,473.38) Units of Face Value ₹ 100 each                       | 23.74           | 22.35           |
| Birla Sunlife Life Income Plus (Growth) - 192,079 (31 March 2019 - 192,079) Units of Face Value ₹ 100 each                 | 173.04          | 155.92          |
| BNP Paribas Bond Fund Growth - NIL (31 March 2019 - 12,29,791) Units of Face Value ₹ 10 each                               | -               | 285.54          |
| BNP Paribas Short Term Income Fund - Growth - NIL (31 March 2019 - 107,428) Units of Face Value ₹ 100 each                 | -               | 22.86           |
| DSP BlackRock Liquidity Fund- Growth - 12,642 (31 March 2019 - 30,547) Units of Face Value ₹ 1000 each                     | 356.78          | 812.11          |
| DSP - Low Duration Fund Reg (G) - NIL (31 March 2019 - 37,66,707 ) Units of Face Value ₹ 10 each                           | -               | 512.04          |
| HDFC cash Management Fund Growth- 319 (31 March 2019 -319) Units of Face Value ₹ 10 each                                   | 13.31           | 12.39           |
| HDFC High Interest Dynamic Plan - Growth -NIL (31 March 2019 - 123,045) Units of Face Value ₹ 100 each                     | -               | 74.24           |
| ICICI Prudential Flexible Income Plan G- 30,895 (31 March 2019 - 92,546) Units of Face Value ₹ 100 each                    | 119.67          | 331.99          |
| ICICI Prudential Flexible Income - Daily Dividend - 52,818 (31 March 2019 - 3,17,096) Units of Face Value ₹ 100 each       | 204.59          | 335.42          |
| ICICI P Saving Fund G - 37,239 (31 March 2019: Nil ) Units of ₹ 100 each   | 144.25          | -               |
| IDFC Super Saver Income Fund - Investment Plan - Growth - 247,116 (31 March 2019 - 247,116) Units of Face Value ₹ 100 each | 84.38           | 77.16           |
| Kotak Bond Plan A (Growth) - 242,270 (31 March 2019 - 242,270) Units of Face Value ₹ 100 each                              | 136.85          | 123.12          |
|  | <b>1,256.61</b> | <b>2,765.14</b> |
| <b>(Non-trade, Unquoted at Fair Value through Other Comprehensive Income)</b>  |                 |                 |
| <b>ii) Investments in Commercial Papers</b>  |                 |                 |
| Infrastructure Leasing & Financial Services Limited - 100 (31 March 2019 - 100 ) Units of Face Value ₹ 500,000 each        | 480.68          | 480.68          |
|  | <b>480.68</b>   | <b>480.68</b>   |
| Less : Provision for impairment  | <b>(480.68)</b> | <b>(144.20)</b> |
|  | -               | 336.48          |
| <b>Total</b>   | <b>1,256.61</b> | <b>3,101.62</b> |

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

(₹ in Lakhs)

| Particulars  | 31 March 2020 | 31 March 2019 |
|--|---------------|---------------|
| 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   | 1,737.29      | 3,245.83      |
| Aggregate amount of impairment in value of investments   | 480.68        | 144.20        |

### 13. TRADE RECEIVABLES

(₹ in Lakhs)

| Particulars  | 31 March 2020    | 31 March 2019    |
|--|------------------|------------------|
| Unsecured considered good*   | 12,824.78        | 13,684.78        |
| Unsecured - significant increase in credit risk                      | -                | -                |
| Unsecured - credit impaired  | 6,170.73         | 2,707.38         |
|  | <b>18,995.51</b> | <b>16,392.16</b> |
| Less: Provision for debts having significant increase in credit risk | -                | -                |
| Less: Provision for debts which are credit impaired                  | (6,170.73)       | (2,707.38)       |
| <b>Total</b>   | <b>12,824.78</b> | <b>13,684.78</b> |

\*It includes amount receivable from related parties [Refer note 42]

### 14. CASH AND CASH EQUIVALENTS

(₹ in Lakhs)

| Particulars   | 31 March 2020    | 31 March 2019   |
|---|------------------|-----------------|
| <b>Balances with banks</b>  |                  |                 |
| - in current accounts   | 10,000.57        | 4,446.02        |
| - in EEFC account   | 56.03            | 0.62            |
| - in deposit accounts (with less than 3 months original maturity) | 571.06           | 504.80          |
| Cash on hand  | 89.76            | 185.66          |
| <b>Total</b>  | <b>10,717.42</b> | <b>5,137.10</b> |

### 15. BANK BALANCES OTHER THAN CASH AND CASH EQUIVALENTS

(₹ in Lakhs)

| Particulars  | 31 March 2020    | 31 March 2019   |
|--|------------------|-----------------|
| Fixed deposits with original maturity of more than 3 months but less than 12 months of reporting date *^ | 10,329.70        | 2,886.83        |
| <b>Total</b>   | <b>10,329.70</b> | <b>2,886.83</b> |

\* Includes 31 March 2020: ₹ 943.13 Lakhs, (31 March 2019: ₹ 939.99) Lakhs pledged against bank guarantee.

^ Includes 31 March 2020: ₹ 759.38 Lakhs, (31 March 2019: ₹ 762.57) Lakhs fixed deposits under lien.

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

### 16. CURRENT LOANS (UNSECURED, CONSIDERED GOOD)

|  | (₹ in Lakhs)    |                 |
|--|-----------------|-----------------|
| Particulars  | 31 March 2020   | 31 March 2019   |
| Security deposits  | 1,099.40        | 1,501.50        |
| Other advances   | 18.67           | 8.65            |
|  | <b>1,118.07</b> | <b>1,510.15</b> |
| (Unsecured, considered doubtful)   |                 |                 |
| - significant increase in credit risk                                    | -               | -               |
| - credit impaired  | 16.56           | 14.00           |
| Advances to related parties (Refer note 42)                              |                 |                 |
| - significant increase in credit risk                                    | -               | -               |
| - credit impaired  | 44.02           | 86.35           |
| Other advances   |                 |                 |
| - significant increase in credit risk                                    | -               | -               |
| - credit impaired  | 46.16           | 3.83            |
|  | <b>106.74</b>   | <b>104.18</b>   |
| Less : Provision for advances having significant increase in credit risk | -               | -               |
| Less : Provision for advances which are credit impaired                  | (106.74)        | (104.18)        |
| <b>Total</b>   | <b>1,118.07</b> | <b>1,510.15</b> |

### 17. OTHER CURRENT FINANCIAL ASSETS (UNSECURED, CONSIDERED GOOD)

|                              | (₹ in Lakhs)  |               |
|------------------------------|---------------|---------------|
| Particulars                  | 31 March 2020 | 31 March 2019 |
| Interest accrued but not due |               |               |
| - From bank deposits         | 210.67        | 28.34         |
| - From others                | -             | 33.48         |
| Other receivables *          | 6.43          | 781.49        |
| <b>Total</b>                 | <b>217.10</b> | <b>843.31</b> |

\* It includes amount due from related parties (Refer 42)

### 18. OTHER CURRENT ASSETS (UNSECURED, CONSIDERED GOOD)

|  | (₹ in Lakhs)  |               |
|--|---------------|---------------|
| Particulars                            | 31 March 2020 | 31 March 2019 |
| Advance to suppliers                   | 98.56         | 107.87        |
| Advance to employees                   | 113.26        | 82.38         |
| Other advances                         | 343.85        | 113.57        |
| Prepaid expenses                       | 246.52        | 394.42        |
|  | <b>802.19</b> | <b>698.24</b> |
| (Unsecured, considered doubtful)       |               |               |
| Advance to suppliers                   | 52.96         | 14.62         |
| Advance to employees                   | 43.80         | 3.90          |
| Other advances                         | 150.07        | 63.95         |
|  | <b>246.83</b> | <b>82.47</b>  |
| Less : Provision for doubtful advances | (246.83)      | (82.47)       |
| <b>Total</b>                           | <b>802.19</b> | <b>698.24</b> |

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

### 19. EQUITY SHARE CAPITAL

#### (a) Authorised share capital

|   | 31 March 2020           |                     | 31 March 2019           |                     |
|---|-------------------------|---------------------|-------------------------|---------------------|
|   | Number of equity shares | Amount (₹ in Lakhs) | Number of equity shares | Amount (₹ in Lakhs) |
| Equity shares of the par value of ₹ 2 each (31 March 2019 par value of ₹ 2 each) (refer note (h) below) | 29,57,54,015            | 5,915.08            | 29,57,54,015            | 5,915.08            |
|   | <b>29,57,54,015</b>     | <b>5,915.08</b>     | <b>29,57,54,015</b>     | <b>5,915.08</b>     |

#### (b) Issued, subscribed and paid up

|   | 31 March 2020           |                     | 31 March 2019           |                     |
|---|-------------------------|---------------------|-------------------------|---------------------|
|   | Number of equity shares | Amount (₹ in Lakhs) | Number of equity shares | Amount (₹ in Lakhs) |
| Equity shares of the par value of ₹ 2 each (31 March 2019 par value of ₹ 2 each) (refer note (h) below) | 5,06,30,566             | 1,012.61            | 5,01,78,680             | 1,003.57            |
|   | <b>5,06,30,566</b>      | <b>1,012.61</b>     | <b>5,01,78,680</b>      | <b>1,003.57</b>     |

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

| Name of Shareholder  | 31 March 2020           |                     | 31 March 2019           |                     |
|--|-------------------------|---------------------|-------------------------|---------------------|
|  | Number of equity shares | Amount (₹ in Lakhs) | Number of equity shares | Amount (₹ in Lakhs) |
| <b>Equity :</b>  |                         |                     |                         |                     |
| Outstanding at the beginning   | 5,01,78,680             | 1,003.57            | 95,43,646               | 954.36              |
| Issued under Metropolis Employee Stock Option Scheme 2007 (Refer note 51(c))   | -                       | -                   | 32,800                  | 3.28                |
| Issued under Metropolis Employee Stock Option Scheme 2015 (Refer note 51(c))   | 4,51,886                | 9.04                | -                       | -                   |
| Issued on exercise of share warrants [Refer note 55]   | -                       | -                   | 8,703                   | 0.87                |
| Issued to the Shareholders of Subsidiary Companies on acquisition of further stake (Refer note 44(i)(ii)(iii)(iv)(v)(vi))                                | -                       | -                   | 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 57(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 57(b)) | -                       | -                   | (26,57,730)             | -265.77             |
| Issue of Bonus Shares (Refer note (g) below)   | -                       | -                   | 3,85,990                | 38.60               |
| <b>Outstanding before sub-division of shares</b>   | <b>5,06,30,566</b>      | <b>1,012.61</b>     | <b>1,00,35,736</b>      | <b>1,003.57</b>     |
| Adjustment for Sub-Division of Equity Shares (Refer below note (g) below)  | -                       | -                   | 4,01,42,944             | -                   |
| <b>Outstanding at the end</b>  | <b>5,06,30,566</b>      | <b>1,012.61</b>     | <b>5,01,78,680</b>      | <b>1,003.57</b>     |

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

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

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

\* 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 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.

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

- Issue of 3,85,990 (before split with face value of ₹ 10 each) bonus shares during the previous year ended 31 March 2019
- During the previous year ended 31 March 2019, 1 share (before split with face value of ₹ 10 each) has been allotted to the Shareholders of Bacchus Hospitality Services and Real Estate Private Limited pursuant to the scheme of amalgamation (Refer note 57 b))
- During the previous year ended 31 March, 2019, 64,596 shares (before split with face value of ₹ 10 each) have been allotted as consideration for swap of shares with the shareholders of subsidiary companies on acquisition of further stake Refer note 44(i)(ii)(iii)(iv)(v)(vi)(vii)(viii)(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 (Authorized, Issued and Paid-up) of the Company was subdivided from ₹ 10/- (Rupees ten) each to equity shares of ₹ 2/- (Rupees two) each. The capital clause of the Memorandum of Association was substituted to reflect the sub-division of Equity Shares of the Company from ₹ 5,915.08 Lakhs comprising of 59,150,803 Equity Shares of ₹ 10 each to ₹ 5,915.08 Lakhs comprising of 295,754,015 Equity Shares of ₹ 2 each. The revised authorised share capital of the Company now stands at 295,754,015 equity shares of ₹ 2/- each.

### (h) Change in authorised share capital : During the 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 57 ) for further details

|  | 31 March 2020           |                     | 31 March 2019           |                     |
|--|-------------------------|---------------------|-------------------------|---------------------|
|  | 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               | 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               |

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

|   | 31 March 2020           |                     | 31 March 2019           |                     |
|---|-------------------------|---------------------|-------------------------|---------------------|
|   | Number of equity shares | Amount (₹ in Lakhs) | Number of equity shares | Amount (₹ in Lakhs) |
| (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                                | 29,57,54,015            | 5,915.08            | 5,50,00,000             | 5,500.00            |
|   | <b>29,57,54,015</b>     | <b>5,915.08</b>     | <b>5,91,50,803</b>      | <b>5,915.08</b>     |
| Impact of split from ₹ 10 per share to ₹ 2 per share              | -                       | -                   | 23,66,03,212            | -                   |
| <b>Total authorised share capital</b>                             | <b>29,57,54,015</b>     | <b>5,915.08</b>     | <b>29,57,54,015</b>     | <b>5,915.08</b>     |

### 20 OTHER EQUITY

| Particulars  | (₹ in Lakhs)     |                  |
|--|------------------|------------------|
|  | 31 March 2020    | 31 March 2019    |
| Securities premium   | 11,886.16        | 8,705.93         |
| Capital redemption reserve   | 0.33             | 0.33             |
| General reserve  | 1,875.08         | 1,750.98         |
| Capital reserve  | 69.13            | 69.13            |
| Employee stock options reserve   | 207.06           | 258.78           |
| Retained earnings  | 37,158.66        | 29,832.43        |
| Foreign currency translation reserve   | 140.58           | 232.69           |
| <b>Total</b>   | <b>51,337.00</b> | <b>40,850.27</b> |
| <b>Movement in balances of Other equity:</b>   |                  |                  |
| <b>Securities Premium</b>  |                  |                  |
| Balance as at the beginning of the year  | 8,705.93         | 5,831.61         |
| Utilised during the period pursuant to the scheme of Amalgamation with Bacchus Hospitality Services and Real Estate Private Limited (Refer note 57(b))*  | -                | (0.00)^          |
| Utilised on issue of bonus shares  | -                | (6.55)           |
| Share options exercised under Metropolis Employee Stock Option Scheme 2007/2015 (Refer note 51(c))   | 3,180.23         | 29.52            |
| Share warrants exercised during the period (Refer note 55)   | -                | 223.58           |
| Shares issued to the Shareholders of Subsidiary Companies on acquisition of further stake (Refer note 44(i)(ii)(iii)(iv)(v)(vi)(vii)(viii)(ix))  | -                | 2,627.77         |
| <b>Balance as at the end of the year</b>   | <b>11,886.16</b> | <b>8,705.93</b>  |
| * 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 is ₹ 10   |                  |                  |
| <b>Capital redemption reserve</b>  |                  |                  |
| Balance as at the beginning of the year  | 0.33             | 32.37            |
| Utilised on issue of bonus shares  | -                | (32.04)          |
| <b>Balance as at the end of the year</b>   | <b>0.33</b>      | <b>0.33</b>      |
| <b>General reserve</b>   |                  |                  |
| Balance as at the beginning and at the end of the year   | 1,750.98         | 1,750.98         |
| Transfer from ESOP exercised during the year (Refer Note 51c)  | 124.10           | -                |
| <b>Balance as at the end of the year</b>   | <b>1,875.08</b>  | <b>1,750.98</b>  |
| <b>Capital reserve</b>   |                  |                  |
| Balance as at the beginning and at the end of the year   | 69.13            | 69.13            |

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

|   | (₹ in Lakhs)     |                  |
|---|------------------|------------------|
| Particulars   | 31 March 2020    | 31 March 2019    |
| <b>Employee stock options reserve</b>   |                  |                  |
| Balance as at the beginning of the year   | 258.78           | 170.34           |
| Transfer to General Reserve on account of ESOP exercised during the year (Refer Note 51c) | (124.10)         | -                |
| Share based payments (Refer note 33 )   | 72.38            | 88.44            |
| <b>Balance as at the end of the year</b>  | <b>207.06</b>    | <b>258.78</b>    |
| <b>Retained Earnings</b>  |                  |                  |
| Balance as at the beginning of the year   | 29,832.43        | 32,524.04        |
| Transferred from statement of profit and loss   | 12,732.56        | 12,014.79        |
| Transition impact of Ind AS 116, net of tax (Refer note 40)                               | (358.82)         | -                |
| Interim dividend paid   | (4,014.29)       | (6,653.69)       |
| Tax on dividend distributed   | (825.15)         | (1,655.46)       |
| Acquisition of stake from NCI (Refer note 44(i)(ii)(iii)(iv)(v)(vi)(vii)(viii))           | -                | (6,446.07)       |
| Other comprehensive income  | (208.07)         | 48.82            |
| <b>Balance as at the end of the year</b>  | <b>37,158.66</b> | <b>29,832.43</b> |
| <b>Other comprehensive Income-</b>  |                  |                  |
| <b>(i) Foreign currency translation reserve</b>   |                  |                  |
| Balance as at the beginning of the year   | 232.69           | 143.37           |
| Exchange differences in translating financial statements of foreign operations            | (92.11)          | 89.32            |
| <b>Balance as at the end of the year</b>  | <b>140.58</b>    | <b>232.69</b>    |
| <b>(ii) Debt instruments fair valued through other comprehensive income</b>               |                  |                  |
| Balance as at the beginning and end of the year   | -                | 0.27             |
| Movement during the year  | -                | (0.27)           |
| <b>Balance as at the end of the year</b>  | <b>-</b>         | <b>-</b>         |

### Nature and purpose of reserves

#### Securities Premium

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

#### 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 51 (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.

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

### Foreign currency translation reserve

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

### 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

| (₹ in Lakhs)                                  |               |               |
|---|---------------|---------------|
| Particulars                                   | 31 March 2020 | 31 March 2019 |
| <b>Secured loan</b>                           |               |               |
| From Banks                                    | -             | 3.51          |
| - Vehicle loans (Refer note 21.1 and note 26) |               |               |
| <b>Total</b>                                  | <b>-</b>      | <b>3.51</b>   |

### 21.1 Terms of borrowings:

#### Vehicle loan

- Vehicle Loan of ₹ Nil as at 31 March 2020 (31 March 2019: 2.53 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.
- Vehicle Loan of ₹ 3.51 Lakhs (31 March 2019: ₹ 17.53 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

| (₹ in Lakhs)  |               |               |
|---|---------------|---------------|
| Particulars   | 31 March 2020 | 31 March 2019 |
| Deferred purchase consideration payable (Refer note 44(viii)(ix)) | 467.81        | 208.89        |
|   | <b>467.81</b> | <b>208.89</b> |

## 23. NON-CURRENT PROVISIONS

| (₹ in Lakhs)                    |                 |               |
|---------------------------------|-----------------|---------------|
| Particulars                     | 31 March 2020   | 31 March 2019 |
| <b>Non-Current</b>              |                 |               |
| Provision for employee benefits |                 |               |
| Gratuity (Refer note 51(a))     | 541.40          | 316.08        |
| <b>(A)</b>                      | <b>541.40</b>   | <b>316.08</b> |
| <b>Current</b>                  |                 |               |
| Provision for employee benefits |                 |               |
| Gratuity (Refer note 51(a))     | 600.62          | 454.99        |
| Leave entitlement               | 59.29           | 33.10         |
| <b>(B)</b>                      | <b>659.91</b>   | <b>488.09</b> |
| <b>Total (A)+(B)</b>            | <b>1,201.31</b> | <b>804.18</b> |

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

### 24. CURRENT BORROWINGS

| (₹ in Lakhs)  |               |                 |
|---|---------------|-----------------|
| Particulars   | 31 March 2020 | 31 March 2019   |
| <b>Secured Loan</b>   |               |                 |
| Cash Credit (Refer Note (iii) below)                          | -             | 1,734.47        |
| <b>Unsecured loan</b>   |               |                 |
| From directors of subsidiary companies (Refer Note (i) below) | -             | 3.01            |
| From others (Refer Note (ii) below)                           | -             | 20.38           |
| <b>Total</b>  | <b>-</b>      | <b>1,757.86</b> |

#### 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

In Previous year, Company had availed cash credit facility from HDFC Bank Limited, which was secured by charge over stock in trade and book debts of the Company and interest was chargeable as approved by HDFC Bank Limited which was 9.75%.

### 25. TRADE PAYABLES

| (₹ in Lakhs)  |                 |                 |
|---|-----------------|-----------------|
| Particulars   | 31 March 2020   | 31 March 2019   |
| Trade payables  |                 |                 |
| Total outstanding due to micro and small enterprises (Refer note 25.1)                  | 724.72          | 3.87            |
| Total outstanding dues of creditors other than micro enterprises and small enterprises* | 7,778.68        | 4,281.05        |
| <b>Total</b>  | <b>8,503.40</b> | <b>4,284.92</b> |

\* Trade payables include amount payable to companies where Director of the Company is a director (Refer note 42).

#### 25.1 Micro and small enterprises

There are some micro and small enterprises, to whom the Group owes dues, which are outstanding for more than 45 days as at 31 March 2020. This information as required to be disclosed under the Micro, Small and Medium Enterprises Development Act, 2006, has been determined to the extent such parties have been identified on the basis of information available with the Group.

| (₹ in Lakhs)  |               |               |
|---|---------------|---------------|
| Particulars   | 31 March 2020 | 31 March 2019 |
| a. Principal amount remaining unpaid to any supplier as at the year end   | 724.72        | -             |
| Interest due thereon:   |               |               |
| b. Amount of Interest paid during the year  | -             | -             |
| c. Amount of payments made to the supplier beyond the appointed day during the accounting year.   | -             | -             |
| d. Amount of Interest due and payable for the period of delay in making payment (which have been paid but beyond the appointed day during the period) but without adding interest specified under the Micro, Small and Medium Enterprises Act, 2006)                      | 18.85         | -             |
| e. Amount of Interest accrued and remaining unpaid at the end of the accounting year.   | 32.49         | -             |
| f. The amount of further interest remaining due and payable even in the succeeding years, until such date when the interest dues as above are actually paid to the small enterprises for the purpose of disallowance as a deductible expenditure under the MSMED Act 2006 | -             | -             |

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

### 26. OTHER CURRENT FINANCIAL LIABILITIES

(₹ in Lakhs)

| Particulars   | 31 March 2020   | 31 March 2019   |
|---|-----------------|-----------------|
| Current maturities of long-term borrowings                        |                 |                 |
| - Vehicle loans (Refer note 21)                                   | 3.51            | 16.55           |
| Accrued expenses  | -               | 1,055.23        |
| Interest accrued and due on borrowings                            | -               | 0.12            |
| Capital creditors   | 1,009.18        | 784.34          |
| Employee related dues   | 1,351.72        | 1,552.80        |
| Security deposits   | 105.57          | 111.97          |
| Deferred purchase consideration payable (Refer note 44(viii)(ix)) | 878.09          | 625.04          |
| Other liabilities   | 93.37           | 37.44           |
| <b>Total</b>  | <b>3,441.44</b> | <b>4,183.49</b> |

### 27. OTHER CURRENT LIABILITIES

(₹ in Lakhs)

| Particulars             | 31 March 2020   | 31 March 2019 |
|-------------------------|-----------------|---------------|
| Statutory dues#         | 1,457.17        | 424.33        |
| Advances from Customers | 366.22          | 379.52        |
| Other Payable**         | 57.76           | -             |
| <b>Total</b>            | <b>1,881.15</b> | <b>803.85</b> |

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

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

### 28. CURRENT TAX LIABILITIES (NET)

(₹ in Lakhs)

| Particulars   | 31 March 2020 | 31 March 2019 |
|---|---------------|---------------|
| Provision for taxation (net of advance tax -31 March 2020: ₹ 4,071.82 Lakhs ,31 March 2019: ₹ 11,688.05 Lakhs ) | 373.17        | 930.43        |
| <b>Total</b>  | <b>373.17</b> | <b>930.43</b> |

### 29. REVENUE FROM OPERATIONS

(₹ in Lakhs)

| Particulars                    | 31 March 2020    | 31 March 2019    |
|--------------------------------|------------------|------------------|
| Service income (Refer Note 50) | 85,584.83        | 76,005.59        |
| Other Operating revenue        |                  |                  |
| Sundry balances written back   | 55.71            | 112.59           |
| <b>Total</b>                   | <b>85,640.54</b> | <b>76,118.18</b> |

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

### 30. OTHER INCOME

(₹ in Lakhs)

| Particulars   | 31 March 2020 | 31 March 2019 |
|---|---------------|---------------|
| Interest  |               |               |
| - from banks  | 527.65        | 170.22        |
| - on income tax refund                                | 0.58          | 2.04          |
| - on investments                                      | -             | 134.77        |
| - on term loans                                       | 12.65         | 14.32         |
| - others  | 49.08         | 25.19         |
| Dividend  |               |               |
| - from mutual fund                                    | 21.46         | 96.24         |
| Fair value gain on mutual funds measured at FVTPL     | 90.07         | 330.59        |
| Profit on sale of property, plant and equipment (net) | -             | 3.66          |
| Foreign exchange gain (net)                           | 55.09         | 20.71         |
| Miscellaneous income                                  | 100.08        | 23.58         |
| <b>Total</b>  | <b>856.66</b> | <b>821.32</b> |

### 31. COST OF MATERIAL CONSUMED

(₹ in Lakhs)

| Particulars                                     | 31 March 2020    | 31 March 2019    |
|---|------------------|------------------|
| Opening stock (Refer note 11)                   | 2,610.23         | 2,118.72         |
| Add: Purchase of traded goods                   | 49.56            | 23.77            |
| Add: Purchases of raw materials during the year | 20,193.78        | 17,818.76        |
|   | 22,853.57        | 19,961.25        |
| Less: Closing stock (Refer note 11)             | (2,440.07)       | (2,610.23)       |
| <b>Total</b>                                    | <b>20,413.50</b> | <b>17,351.02</b> |

### 32. LABORATORY TESTING CHARGES

(₹ in Lakhs)

| Particulars                | 31 March 2020 | 31 March 2019 |
|----------------------------|---------------|---------------|
| Laboratory testing charges | 688.99        | 557.17        |
| <b>Total</b>               | <b>688.99</b> | <b>557.17</b> |

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

### 33. EMPLOYEE BENEFITS EXPENSE

(₹ in Lakhs)

| Particulars  | 31 March 2020    | 31 March 2019    |
|--|------------------|------------------|
| Salaries, wages and bonus                                    | 17,256.01        | 15,594.05        |
| Gratuity expenses (Refer note 51(a))                         | 166.98           | 164.60           |
| Contribution to provident and other funds (Refer note 51(b)) | 849.38           | 818.18           |
| Share based payment expenses (Refer note 51(c))*             | 72.38            | 443.89           |
| Staff welfare expenses                                       | 670.87           | 599.99           |
| <b>Total</b>   | <b>19,015.62</b> | <b>17,620.71</b> |

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

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

### 34. FINANCE COSTS

(₹ in Lakhs)

| Particulars   | 31 March 2020 | 31 March 2019 |
|---|---------------|---------------|
| Interest on short term loan   | 52.64         | 12.98         |
| Interest on deferred purchase consideration measured at amortized cost (Refer note(viii)(ix)) | 59.50         | 40.13         |
| Interest on lease liabilities (Refer note 40)   | 722.33        | -             |
| <b>Total</b>  | <b>834.47</b> | <b>53.11</b>  |

### 35. DEPRECIATION AND AMORTISATION EXPENSE

(₹ in Lakhs)

| Particulars  | 31 March 2020   | 31 March 2019   |
|--|-----------------|-----------------|
| Depreciation on Property, Plant and Equipment (Refer note 3) | 1,856.17        | 1,669.48        |
| Amortisation of intangible assets (Refer note 4)             | 439.95          | 337.13          |
| Amortisation on ROU (Refer note 40)                          | 1,630.60        | -               |
| <b>Total</b>   | <b>3,926.72</b> | <b>2,006.61</b> |

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

### 36. OTHER EXPENSES

(₹ in Lakhs)

| Particulars  | 31 March 2020    | 31 March 2019    |
|--|------------------|------------------|
| Accreditation expenses                                   | 127.32           | 98.31            |
| Laboratory expenses                                      | 120.25           | 140.80           |
| Power and fuel   | 1,248.56         | 1,100.03         |
| Rent (Refer note 40)                                     | 5,529.48         | 5,780.78         |
| Repairs and maintenance                                  |                  |                  |
| Buildings  | 75.74            | 69.36            |
| Plant and equipment                                      | 946.71           | 711.07           |
| Others   | 291.99           | 347.73           |
| Insurance  | 158.59           | 144.13           |
| Rates and taxes  | 772.67           | 803.14           |
| Bank charges   | 430.84           | 358.81           |
| Sample Collection Charges                                | 184.26           | 155.63           |
| Legal and professional*                                  | 3,445.25         | 3,324.72         |
| Travelling and conveyance                                | 1,124.23         | 1,142.97         |
| Printing and stationery                                  | 529.62           | 683.23           |
| Provision for bad and doubtful debts (net)               | 1,383.82         | 508.15           |
| Provision for doubtful advances (net)                    | 246.81           | 3.84             |
| Provision for impairment of current investments          | -                | 144.20           |
| Credit impaired trade receivables written off            | -                | 24.43            |
| Postage and courier                                      | 2,773.81         | 2,162.11         |
| Communication  | 471.69           | 421.31           |
| Advertisement and sales promotion expenses               | 1,126.28         | 1,434.93         |
| Facility maintenance charges                             | 454.72           | 386.83           |
| Loss on sale of debt instrument measured at FVOCI        | -                | 3.79             |
| Loss on sale of property, plant and equipment            | 60.01            | 0.61             |
| Payments to auditors (Refer note 49)                     | 133.37           | 108.66           |
| Donation   | 1.22             | 3.33             |
| Corporate social responsibility expenses (Refer note 53) | 76.97            | 79.45            |
| Directors' sitting fee & commission (Refer note 42)      | 56.06            | 41.40            |
| Office Expenses  | 1.56             | 33.64            |
| Sundry balance written off                               | -                | 0.05             |
| Miscellaneous expenses                                   | 468.12           | 335.24           |
| <b>Total</b>   | <b>22,239.95</b> | <b>20,552.68</b> |

\* includes merger related expenses of ₹ Nil Lakhs (31 March 2019: ₹ 131.00 Lakhs)

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

### 37. EXCEPTIONAL ITEMS

(₹ in Lakhs)

| Particulars  | 31 March 2020   | 31 March 2019 |
|--|-----------------|---------------|
| Provision for impairment of current investments (Refer Note 1) | 336.48          | -             |
| Provision for bad and doubtful debts (net) (Refer Note 2 & 3)  | 2116.18         | -             |
|  | <b>2,452.66</b> | <b>-</b>      |

#### Notes:

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

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

### 38. TAXATION

#### i. Income Tax expense

(₹ in Lakhs)

| Particulars  | 31 March 2020   | 31 March 2019   |
|--|-----------------|-----------------|
| <b>Current tax expense</b>                               |                 |                 |
| Current year   | 5,326.98        | 6,309.03        |
| Tax adjustments for earlier years                        | (289.56)        | -               |
| <b>Total current tax</b>                                 | <b>5,037.42</b> | <b>6,309.03</b> |
| <b>Deferred tax expense</b>                              |                 |                 |
| Relating to addition & reversal of temporary differences | (765.12)        | (14.97)         |
| Relating to change in tax rate*                          | (154.21)        | (0.16)          |
| <b>Total deferred tax</b>                                | <b>(919.33)</b> | <b>(15.13)</b>  |
| <b>Total tax expense</b>                                 | <b>4,118.09</b> | <b>6,293.90</b> |

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

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

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

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

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

### ii. Tax charge recognised directly to Other Comprehensive Income

(₹ in Lakhs)

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

(₹ in Lakhs)

| Particulars  | 31 March 2019 |                       |               |
|--|---------------|-----------------------|---------------|
|  | Before tax    | Tax (expense) benefit | Net of tax    |
| <b>Items that will not be reclassified to profit or loss</b>                   |               |                       |               |
| Remeasurements of the defined benefit plans                                    | 74.50         | (24.54)               | 49.96         |
| <b>Items that will subsequently be reclassified to profit or loss</b>          |               |                       |               |
| Exchange differences in translating financial statements of foreign operations | 89.32         | -                     | 89.32         |
| <b>Total tax charge recognized directly to Other Comprehensive Income</b>      | <b>163.82</b> | <b>(24.54)</b>        | <b>139.28</b> |

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

(₹ in Lakhs)

| Particulars   | 31 March 2020    | 31 March 2019    |
|---|------------------|------------------|
| <b>Profit before tax</b>  | <b>16,873.31</b> | <b>18,655.18</b> |
| Income tax expense at tax rates applicable to individual entities   | 4,887.75         | 6,738.25         |
| <b>Tax effect of adjustments to reconcile expected Income Tax Expense to reported Income Tax Expense:</b> |                  |                  |
| Expenses not allowed under Income tax   | 34.61            | 46.78            |
| Income not subject to tax   | (565.53)         | (495.42)         |
| Income taxable at a different rate  | (26.72)          | (38.83)          |
| Tax adjustment of earlier years   | (289.56)         | -                |
| Others  | 77.52            | 43.12            |
| <b>Total tax expense</b>  | <b>4,118.09</b>  | <b>6,293.90</b>  |
| <b>Total tax expense as per statement of profit and loss</b>  | <b>4,118.09</b>  | <b>6,293.90</b>  |

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

### iv. Movement in deferred tax balances

As at 31 March 2020

(₹ in Lakhs)

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

\* During the year, the Company through its direct subsidiary Desai Metropolis Health Services Pvt Ltd acquired laboratories through a business purchase agreement and hence deferred tax impact has been recognized ( Refer note 44 (ix))

As at 31 March 2019

(₹ in Lakhs)

| Particulars  | Net balance<br>1 April 2018 | Recognised<br>in profit or<br>loss | Recognised<br>in OCI | Net deferred<br>tax asset/<br>(liability) | Deferred tax<br>asset | Deferred tax<br>(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                      |
| Mat credit entitlement                             | -                           | -                                  | -                    | -   | -                     | -                           |
| Share based payments                               | 59.52                       | 23.20                              | -                    | 82.72                                     | -                     | 82.72                       |
| Others   | 12.10                       | 1.90                               | -                    | 14.00                                     | (2.82)                | 16.81                       |
| <b>Tax Assets (Liabilities)</b>                    | <b>85.10</b>                | <b>15.13</b>                       | <b>(24.54)</b>       | <b>75.69</b>                              | <b>365.71</b>         | <b>(290.02)</b>             |

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.

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.

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

### 39. EARNINGS PER SHARE

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

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

| (₹ in Lakhs)   |                    |                    |
|--|--------------------|--------------------|
| Particulars  | 31 March 2020      | 31 March 2019      |
| <b>i. Profit attributable to equity holders (₹ in Lakhs)</b>         |                    |                    |
| Profit attributable to equity holders for basic and diluted EPS      | 12,732.56          | 12,014.79          |
| <b>ii. Weighted average number of shares for calculating basic</b>   | <b>5,02,10,869</b> | <b>4,99,30,454</b> |
| <b>iii. Effect of dilution</b>                                       |                    |                    |
| Share options and warrants   | 2,21,425           | 99,432             |
| <b>Weighted average number of shares for calculating diluted EPS</b> | <b>5,04,32,294</b> | <b>5,00,29,886</b> |
| <b>iv. Basic earnings per share (₹)</b>                              | <b>25.36</b>       | <b>24.06</b>       |
| <b>v. Diluted earnings per share (₹)</b>                             | <b>25.25</b>       | <b>24.02</b>       |

#### Note:

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

### 40. LEASES

#### Operating lease obligations

The Group has taken various commercial properties on leases for its offices, laboratories and staff accommodation. The lease expenses in the March 2019 to ₹ 5,780.78 Lakhs. Future minimum rentals payable under non-cancellable operating leases are as follows:

| (₹ in Lakhs)                                      |                |
|---|----------------|
| Particulars                                       | 31 March 2019  |
| Not later than one year                           | 815.29         |
| Later than one year but not later than five years | 1642.19        |
| Later than five years                             | -              |
| <b>Total</b>                                      | <b>2457.48</b> |

#### Disclosure on Ind-As 116 Leases

##### i. Transition

On transition, the adoption of the new standard resulted in recognition of 'Right of Use' asset of ₹ 5,230.88 Lakhs and a lease liability of ₹ 5,633.69 Lakhs. The cumulative effect of applying the standard of ₹ 358.82 Lakhs was debited to retained earnings, net of taxes and prepaid rent. Ind AS 116 will result in an increase in cash inflows from operating activities and an increase in cash outflows from financing activities on account of lease payments.

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

### ii. The following is the summary of practical expedients elected on initial application:

- a. Applied a single discount rate to a portfolio of leases of similar assets in similar economic environment with a similar end date.
- b. Applied the exemption not to recognize right-of-use assets and liabilities for leases :
  - a. with less than 12 months of lease term on the date of initial application
  - b. Rent outflow of less than ₹ 5 Lakhs in entire tenure of arrangement
- c. Excluded the initial direct costs from the measurement of the right-of-use asset at the date of initial application.
- d. Applied the practical expedient to grandfather the assessment of which transactions are leases. Accordingly, Ind AS 116 is applied only to contracts that were previously identified as leases under Ind AS 17.
- iii. The effect of depreciation and interest related to Right Of Use Asset and Lease Liability are reflected in the Statement of Profit and Loss under the heading "Depreciation and Amortisation Expense" and "Finance costs" respectively under Note No 35 and 34.
- iv. The weighted average incremental borrowing rate applied to lease liabilities as at 1 April 2019 is 9.20% - 10.10%.
- v. The difference between the lease obligation recorded as at 31 March 2019 under Ind AS 17 (disclosed under Note 49) and the value of the lease liability as at 1 April 2019 is primarily on account of inclusion of extension and termination options reasonably certain to be exercised, in measuring the lease liability in accordance with Ind AS 116 and discounting the lease liabilities to the present value under Ind AS 116.
- vi. Following are the changes in the carrying value of right of use assets for the year ended 31 March 2020:

(₹ in Lakhs)

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

### vii. The following is the break-up of current and non-current lease liabilities as of 31 March 2020:

(₹ in Lakhs)

| Particulars                   | 31 March 2020   |
|-------------------------------|-----------------|
| Current Lease liabilities     | 2,088.89        |
| Non-current lease liabilities | 4,577.81        |
| <b>Total</b>                  | <b>6,666.70</b> |

### viii. The following is the movement in lease liabilities for the year ended 31 March 2020:

(₹ in Lakhs)

| Particulars                          | 31 March 2019   |
|--------------------------------------|-----------------|
| Balance as of 1 April 2019           | 5,633.69        |
| Additions                            | 2,365.65        |
| Finance cost accrued during the year | 722.33          |
| Payment of lease liabilities         | (2,054.97)      |
| <b>Balance as of 31 March 2020</b>   | <b>6,666.70</b> |

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

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

| (₹ in Lakhs)       |                 |
|--------------------|-----------------|
| Particulars        | 31 March 2020   |
| Less than one year | 2,094.93        |
| One to five years  | 5,437.96        |
| More than 5 years  | 1,032.55        |
| <b>Total</b>       | <b>8,565.44</b> |

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

| (₹ in Lakhs)   |               |
|--|---------------|
| Particulars  | 31 March 2020 |
| Decrease in Other expenses by  | 2,054.97      |
| Increase in Finance cost by  | 722.33        |
| Increase in Depreciation by (excludes depreciation on reclassified assets) | 1,577.79      |
| <b>Net Impact on (Profit)/Loss</b>   | <b>245.15</b> |

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

| (₹ in Lakhs)   |                 |
|--|-----------------|
| Particulars  | Amount          |
| Opening Balance of Operating Lease   | 2,457.48        |
| Add: Additional lease commitment based on expected extension of lease term | 3,176.21        |
| <b>Lease liabilities as at 1 April 2019</b>                                | <b>5,633.69</b> |

- xii. The Group does not face a significant liquidity risk with regard to its lease liabilities as the current assets are sufficient to meet the obligations related to lease liabilities as and when they fall due.
- xiii. Rental expense recorded for short-term leases / Variable lease/ low value leases was ₹ 5,529.48 Lakhs for the year ended 31 March 2020.
- xiv. The total cash outflow for leases for year ended 31 March 2020 is ₹ 2,054.97 Lakhs

### 41. 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.

| (₹ in Lakhs)  |                                    |   |                |       |            |         |         |       |
|---|------------------------------------|---|----------------|-------|------------|---------|---------|-------|
| Particulars   | As at 31 March 2020                |   |                |       |            |         |         |       |
|   | 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 |
| <b>Non-current Financial assets</b>                               |                                    |   |                |       |            |         |         |       |
| Non-current investments - Unquoted equity instruments in others** | -                                  | -   | -              | -     | -          | -       | -       | -     |

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

(₹ in Lakhs)

| Particulars  | As at 31 March 2020                |   |                  |                  |            |                 |                 |                 |
|--|------------------------------------|---|------------------|------------------|------------|-----------------|-----------------|-----------------|
|  | 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 Loans- Security Deposits               | -                                  | -   | 540.72           | 540.72           | -          | -               | -               | -               |
| Other Non-current Loans                            | -                                  | -   | 5.98             | 5.98             | -          | -               | -               | -               |
| Other non current financial assets                 | -                                  | -   | 1,239.34         | 1,239.34         | -          | -               | -               | -               |
| <b>Current Financial assets</b>                    |                                    |   |                  |                  |            |                 |                 |                 |
| Investment in mutual funds                         | 1,256.61                           | -   | -                | 1,256.61         | -          | 1,256.61        | -               | 1,256.61        |
| Trade receivables                                  | -                                  | -   | 12,824.78        | 12,824.78        | -          | -               | -               | -               |
| Cash and cash equivalents                          | -                                  | -   | 10,717.42        | 10,717.42        | -          | -               | -               | -               |
| Bank Balances other than Cash and cash equivalents | -                                  | -   | 10,329.70        | 10,329.70        | -          | -               | -               | -               |
| Current loans                                      | -                                  | -   | 1,118.07         | 1,118.07         | -          | -               | -               | -               |
| Other current financial assets                     | -                                  | -   | 217.10           | 217.10           | -          | -               | -               | -               |
|  | <b>1,256.61</b>                    | <b>-</b>                                      | <b>36,993.11</b> | <b>38,249.72</b> | <b>-</b>   | <b>1,256.61</b> | <b>-</b>        | <b>1,256.61</b> |
| <b>Non-current Financial liabilities</b>           |                                    |   |                  |                  |            |                 |                 |                 |
| Other non-current financial liabilities            | -                                  | -   | 467.81           | 467.81           | -          | -               | -               | -               |
| Lease Liabilities                                  | -                                  | -   | 4,577.81         | 4,577.81         | -          | -               | 4,577.81        | 4,577.81        |
| <b>Current Financial liabilities</b>               |                                    |   |                  |                  |            |                 |                 |                 |
| Trade payables                                     | -                                  | -   | 8,503.40         | 8,503.40         | -          | -               | -               | -               |
| Other current financial liabilities                | -                                  | -   | 3,441.44         | 3,441.44         | -          | -               | -               | -               |
| Lease Liabilities                                  | -                                  | -   | 2,088.89         | 2,088.89         | -          | -               | 2,088.89        | 2,088.89        |
|  | <b>-</b>                           | <b>-</b>                                      | <b>19,079.35</b> | <b>19,079.35</b> | <b>-</b>   | <b>-</b>        | <b>6,666.70</b> | <b>6,666.70</b> |

(₹ in Lakhs)

| Particulars   | As at 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    |
| <b>Non-current Financial assets</b>                                 |                                    |   |                |          |            |          |         |          |
| "Non-current investments - Unquoted equity instruments in others**" | -                                  | -   | -              | -        | -          | -        | -       | -        |
| Non-current Loans- Security Deposits                                | -                                  | -   | 329.29         | 329.29   | -          | -        | -       | -        |
| Other Non-current Loans   | -                                  | -   | 91.37          | 91.37    | -          | -        | -       | -        |
| Other non current financial assets                                  | -                                  | -   | 1,019.90       | 1,019.90 | -          | -        | -       | -        |
| <b>Current Financial assets</b>                                     |                                    |   |                |          |            |          |         |          |
| Investment in mutual funds  | 2,765.14                           | -   | -              | 2,765.14 | -          | 2,765.14 | -       | 2,765.14 |

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

(₹ in Lakhs)

| Particulars  | As at 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           |
| Investment in Commercial Papers                    | -                                  | -   | -                | -                | -          | -               | -        | -               |
| 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           | -          | -               | -        | -               |
|  | <b>2,765.14</b>                    | <b>-</b>                                      | <b>25,502.72</b> | <b>28,267.86</b> | <b>-</b>   | <b>2,765.14</b> | <b>-</b> | <b>2,765.14</b> |
| <b>Non-current Financial liabilities</b>           |                                    |   |                  |                  |            |                 |          |                 |
| Borrowings   | -                                  | -   | 3.51             | 3.51             | -          | -               | -        | -               |
| Other non-current financial liabilities            | -                                  | -   | 208.89           | 208.89           | -          | -               | -        | -               |
| <b>Current Financial liabilities</b>               |                                    |   |                  |                  |            |                 |          |                 |
| 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         | -          | -               | -        | -               |
|  | <b>-</b>                           | <b>-</b>                                      | <b>10,438.68</b> | <b>10,438.68</b> | <b>-</b>   | <b>-</b>        | <b>-</b> | <b>-</b>        |

\*\* 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 2019: ₹ 175.28 Lakhs.)

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

Financial instruments with fixed and variable interest rates are evaluated by the 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.

## NOTES TO CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2020 (Contd.)

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  |

### Transfers between Levels

There have been no transfers between levels during the reporting year.

### Sensitivity analysis

|   | 31 March 2020   |          | 31 March 2019 |          |
|---|---|----------|---------------|----------|
|   | Impact in P&L (Net of tax) due to change in discount rate |          |               |          |
|   | Increase  | Decrease | Increase      | Decrease |
| <b>Lease Liabilities</b>  |   |          |               |          |
| Movement in Interest on lease liability - Discount rate (9.67%)+ / - 100 basis points | (66.67)   | 66.67    | -             | -        |

### Financial risk management

The Group's Board of Directors has overall responsibility for the establishment and oversight of the Group's risk management framework.

The Group has exposure to the following risks arising from financial instruments

- Credit risk
- Liquidity risk
- Market risk

#### (i) Credit risk

Credit risk is the risk of financial loss to the Group if a customer or counterparty to a financial instrument fails to meet its contractual obligations, and arises principally from the Group's trade and other receivables, investments, loans/advances and cash and cash equivalents. The maximum exposure to credit risk in case of all the financial instruments covered below is restricted to their respective carrying amount.

##### a. Trade receivables

The Group's exposure to credit risk is influenced mainly by the individual characteristics of each customer. Credit risk is managed through credit approvals, establishing credit limits and continuously monitoring the creditworthiness of customers to which the Group grants credit terms in the normal course of business. The Group establishes an allowance for doubtful debts and impairment that represents its estimate of incurred losses in respect of trade and other receivables and investments.

## NOTES TO CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2020 (Contd.)

The Company does not have any significant concentration of credit risk. Further, company has One customer (31 March 2019: Two Customers) which accounts for 10% or more of the total trade receivables at each reporting date.

The Group has used a practical expedient by computing the expected credit loss allowance for trade receivables based on a provision matrix.

The movement in the provision for debts having significant increase in credit risk and which are credit impaired for the year ended 31st March 2020 and year ended 31 March 2019 is as follows

| Particulars                        | Amount ₹ Lakhs  |
|------------------------------------|-----------------|
| <b>Balance as at 1 April 2018</b>  | <b>2,199.23</b> |
| Movement during the year           | 508.15          |
| <b>Balance as at 31 March 2019</b> | <b>2,707.38</b> |
| Movement during the year           | 3,463.35        |
| <b>Balance as at 31 March 2020</b> | <b>6,170.73</b> |

### b. Cash and cash equivalents and Other bank balances

The Group held cash and cash equivalents and other bank balances of 22,122.70 Lakhs at 31 March 2020 (31 March 2019: ₹ 8,858.16 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 2020:

| Particulars                        | Amount ₹ Lakhs |
|------------------------------------|----------------|
| <b>Balance as at 1 April 2018</b>  | <b>161.42</b>  |
| Movement during the year           | 3.84           |
| <b>Balance as at 31 March 2019</b> | <b>165.26</b>  |
| Movement during the year           | 309.45         |
| <b>Balance as at 31 March 2020</b> | <b>474.71</b>  |

### (ii) Liquidity risk

Liquidity risk is the risk that the Group will encounter difficulty in meeting the obligations associated with its financial liabilities that are settled by delivering cash or another financial asset. Prudent liquidity risk management implies maintaining sufficient cash and marketable securities, the availability of funding through an adequate amount of committed credit facilities. The Group's approach to managing liquidity is to ensure, as far as possible, that it will have sufficient liquidity to meet its liabilities when they are due, under both normal and stressed conditions, without incurring unacceptable losses or risking damage to the Group's reputation.

## NOTES TO CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2020 (Contd.)

### Maturities of financial liabilities

The table below analyses the Group's financial liabilities into relevant maturity groupings based on their contractual maturities:

(₹ in Lakhs)

| As at 31 March, 2020                        | Contractual cash flows |                  |                  |               |           |                   |
|---|------------------------|------------------|------------------|---------------|-----------|-------------------|
|   | Carrying amount        | Total            | Upto 1 year      | 1-3 years     | 3-5 years | More than 5 years |
| <b>Non-derivative financial liabilities</b> |                        |                  |                  |               |           |                   |
| Payable towards acquisition of business     | 1,345.90               | 1,441.00         | 874.00           | 567.00        | -         | -                 |
| Borrowings                                  | 3.51                   | 3.51             | 3.51             | -             | -         | -                 |
| Interest payable on borrowings              | -                      | 0.06             | 0.06             | -             | -         | -                 |
| Trade payables                              | 8,503.40               | 8,503.40         | 8,503.40         | -             | -         | -                 |
| Other current financial liabilities         | 2,559.84               | 2,559.84         | 2,559.84         | -             | -         | -                 |
| <b>Total</b>                                | <b>12,412.65</b>       | <b>12,507.81</b> | <b>11,940.81</b> | <b>567.00</b> | <b>-</b>  | <b>-</b>          |

(₹ in Lakhs)

| As at March 31, 2019                        | Contractual cash flows |                  |                  |               |              |                   |
|---|------------------------|------------------|------------------|---------------|--------------|-------------------|
|   | Carrying amount        | Total            | Upto 1 year      | 1-3 years     | 3-5 years    | More than 5 years |
| <b>Non-derivative financial liabilities</b> |                        |                  |                  |               |              |                   |
| Payable towards acquisition of business     | 833.93                 | 879.25           | 617.25           | 242.00        | 20.00        | -                 |
| Non-current Borrowings                      | 20.07                  | 20.06            | 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         | 3,541.90               | 3,541.90         | 3,541.90         | -             | -            | -                 |
| <b>Total</b>                                | <b>10,438.68</b>       | <b>10,485.29</b> | <b>10,219.72</b> | <b>245.57</b> | <b>20.00</b> | <b>-</b>          |

The outflows disclosed in the above table represent the total contractual undiscounted cash flows, which also includes total interest payables on borrowings.

### (iii) Market risk

Market risk is the risk that changes in market prices – such as foreign exchange rates, interest rates and equity prices – will affect the 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. INR)

The currency profile of financial assets and financial liabilities as at 31 March 2020 and 31 March 2019 are as below:

(₹ in Lakhs)

| As at 31 March, 2020             | SGD          | EUR         | GBP         | USD           | OMR          |
|----------------------------------|--------------|-------------|-------------|---------------|--------------|
| <b>Financial assets (A)</b>      |              |             |             |               |              |
| Trade and other receivables      | -            | -           | -           | 361.97        | 40.85        |
| Advance given                    | 13.25        | 0.28        | 0.42        | 28.90         | -            |
| <b>Financial liabilities (B)</b> |              |             |             |               |              |
| Trade and other payables         | -            | -           | 0.32        | 3.16          | -            |
| Advance taken                    | -            | -           | -           | 13.55         | 6.32         |
| <b>Net exposure (A - B)</b>      | <b>13.25</b> | <b>0.28</b> | <b>0.10</b> | <b>374.17</b> | <b>34.52</b> |

## NOTES TO CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2020 (Contd.)

(₹ in Lakhs)

| As at March 31, 2019             | USD           | OMR          |
|----------------------------------|---------------|--------------|
| <b>Financial assets (A)</b>      |               |              |
| Trade and other receivables      | 399.14        | 39.13        |
| <b>Financial liabilities (B)</b> |               |              |
| Advance taken                    | 12.44         | 6.59         |
| <b>Net exposure (A - B)</b>      | <b>386.70</b> | <b>32.54</b> |

### Sensitivity analysis

A reasonably possible strengthening (weakening) of the Indian Rupee against foreign currencies at 31 March 2020 and 31 March 2019 would have affected the measurement of financial instruments denominated in foreign currencies and affected Statement of profit or loss by the amounts shown below. This analysis assumes that all other variables, in particular interest rates, remain constant and ignores any impact of forecast sales and purchases.

| Effect in INR      | 31 March 2020  |              | 31 March 2019  |              |
|--------------------|----------------|--------------|----------------|--------------|
|                    | Strengthening  | Weakening    | Strengthening  | Weakening    |
| <b>3% movement</b> |                |              |                |              |
| USD                | (11.22)        | 11.22        | (11.60)        | 11.60        |
| SGD                | (0.40)         | 0.40         | -              | -            |
| GBP                | (0.00)         | (0.00)       | -              | -            |
| OMR                | (1.04)         | 1.04         | (0.98)         | 0.98         |
| EUR                | (0.00)         | 0.00         | (0.00)         | (0.00)       |
|                    | <b>(12.66)</b> | <b>12.66</b> | <b>(12.58)</b> | <b>12.58</b> |

"0" denotes amount below ₹ 500

### (b) Interest rate risk

Interest rate risk can be either fair value interest rate risk or cash flow interest rate risk. Fair value interest rate risk is the risk of changes in fair values of fixed interest bearing investments. Cash flow interest rate risk is the risk that the future cash flows of floating interest bearing investments will fluctuate because of fluctuations in the interest rates.

The interest rate profile of the Group's interest-bearing financial instruments as reported to the management of the Group is as follows.

(₹ in Lakhs)

| Particulars                      | As at<br>31 March 2020 | As at<br>31 March 2019 |
|----------------------------------|------------------------|------------------------|
| <b>Fixed-rate instruments</b>    |                        |                        |
| Financial assets                 | 12,588.76              | 5,948.80               |
| Financial liabilities            | (1,345.90)             | (2,568.40)             |
|                                  | <b>11,242.86</b>       | <b>3,380.40</b>        |
| <b>Variable-rate instruments</b> |                        |                        |
| Financial assets                 | -                      | -                      |
| Financial liabilities            | (6,670.21)             | (20.07)                |
|                                  | <b>(6,670.21)</b>      | <b>(20.07)</b>         |
| <b>Total</b>                     | <b>4,572.65</b>        | <b>3,360.34</b>        |

## NOTES TO CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2020 (Contd.)

### Cash flow sensitivity analysis for variable-rate instruments

A reasonably possible change of 100 basis points in interest rates at the reporting date would have increased / decreased equity and profit or loss by amounts shown below. This analysis assumes that all other variables, in particular, foreign currency exchange rates, remain constant. This calculation also assumes that the change occurs at the balance sheet date and has been calculated based on risk exposures outstanding as at that date. The year end balances are not necessarily representative of the average debt outstanding during the year.

| INR                                     | Profit or loss  |                 |
|---|-----------------|-----------------|
|   | 100 bp increase | 100 bp decrease |
| <b>For the year ended 31 March 2020</b> |                 |                 |
| Variable-rate instruments               | (66.70)         | 66.70           |
| <b>Cash flow sensitivity (net)</b>      | (66.70)         | 66.70           |
| <b>For the year ended 31 March 2019</b> |                 |                 |
| Variable-rate instruments               | (0.20)          | 0.20            |
| <b>Cash flow sensitivity (net)</b>      | (0.20)          | 0.20            |

(Note: The impact is indicated on the profit/loss and equity before tax basis)

### (iv) Capital management

The objective of the Group's capital management is to ensure that it maintains an efficient capital structure and healthy capital ratios to support its business and maximize shareholder value.

The Group has equity capital and other reserves attributable to the equity shareholders, as the only source of capital and the company has insignificant interest bearing borrowings/ debts as on the reporting date. Hence, the Group is not subject to any externally imposed capital requirements.

## 42. RELATED PARTY DISCLOSURES, AS REQUIRED BY INDIAN ACCOUNTING STANDARD 24 (IND AS 24) ARE GIVEN BELOW:

### A. Relationships –

#### Category I: Subsidiaries:

Metropolis Histoxpert Digital Services Private Limited

#### Category II: Associates:

Star Metropolis Health Services Middle East LLC, Dubai (upto 31 March 2019)

#### Category III: Key Management Personnel (KMP)

Dr. Sushil Kanubhai Shah, Chairman and Executive Director

Ms. Ameera Sushil Shah, Managing Director

Mr Vijender Singh, Chief Executive Officer

Mr Rakesh Agarwal, Chief Financial Officer (w.e.f. 11 November 2019)

Ms. Poonam Tanwani, Company Secretary (w.e.f. 10 February 2020)

Mr Tushar Karnik, Chief Financial Officer (upto 11 November 2019)

Mr Jayant Prakash, Company Secretary (upto 30 November 2019)

Mr. Mihir Jagdish Doshi, Non-Executive Director (upto 31 March 2020)

Mr. Milind Shripad Sarwate, Independent Director

Mr. Vivek Gambhir, Independent Director

Mr. Sanjay Bhatnagar, Independent Director

#### Category IV: Relatives of KMP

Dr. Duru Sushil Shah

Mr. Hemant Sachdev

## NOTES TO CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2020 (Contd.)

### 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 (upto 6 August, 2019)

### B. The transactions with the related parties are as follows:

| (₹ in Lakhs)  |               |               |
|---|---------------|---------------|
| Particulars   | 31 March 2020 | 31 March 2019 |
| <b>1) Services rendered</b>   |               |               |
| <b>Joint Ventures</b>   |               |               |
| Metropolis Histoxpert Digital Services Private Limited  | 17.89         | 5.55          |
| <b>Relatives of KMP</b>   |               |               |
| Dr. Duru Sushil Shah  | 13.19         | 17.02         |
| <b>Other related parties</b>  |               |               |
| Centre for Digestive and Kidney Disease (India) Private Limited #   | 300.12        | 903.48        |
| <b>2) Rent paid</b>   |               |               |
| <b>Key Management Personnel</b>   |               |               |
| Dr. Sushil Kanubhai Shah  | 99.48         | 102.91        |
| <b>3) Compensation paid to Key Management Personnel</b>   |               |               |
| Short-term employee benefits <sup>^</sup>   | 962.84        | 1,159.27      |
| Post employment benefit   | 21.52         | 21.16         |
| Share-based payments expense  | 5.09          | 38.27         |
| (^As gratuity expense is based on actuarial valuation, the same cannot be computed for individual employees. Hence not disclosed separately.) |               |               |
| <b>4) Dividend paid</b>   |               |               |
| <b>Key Management Personnel</b>   |               |               |
| Dr Sushil Kanubhai Shah   | 298.02        | 1,325.68      |
| Ameera Sushil Shah  | 14.55         | 24.11         |
| Metz Advisory LLP   | 1,255.30      | 1,939.95      |
| <b>Relatives of KMP</b>   |               |               |
| Dr Duru Sushil Shah   | 736.74        | 1,221.14      |
| <b>5) Director sitting fees and Commission</b>  |               |               |
| Dr Duru Sushil Shah   | -             | 0.15          |
| Mr. Mihir Jagdish Doshi   | 8.50          | 15.75         |
| Mr. Milind Shripad Sarwate  | 18.77         | 7.25          |
| Mr. Vivek Gambhir   | 17.52         | 8.75          |
| Mr. Rajiv Devinder Sahney   | -             | 5.00          |
| Mr. Sanjay Bhatnagar  | 11.27         | 4.50          |
| <b>6) Advance paid</b>  |               |               |
| Chogori Distribution Private Limited  | -             | 12.00         |
| <b>7) Investments made</b>  |               |               |
| Metropolis Histoxpert Digital Services Private Limited  | -             | 194.35        |

# Excluded from related party after resignation of Dr. Sushil Shah from directorship of the said Company on August 6, 2019.

## NOTES TO CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2020 (Contd.)

### B. The related party balances outstanding at year end are as follows:

|   |               | (₹ in Lakhs)  |  |
|---|---------------|---------------|--|
| Particulars   | 31 March 2020 | 31 March 2019 |  |
| <b>1) (a) Trade payables</b>                                    |               |               |  |
| <b>Other related parties</b>                                    |               |               |  |
| Metropolis Health Products Retail Private Limited               | 1.87          | 1.87          |  |
| <b>(b) Other Payable</b>  |               |               |  |
| Dr. Sushil Kanubhai Shah*                                       | 19.86         | -             |  |
| <b>(c) Director Sitting Fees</b>                                |               |               |  |
| Mr. Vivek Gambhir   | 1.00          | -             |  |
| <b>2) Trade receivables</b>                                     |               |               |  |
| <b>Joint Ventures</b>   |               |               |  |
| Metropolis Histoexpert Digital Services Private Limited         | 10.03         | 4.93          |  |
| <b>Associates</b>   |               |               |  |
| Star Metropolis Health Services Middle East LLC, Dubai**        | -             | 598.54        |  |
| <b>Relatives of KMP</b>   |               |               |  |
| Dr. Duru Sushil Shah  | 2.45          | 2.84          |  |
| <b>Other related parties</b>                                    |               |               |  |
| Metropolis Health Products Retail Private Limited               | 41.05         | 41.05         |  |
| Centre for Digestive and Kidney Disease (India) Private Limited | -             | 2,082.19      |  |
| <b>3) Loans and advances including interest accrued</b>         |               |               |  |
| <b>Associates</b>   |               |               |  |
| Star Metropolis Health Services Middle East LLC, Dubai**        | -             | 42.35         |  |
| <b>Other related parties</b>                                    |               |               |  |
| Metropolis Health Products Retail Private Limited               | 44.00         | 44.00         |  |
| <b>4) Provision for diminution in value of investments</b>      |               |               |  |
| <b>Associates</b>   |               |               |  |
| Star Metropolis Health Services Middle East LLC, Dubai**        | -             | 129.85        |  |
| <b>5) Provision for doubtful trade receivables</b>              |               |               |  |
| <b>Associates</b>   |               |               |  |
| Star Metropolis Health Services Middle East LLC, Dubai**        | -             | 598.54        |  |
| <b>Other related parties</b>                                    |               |               |  |
| Metropolis Health Products Retail Private Limited               | 41.05         | 41.05         |  |
| <b>6) Provision for doubtful advances</b>                       |               |               |  |
| <b>Associates</b>   |               |               |  |
| Star Metropolis Health Services Middle East LLC, Dubai**        | -             | 12.00         |  |
| <b>Other related parties</b>                                    |               |               |  |
| Metropolis Health Products Retail Private Limited               | 44.00         | 44.00         |  |
| <b>7) Other Receivable</b>                                      |               |               |  |
| Dr. Sushil Kanubhai Shah  | -             | 383.35        |  |

\* Other payable include payable to Dr. Sushil Shah on account of refund of additional filing fee received from SEBI

\*\* Star Metropolis Health Services Middle East LLC, Dubai is no longer associate. [refer note 54]

## NOTES TO CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2020 (Contd.)

### 43. DETAILS OF SUBSIDIARIES, JOINT VENTURES AND ASSOCIATES

- (a) The list of subsidiary companies included in the consolidated financial statements are as under;

(₹ in Lakhs)

| Name of the subsidiary  | Country of incorporation | Proportion of ownership interest |                     |
|---|--------------------------|----------------------------------|---------------------|
|   |                          | As at 31 March 2020              | As at 31 March 2019 |
| Sudharma Metropolis Health Services Private Limited             | India                    | 100.00%                          | 100.00%             |
| Bokil Golwilkar Metropolis Healthcare Private Limited           | India                    | 100.00%                          | 100.00%             |
| Raj Metropolis Healthcare Private Limited                       | India                    | 51.00%                           | 51.00%              |
| Desai Metropolis Health Services Private Limited                | India                    | 100.00%                          | 100.00%             |
| R.V. Metropolis Diagnostics & Healthcare Centre Private Limited | India                    | 100.00%                          | 100.00%             |
| Micron Metropolis Healthcare Private Limited                    | India                    | 100.00%                          | 100.00%             |
| Dr. Patel Metropolis Healthcare Private Limited                 | India                    | 100.00%                          | 100.00%             |
| Lab One Metropolis Healthcare Services Private Limited          | India                    | 100.00%                          | 100.00%             |
| Amins Pathology Laboratory Private Limited                      | India                    | 100.00%                          | 100.00%             |
| Ekopath Metropolis Lab Services Private Limited                 | India                    | 60.00%                           | 60.00%              |
| Metropolis Healthcare (Mauritius) Limited                       | Mauritius                | 100.00%                          | 100.00%             |
| Metropolis Star Lab Kenya Limited                               | Kenya                    | 100.00%                          | 100.00%             |
| Metropolis Healthcare Ghana Limited                             | Ghana                    | 100.00%                          | 100.00%             |
| Metropolis Healthcare Lanka Private Limited                     | Sri Lanka                | 100.00%                          | 100.00%             |
| Metropolis Healthcare Tanzania Limited                          | Tanzania                 | 100.00%                          | 100.00%             |
| Metropolis Bramser Lab Services (Mtius) Limited                 | Mauritius                | 100.00%                          | 100.00%             |

- (b) The list of Joint ventures companies included in the consolidated financial statements are as under;

(₹ in Lakhs)

| Name of Joint ventures                                 | Country of incorporation | Proportion of ownership interest |                     |
|--|--------------------------|----------------------------------|---------------------|
|  |                          | As at 31 March 2020              | As at 31 March 2019 |
| 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;

(₹ in Lakhs)

| Name of Associates   | Country of incorporation | Proportion of ownership interest |                     |
|--|--------------------------|----------------------------------|---------------------|
|  |                          | As at 31 March 2020              | As at 31 March 2019 |
| Star Metropolis Health Services Middle East LLC <sup>^</sup> | United Arab Emirates     | 34.00%                           | 34.00%              |

<sup>^</sup> Associate is not accounted in the consolidated financial statements- Refer Note 54

#### 44. BUSINESS COMBINATIONS

##### 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 ₹ 238.6 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 ₹ 2356.70 Lakhs, out of which ₹ 1460.88 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 ₹ 1698.37 Lakhs. The group consequently recognised a decrease in NCI of ₹ 312.5 Lakhs. The decrease of ₹ 2044.20 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) Sudharma Metropolis Health Services Private Limited

On 6th September 2018, Group acquired additional 10 percent in Sudharma Metropolis Health Services Private Limited for total consideration of ₹ 1320 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 ₹ 3769.40 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)          |

##### (iv) 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 ₹ 2016.70 Lakhs, out of which ₹ 1192.10 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 ₹ 1760.5 Lakhs. The group consequently recognised a decrease in NCI of ₹ 409.50 Lakhs. The decrease of ₹ 1607.20 Lakhs represents a decrease in retained earnings.

## NOTES TO CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2020 (Contd.)

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)        |

### (v) Dr. Patel Metropolis Healthcare Private Limited

On 6 September 2018, Group acquired additional 30 percent in Dr. Patel Metropolis Healthcare Private Limited for ₹ 849.30 Lakhs in cash, increasing its ownership from 70 percent to 100 percent.

As per share purchase agreement, upon payment of initial consideration of ₹ 768.90 Lakhs, an amount of ₹ 100 Lakhs is to be paid by Metropolis Healthcare Limited in 2 tranches (₹ 80 Lakhs to be paid on 14 September 2021 and remaining ₹ 20 Lakhs to be paid on 14 September 2023).

The deferred consideration of ₹ 100 Lakhs has been measured at fair value (₹ 80.40 Lakhs) on initial recognition and the difference of ₹ 19.60 Lakhs will be recognised as finance cost on EIR basis over the payment tenure. During year ended 31 March 2020 ₹ 5.54 Lakhs (31 March 2019 ₹ 2.92 Lakhs) charged to statement of profit and loss (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)          |

### (vi) 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 ₹ 1073.50 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)          |

### (vii) Bokil Golwilkar Metropolis Healthcare Private Limited

On 11 February 2019, Group acquired additional 24 percent in Bokil Golwilkar Metropolis Healthcare Private Limited for ₹ 192 Lakhs in cash, increasing its ownership from 76 percent to 100 percent.

As per share purchase agreement, upon payment of initial consideration of ₹ 132 Lakhs, an amount of ₹ 60 Lakhs is to be paid by Metropolis Healthcare Limited in 2 tranches (₹ 40 Lakhs to be paid on August 10, 2019 on fulfilment of agreed upon conditions and remaining ₹ 20 Lakhs to be paid on February 10, 2022).

## NOTES TO CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2020 (Contd.)

The deferred consideration of ₹ 60 Lakhs has been measured at fair value (₹ 55.22 Lakhs) on initial recognition and the difference of ₹ 4.78 Lakhs will be recognised as finance cost on EIR basis over the payment tenure. During year ended 31 March 2020 ₹ 2.15 Lakhs (31 March 2019 ₹ 0.33 Lakhs) charged to statement of profit and loss (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)           |

### (viii) Acquisition 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 measured at fair value (₹ 2,100.96 Lakhs) on initial recognition and the difference of ₹ 199.04 Lakhs (31 March 2019 : ₹ 199.04 Lakhs) will be recognise as finance cost on EIR basis over the payment tenure; During year ended 31 March 2020 ₹ 16.44 Lakhs (31 March 2019 ₹ 36.88 Lakhs) charged to statement of profit and loss (refer note 34).

### (ix) Acquisition of four laboratories by Desai Metropolis health Services Private Limited

During the year, Desai Metropolis health Services Private Limited a subsidiary of the Company has entered into a business purchase agreement to acquire Four Laboratories (Yash Lab, Nagar lab, Doctor Lab and Iyer Lab) located at Surat for an initial purchase consideration of ₹ 1,800.00 Lakhs. The amount of ₹ 1,800.00 Lakhs is to be paid by the Desai Metropolis health Services Private Limited to the owners of these laboratories in 3 tranches starting from September 2019 to September 2021.

| Particulars                    | Amount ₹ in Lakhs |
|--------------------------------|-------------------|
| Property, Plant and Equipments | 48.50             |
| Cash and Bank                  | 0.27              |
| Goodwill                       | 1,173.90          |
| Brand                          | 285.51            |
| Customer Rights                | 210.04            |
| <b>Total</b>                   | <b>1,718.22</b>   |

The deferred consideration of ₹ 1,800.00 Lakhs has been measured at fair value (₹1,690.72 Lakhs) on initial recognition and the difference of ₹ 109.28 Lakhs will be recognise as finance cost on EIR basis over the payment tenure; During year ended 31 March 2020 ₹ 35.38 Lakhs charged to statement of profit and loss.

## NOTES TO CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2020 (Contd.)

### 45. NON CONTROLLING INTERESTS

Below is the partly owned subsidiary of the Company and the share of the non-controlling interests.

| (₹ in Lakhs)                                    |                          |                     |                     |
|---|--------------------------|---------------------|---------------------|
| Name  | Country of Incorporation | As at 31 March 2020 | As at 31 March 2019 |
| Raj Metropolis Healthcare Private Limited       | India                    | 49.00%              | 49.00%              |
| Ekopath Metropolis Lab Services Private Limited | India                    | 40.00%              | 40.00%              |

The principal place of business of the entity listed above is the same as their respective country of incorporation.

None of the above non-wholly owned subsidiary is material to the Group. Therefore, financial information about these non-wholly owned subsidiaries are not disclosed separately

### 46. EQUITY ACCOUNTED INVESTEEES

| (₹ in Lakhs)  |                          |                                  |                     |
|---|--------------------------|----------------------------------|---------------------|
| Name  | Country of incorporation | Proportion of ownership interest |                     |
|   |                          | As at 31 March 2020              | As at 31 March 2019 |
| Metropolis Histoexpert Digital Services Private Limited*                                      | India                    | -                                | 51.98               |
| 1,950,000 (31 March 2019: 1,950,000) Equity shares of Face value of ₹ 10 each (Fully paid up) |                          |                                  |                     |
| <b>Investment in Associates</b>   |                          |                                  |                     |
| Star Metropolis Health Services Middle East LLC ^   | United Arab Emirates     | -                                | -                   |
| 1,020 (31 March 2019: 1,020) Equity shares of AED of 1,000 each (Fully Paid up)               |                          |                                  |                     |
|   |                          | -                                | 51.98               |

^ The value of investment in associate Star Metropolis Health Services Middle East LLC is ₹ 129.85 Lakhs (31 March 2019: ₹ 129.85 Lakhs ). The same has been fully provided. Please refer note 54.

\* The value of investment in Joint venture Metropolis Histoexpert Digital Services Private Limited adjusted with profit or Loss to the extent of investment value.

#### Investment in Joint Ventures

##### a) Metropolis Histoexpert Digital Services Private Limited

During the year ended 31 March 2018, the Group has acquired 65% interest in Metropolis Histoexpert Digital Services Private Limited, a Joint Venture involved in providing pathology services in India. The Group's interest in the entity is accounted for using the equity method in the consolidated financial statements. Summarised financial information of the joint venture and reconciliation with the carrying amount of the investment in consolidated financial statements are set out below:

| (₹ in Lakhs)  |                     |                     |
|---|---------------------|---------------------|
|   | As at 31 March 2020 | As at 31 March 2019 |
| Percentage ownership interests  | 65%                 | 65%                 |
| Non-current assets  | 4.79                | 4.30                |
| Current assets (including cash and cash equivalents 31 March 2019: ₹ 101.57 Lakhs)  | 29.92               | 109.06              |
| Current liabilities (Current financial liabilities other than trade payables and other financial liabilities and provisions - 31 March 2019: ₹ 33.38 Lakhs) | 41.22               | 33.38               |
| <b>Net Assets</b>   | <b>(6.51)</b>       | <b>79.97</b>        |
| <b>Group's share of net assets (65%)</b>  | <b>(4.23)</b>       | <b>51.98</b>        |
| Carrying value of interest in Joint Ventures  | -                   | 51.98               |

**NOTES TO CONSOLIDATED FINANCIAL STATEMENTS  
FOR THE YEAR ENDED 31 MARCH 2020 (Contd.)**

|  | (₹ in Lakhs)                                |   |
|--|---|---|
|  | <b>For the year ended<br/>31 March 2020</b> | <b>For the year ended<br/>31 March 2019</b> |
| Percentage ownership interests                         | 65%   | 65%   |
| Revenue  | 41.63                                       | 17.44                                       |
| Depreciation and amortisation                          | 0.94  | 0.66  |
| Interest expense                                       | -   | -   |
| Income tax expense                                     | -   | -   |
| Profit/(Loss)  | (86.48)                                     | (220.03)                                    |
| Other comprehensive income                             | -   | -   |
| Total comprehensive income                             | (86.48)                                     | (220.03)                                    |
| Group share of profits (65%)                           | (56.21)                                     | (143.02)                                    |
| Group share of OCI (65%)                               | -   | -   |
| <b>Group share of total comprehensive income (65%)</b> | <b>(56.21)</b>                              | <b>(143.02)</b>                             |

**47. CONTINGENT LIABILITIES NOT PROVIDED FOR**

|   | (₹ in Lakhs)         |                      |
|---|----------------------|----------------------|
|   | <b>31 March 2020</b> | <b>31 March 2019</b> |
| Income tax liability disputed in appeals                                  | 139.90               | 139.90               |
| Due to others   | 394.33               | 232.36               |
| Claims against the Group not acknowledged as debt :                       |                      |                      |
| - Claims by suppliers/contractors /others                                 | 265.70               | 138.37               |
| - Claims pending in Consumer Dispute Redressal Forum                      | 171.81               | 40.60                |
| Contingent consideration on acquisition of remaining stake of subsidiary* | 759.38               | 759.38               |
|   | <b>1,731.11</b>      | <b>1,310.61</b>      |

\*The Holding Company has entered into a share purchase agreement to buy remaining 30% stake of Golwilkar Metropolis Health Services (India) Private Limited. For purchase of remaining stake, consideration to be paid as per valuation of Golwilkar has been determined to be ₹ 3037.51 Lakhs. However, on account of a breach of non-compete provision as per the terms of the shareholder's agreement dated October 14, 2005, the Holding Company has filed an application before a sole arbitrator- Justice A.V. Nirgude (Retired) at Mumbai against Dr. Ajit S. Golwilkar, Dr. Awanti T. Mehendale and Dr. Vinanti N. Patankar ("Respondents"), claiming 25% of consideration determined i.e. ₹ 759.38 Lakhs as damages. The matter is currently pending before the arbitrator.

## NOTES TO CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2020 (Contd.)

### 48. COMMITMENTS

(₹ in Lakhs)

|  | 31 March 2020 | 31 March 2019 |
|--|---------------|---------------|
| <b>Capital commitments:</b>  |               |               |
| Estimated amount of contracts remaining to be executed on capital account not provided for | 1,362.68      | 953.40        |

#### 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 ₹ 48,140.09 Lakhs (31 March 2019: ₹ 42,855.62 Lakhs) of which annual commitment for next year is ₹ 13,165.08 Lakhs (31 March 2019: ₹ 15,694.49 Lakhs) as per the terms of these arrangements.

### 49. AUDITORS' REMUNERATION\*

(₹ in Lakhs)

|  | 31 March 2020 | 31 March 2019 |
|--|---------------|---------------|
| Audit fees   | 99.52         | 95.36         |
| Limited Review Fees  | 28.00         | -             |
| Certification Fees   | 3.00          | 3.00          |
| Others (including reimbursement of out of pocket expenses) | 2.85          | 10.30         |
| <b>Total</b>   | <b>133.37</b> | <b>108.66</b> |

\*In addition to above 31 March 2020 : Nil (31 March 2019: ₹ 206.57 Lakhs) was paid to auditors in relation to services of Initial Public Offer (IPO) which has been borne by the selling shareholders of the Company.

### 50.

#### (a) Reconciliation of revenue from contracts with customers

(₹ in Lakhs)

|   | 31 March 2020    | 31 March 2019    |
|---|------------------|------------------|
| Revenue from contract with customer as per the contract price | 84,443.17        | 75,197.89        |
| Adjustments made to contract price on account of :-           |                  |                  |
| Discount / Rebates  | 1,141.66         | 807.70           |
| <b>Revenue from contract with customer</b>                    | <b>85,584.83</b> | <b>76,005.59</b> |
| Other operating revenue                                       | 55.71            | 112.59           |
| <b>Revenue from operations</b>                                | <b>85,640.54</b> | <b>76,118.18</b> |

#### (b) Disclosure As Per Ind AS 115 - Revenue From Contracts With Customers

(₹ in Lakhs)

|   | 31 March 2020 | 31 March 2019 |
|---|---------------|---------------|
| Contract asset- unbilled revenue              | -             | -             |
| Contract liabilities - Advance from Customers |               |               |
| Opening Balance                               | 379.52        | 275.18        |
| Movement during the year                      | (13.30)       | 104.34        |
| <b>Closing Balance</b>                        | <b>366.22</b> | <b>379.52</b> |

## NOTES TO CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2020 (Contd.)

### 51. EMPLOYEE BENEFITS

#### (a) Defined benefits plan

The Group has gratuity as defined benefit retirement plan for its employees. Disclosures as required by Ind AS 19 are as under:

|   | (₹ in Lakhs)   |                        |
|---|--|------------------------|
|   | As at<br>31 March 2020   | As at<br>31 March 2019 |
| <b>A. Amount recognised in the balance sheet</b>                |  |                        |
| Present value of the obligation as at the end of the year       | 1,247.88   | 882.56                 |
| Fair value of plan assets as at the end of the year             | (105.85)   | (111.49)               |
| <b>Net liability recognised in the balance sheet</b>            | <b>1,142.03</b>  | <b>771.07</b>          |
| <b>Out of which,</b>  |  |                        |
| Non-current portion   | 541.40   | 316.08                 |
| Current portion   | 600.63   | 454.99                 |
| <b>B. Change in projected benefit obligation</b>                |  |                        |
| Projected benefit obligation at the beginning of the year       | 882.56   | 889.28                 |
| Current service cost  | 109.23   | 111.51                 |
| Interest cost   | 66.09  | 62.84                  |
| Actuarial loss/(gain)   | 74.75  | (75.34)                |
| Benefits paid   | 177.63   | (101.75)               |
| Liability transferred out                                       | (62.38)  | (3.98)                 |
| <b>Projected benefit obligation at the end of the year</b>      | <b>1,247.88</b>  | <b>882.56</b>          |
| <b>C. Change in plan assets</b>                                 |  |                        |
| Fair value of plan assets at the beginning of the year          | 111.49   | 149.55                 |
| Interest income   | 8.34   | 9.76                   |
| Return on plan assets (excluding Interest income)               | (1.79)   | (0.84)                 |
| Employer contributions  | -  | 12.86                  |
| Benefits paid   | (12.19)  | (59.84)                |
| <b>Fair value of plan assets at the end of the year</b>         | <b>105.85</b>  | <b>111.49</b>          |
| <b>D. Amount recognised in the statement of profit and loss</b> |  |                        |
| Current service cost  | 109.23   | 111.51                 |
| Interest cost   | 57.75  | 53.09                  |
| <b>Expenses recognised in the statement of profit and loss</b>  | <b>166.98</b>  | <b>164.60</b>          |
| <b>E. Amount recognised in other comprehensive income</b>       |  |                        |
| Actuarial loss/(gain) on Defined benefit obligation             | 276.23   | (75.34)                |
| Return on plan assets (excluding Interest income)               | 1.79   | 0.84                   |
|   | <b>278.02</b>  | <b>(74.50)</b>         |
| <b>F. Plan Assets include Insurance Funds</b>                   |  |                        |
| <b>G. Assumptions used</b>                                      |  |                        |
| Discount rate   | 5.21%-6.59%  | 6.96%-7.64%            |
| Long-term rate of compensation increase                         | 4.50%-5.50% p.a.<br>for the next 3 years,<br>7.00%-7.50% p.a.<br>thereafter, starting<br>from the 4th year | 7.00%                  |

## NOTES TO CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2020 (Contd.)

(₹ in Lakhs)

|                               | As at<br>31 March 2020                      | As at<br>31 March 2019   |
|-------------------------------|---|--|
| Rate of return on plan assets | 5.21%-6.43%                                 | 6.96%-7.64%  |
| Attrition rate                | 11%-36%                                     | For service 4 years<br>and below 35.00%<br>p.a. For service 5<br>years and above<br>4.00% p. |
| Mortality Rate                | Indian Assured Lives<br>Mortality (2006-08) | Indian Assured Lives<br>Mortality (2006-08)  |

The weighted average duration of the defined benefit obligation is 4 years (31 March 2019 :12 years) for all year presented above.

### H. Sensitivity analysis

Reasonably possible changes at the reporting date to one of the relevant actuarial assumptions, holding other assumptions constant, would have affected the defined benefit obligation by the amounts shown below.

|                                    | 31 March 2020 |          | 31 March 2019 |          |
|------------------------------------|---------------|----------|---------------|----------|
|                                    | Increase      | Decrease | Increase      | Decrease |
| Discount rate (1% movement)        | (35.22)       | 38.09    | (79.65)       | 94.02    |
| Future salary growth (1% movement) | 36.69         | (34.17)  | 90.63         | (78.65)  |
| Employee Turnover (1% movement)    | (6.01)        | 6.24     | 1.31          | 0.55     |

### I. Expected future cash flows

(₹ in Lakhs)

| Particulars                            | Less than<br>a year | Between<br>1-2 years | Between<br>2-5 years | Over 5<br>years | Total    |
|--|---------------------|----------------------|----------------------|-----------------|----------|
| <b>31 March 2020</b>                   |                     |                      |                      |                 |          |
| Defined benefit obligations (Gratuity) | 332.04              | 232.59               | 471.14               | 502.43          | 1,538.19 |
| <b>Total</b>                           | 332.04              | 232.59               | 471.14               | 502.43          | 1,538.19 |

(₹ in Lakhs)

| Particulars                            | Less than<br>a year | Between<br>1-2 years | Between<br>2-5 years | Over 5<br>years | Total    |
|--|---------------------|----------------------|----------------------|-----------------|----------|
| <b>31 March 2019</b>                   |                     |                      |                      |                 |          |
| Defined benefit obligations (Gratuity) | 76.95               | 63.20                | 160.51               | 1,981.37        | 2,282.03 |
| <b>Total</b>                           | 76.95               | 63.20                | 160.51               | 1,981.37        | 2,282.03 |

### (b) Defined contribution plan

The Group entities domiciled in India contributes towards statutory provident fund as per the Employees Provident Funds and Miscellaneous Provisions Act, 1952 and towards employee state insurance as per the Employees' State Insurance Act, 1948. Entities of the Group domiciled outside India also contributes to social security schemes as per the relevant regulations of the country for the welfare of the employees. These are defined contribution plans as per Ind AS - 19. The amount of contribution to provident fund and Employee State Insurance Scheme recognised as expenses during the year 31 March 2020: ₹ 849.38 Lakhs (31 March 2019: ₹ 818.18 Lakhs).

### (c) Employee Stock Option Schemes

#### Description of share-based payment arrangements:

As at 31 March 2020 and 31 March 2019 Company had following share-based payment arrangements:

## NOTES TO CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2020 (Contd.)

### 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 01 January, 2016.) shall vest at the rate of 50% of Grant on completion of 2 years from date of joining, 25% of Grant on completion of 3 years from date of joining and 25% of Grant on completion of 4 years from date of joining.
- No additional options to be granted to stock options under MESOS 2015 as per the resolution dated 24 September 2018, passed by the Nomination & Remuneration Committee .

| Grant date / employees entitled                                      | Number of instruments | Vesting conditions   | Contractual life of options  |
|--|-----------------------|--|--|
| MESOS 2007 - Option granted to eligible employees on 1 October 2007  | 1,27,315              | For the Options to vest, the Grantee has to be in employment of the Metropolis Group on the date of the vesting. | The exercise period for Options vested will be two years from date of vesting subject to shares of the company are listed at the time of exercise.<br><br>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<br>(a) Listing of Company shares on an Indian Stock Exchange or<br>(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<br>(a) Listing of Company shares on an Indian Stock Exchange or<br>(b) during the exercise window to be specified individually by Nomination and Remuneration Committee of the Company.  |

## NOTES TO CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2020 (Contd.)

### Reconciliation of Outstanding share options

The number and weighted-average exercise price of share options under the share share option plans are as follows:

#### MESOS 2007

|   | 31 March 2020                   |                   | 31 March 2019                   |                   |
|---|---------------------------------|-------------------|---------------------------------|-------------------|
|   | Weighted average exercise price | Number of Options | Weighted average exercise price | Number of options |
| Outstanding at the beginning of the year              | 100                             | -                 | 100                             | 42,675            |
| Granted during the year                               | 100                             | -                 | 100                             | -                 |
| Exercised during the year (pre bonus and split issue) | 100                             | -                 | 100                             | (32,800)          |
| Lapsed/ forfeited /buy back                           | 100                             | -                 | 100                             | (9,875)           |
| Outstanding at the end of the year                    | 100                             | -                 | 100                             | -                 |
| Exercisable at the end of the year                    | 100                             | -                 | 100                             | -                 |

#### MESOS 2015

|  | 31 March 2020                   |                   | 31 March 2019                   |                   |
|--|---------------------------------|-------------------|---------------------------------|-------------------|
|  | Weighted average exercise price | Number of Options | Weighted average exercise price | Number of options |
| Outstanding at the beginning of the year | 705.77                          | 10,80,400         | 3670*                           | 2,07,770          |
| Granted during the year                  | -                               | -                 | -                               | -                 |
| Granted due to bonus issue               | -                               | -                 | 705.77                          | 8,310             |
| Granted due to split of shares           | -                               | -                 | 705.77                          | 8,64,320          |
| Exercised during the year                | 705.77                          | 4,51,886          | -                               | -                 |
| Lapsed/ forfeited /surrendered           | -                               | 68,199            | -                               | -                 |
| Outstanding at the end of the year       | 705.77                          | 5,60,315          | 705.77                          | 10,80,400         |
| Exercisable at the end of the year       | -                               | -                 | 705.77                          | -                 |

\* on account of split & bonus with conversion factor of 5.2

The options outstanding at 31 March 2020 have an exercise price of ₹ 705.77 (31 March 2019 have an exercise price of ₹ 705.77) and a weighted average remaining contractual life of 6 months to 2 years (31 March 2019: 6 months to 2 years)

The expense arising from MESOS 2015 scheme during the year is ₹ 72.38 Lakhs (31 March 2019 ₹ 88.44 Lakhs);

### 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:

(₹ in Lakhs)

| Grant date  | MESOS 2015      |               | Description of inputs used   |
|---|-----------------|---------------|--|
|   | 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 |

**NOTES TO CONSOLIDATED FINANCIAL STATEMENTS  
FOR THE YEAR ENDED 31 MARCH 2020 (Contd.)**

(₹ in Lakhs)

| Grant date   | MESOS 2015      |               | Description of inputs used  |
|--|-----------------|---------------|---|
|  | 16 October 2017 | 25 April 2016 |   |
| 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. |

| Particulars  | Number of Options | Amount (₹ Lakhs) |
|--|-------------------|------------------|
| Securities Premium (Exercise price (705.77) less Face value per share (2)) | 4,51,886          | 3,180.23         |
| General Reserve (Fair Value - 142.8 per Option)*                           | 4,51,886          | 124.10           |
| Equity Shares (Face value ₹ 2 per share)                                   | 4,51,886          | 9.03             |

\* Fair value of the option has been adjusted post effect of bonus and share split

**52. SEGMENT REPORTING**
**a. Basis for segmentation**

The operations of the Group are limited to one segment viz. Pathology service. The services being provided under this segment are of similar nature and comprises of pathology and related healthcare services only.

The Group's Chief Operating Decision Maker (CODM) reviews the internal management reports prepared based on an aggregation of financial information for all entities in the Group (adjusted for intercompany eliminations, adjustments etc.) on a periodic basis.

**b. Geographic information**

The geographic information analyses the Group's revenues and non-current assets by the Company's country of domicile and other countries. In presenting geographic information, segment revenue has been based on the selling location in relation to sales to customers and segment assets are based on geographical location of assets.

(₹ in Lakhs)

|  | 31 March 2020 | 31 March 2019 |
|--|---------------|---------------|
| <b>Revenue from external customers</b> |               |               |
| India                                  | 80,696.12     | 71,167.53     |
| Outside India                          | 4,856.65      | 4,838.06      |

(₹ in Lakhs)

|  | 31 March 2020 | 31 March 2019 |
|--|---------------|---------------|
| <b>Non-current assets (other than financial instruments and deferred tax assets)</b> |               |               |
| India  | 31,331.28     | 21,964.75     |
| Outside India  | 834.54        | 845.50        |

**c. Major customers**

Revenue contributed by any single customer, does not exceed ten percent of the Group's total revenue.

## NOTES TO CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2020 (Contd.)

### 53. CORPORATE SOCIAL RESPONSIBILITY (CSR)

The Group has spent during the year ended 31 March 2020: ₹ 76.97 Lakhs, year ended 31 March 2019: ₹ 79.45 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 31 March 2020: ₹ 298.86 Lakhs (31 March 2019: ₹ 293.79 Lakhs)
- b) Amount spent during the year on;

(₹ in Lakhs)

| Particulars                             | 31 March 2020 |                        |       |
|---|---------------|------------------------|-------|
|   | In Cash       | Yet to be paid in Cash | Total |
| Construction / acquisition of any asset | -             | -                      | -     |
| On purposes other than (i) above        | 76.97         | -                      | 76.97 |

(₹ in Lakhs)

| Particulars                             | 31 March 2019 |                        |       |
|---|---------------|------------------------|-------|
|   | In Cash       | Yet to be paid in Cash | Total |
| Construction / acquisition of any asset | -             | -                      | -     |
| On purposes other than (i) above        | 79.45         | -                      | 79.45 |

- c) During the previous year ended 31 March 2019, the Company has filed necessary application under section 441 with the relevant regulatory authorities for compounding the non - compliance committed under section 134(3)(o) read with section 135 of the Companies Act, 2013 in respect of disclosure regarding corporate social responsibility in the report of Board of Directors for the year ended on 31 March, 2015.

As at balance sheet date, the Company is awaiting response from the relevant regulatory authorities for the application filed under section 441 of the Companies Act, 2013, for compounding of the non - compliance committed under section 134(3)(o) read with section 135 of the Companies Act, 2013 in respect of disclosure regarding corporate social responsibility in the Boards' Report for the year ended on March 13, 2015. However, the management has provided the amount of potential penalty in the books of accounts and believes that the additional penalty, if any, that may arise due to the default would not be material.

### 54. INVESTMENT AND RECEIVABLE FROM STAR METROPOLIS HEALTH SERVICES MIDDLE EAST LLC

As at 31 March 2020, the Company has an investment of ₹ 129.85 Lakhs (31 March 2019 ₹ 129.85 Lakhs) and receivable of ₹ 640.88 Lakhs (31 March 2019 ₹ 640.88 Lakhs) from Star Metropolis Health Services Middle East LLC ('Star Metropolis'). Since the information has not been forthcoming for many years, Management has decided to discontinued to recognize the said entity as an associate from the current year and has filed an application to Reserve Bank of India (RBI) through Authorised Dealer Bank seeking permission to write off the above investment and receivable.

### 55. 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, ₹ 0.20 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.

## NOTES TO CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2020 (Contd.)

Since, as on 31 March 2016, the warrants are convertible into variable number of shares at a predetermined fixed price at the time of warrant exercise event, such warrants will meet the definition of liability as per Ind AS 32. Accordingly, the Company has classified money received on issue as liability as on 31 March 2016.

As per the terms as on 1 April 2016, such warrant shall upon occurrence of a Warrant Exercise Event and payment of Warrant Exercise Price of ₹ 2,579/- is convertible into 8,703 equity shares of face value of ₹ 10.

Since, the warrants are converted into fixed number of shares at a predetermined fixed price at the time of warrant exercise event, such warrants will meet the definition of an equity instrument as per Ind AS 32. Accordingly, the Company has classified money received on issue as Equity as on 1 April 2016.

During the previous year ended 31 March 2019, such Share warrants were exercised at an exercise price of ₹ 2,579/- per share. The Company has been received ₹ 224.45 Lakhs, of which ₹ 0.87 Lakhs has been recognised in Equity and ₹ 223.58 Lakhs has been recognised under Share premium.

### 56. 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 2019. Management continues to believe that its international transactions post 31 March 2019 and the specified domestic transactions are at arm's length and that the transfer pricing legislation will not have any impact on these financial statements, particularly on amount of tax expense and that of provision of taxation.

### 57. AMALGAMATION

Pursuant to the Scheme of Amalgamation (the Scheme) sanctioned by the Hon'ble National Company Law Tribunal (NCLT) vide its order dated August 31 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 April 1, 2018 (the appointed date). The said Scheme was sanctioned by the Hon'ble NCLT, Mumbai Bench vide its order dated August 31, 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 April 1, 2018.
- b) Bacchus holds 2,657,730 fully paid up equity shares of INR 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 INR 10 each of the Company has been issued and allotted, credited as fully paid up, for every 10,00,000 equity shares of INR 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.

### 58. SHAREHOLDING IN THE SUBSIDIARY COMPANY :

Metropolis Healthcare Lanka Private Limited (Metropolis Lanka) has bought back 250,000 ordinary shares held by Nawaloka Hospitals PLC ("Nawaloka") in Metropolis Lanka pursuant to memorandum of understanding (MOU) dated 31 March 2017. As per the MOU, the buy-back consideration payable by Metropolis Lanka was adjusted against certain receivables payable by Nawaloka to Metropolis Lanka. As at 31 March 2020, Metropolis Lanka has not filed relevant forms with Registrar of the Company in respect of share transfer. Currently, the shareholding records in the books of Metropolis Lanka assumes that the buy-back has been effectuated as per the MOU and Metropolis Healthcare Limited is reflected as 100% owner of Metropolis Lanka.

## NOTES TO CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2020 (Contd.)

### 59. IMPACT OF THE COVID-19 PANDEMIC, SCHEDULE, IF ANY, FOR RESTARTING THE OPERATIONS AND STEPS TAKEN TO ENSURE SMOOTH FUNCTIONING OF OPERATIONS:

**Operations :** The Company were operating at sub optimal levels following Government directives on lockdown in March 2020. While most of the economic activity were at halt during the lockdown period, the healthcare sector continued operations under the Essentials Commodities Act. Accordingly, the Company continued to service customers across channels.

As permissions on resumption and relaxations in the lockdown guidance came from mid-April 2020 onwards, the Company witnessed an uptick in demand from customers across various segments.

The Company has undertaken safety measures across our labs and collection centre and are following increased protocols to ensure our people are safe and secure. The Company has gradually been ramping up capacities across our laboratories, collection centre and geographies, on a daily basis.

The Company were the First Pvt lab in the country to start testing for Covid-19 in end March 2020. With the best TAT, continuous medical engagement with doctors and government authorities, strong branding and customer equity, the Company were successful in churning out Covid-19 tests. Initially the testing lab was set up at our Global Reference Lab in Mumbai however as volumes increased the Company set up Covid-19 facility at Thane and subsequently at Chennai, Bengaluru, Pune and Delhi.

**Customers:** Due to lockdown situation in India, the Company had reduced samples across B2B & B2C channels in March which continued till Mid-April 2020. In end April, full resumption of operations has started which has gradually increased in May 2020 and the movement of samples and customer walk-ins are ramping up on a steady state basis.

**Financial resources, profitability and liquidity position:** The Company has comfortable liquidity position being a net cash company with zero debt. There may be some impact on receivable cycle from B2B business, however, the Company foresees no major risk on receivables. Company's B2C business doesn't carry risk of recovery of assets since large part of the business is on cash and carry model.

**Estimation of the future impact of COVID-19 on its operations:** The Company believe there will be impact in revenue and profitability for Q1FY21 as operations were partially operating in April 2020 and were gradually ramping up in May 2020.

Last 15 days of March 2020 witnessed sharp revenue degrowth of 40-50% on YoY basis. In April 2020, the Company achieved approximately 40% of the revenue clocked in April 2019. With improving logistics, improving engagement with doctors and Covid-19 testing scaling up, The Company has been able to achieve approximately 60-65% of May 2019 revenues in May 2020 (till 28th May 2020). The Company expect improvement to continue in June 2020 as well, as increase in specialized tests, Covid-19 testing and doctors clinic open up for getting access to routine samples.

Accordingly, April 2020 witnessed negative EBITDA followed by Breakeven EBITDA in May so far and expect to clock positive EBITDA in June 2020. The Company has also commenced operations at 50% of the network. Further the Company has initiated cost rationalization measures and have been successful in reducing fixed and semi-variable costs by more than 20%.

Considering that the situation is exceptional and is changing dynamically, the Company is not in a position to gauge with certainty, the future impact on its operations. However, the Company is confident about adapting to the changing business environment and respond suitably to fulfil the needs of its customers. With strong balance sheet having cash and cash equivalents in excess of ₹ 200,00 Lakhs, asset light business and leadership position in markets of our operations, The Company is well placed to tide over the current crisis and emerge stronger.

### 60. SUBSEQUENT EVENTS:

- On 16 January 2020, the Company has entered into a share purchase agreement to acquire 51% stake in Shraddha Diagnostic Centre (I) Private Limited (Shraddha Diagnostic) for an aggregate consideration of Rs 936.30 Lakhs to its strengthen the presence in the state of Gujarat. Subsequent to the balance sheet date the transaction pending to consummated
- Impact due to Covid-19 in the FS and company operation (Refer note 59 )

## NOTES TO CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2020 (Contd.)

### 61. 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 2020             |                    | As at 31 March 2019             |                    |
|---|---------------------------------|--------------------|---------------------------------|--------------------|
|   | As % of Consolidated net assets | Net Assets         | As % of Consolidated net assets | Net Assets         |
| <b>Holding Company</b>  |                                 |                    |                                 |                    |
| Metropolis Healthcare Limited                                   | 98.25%                          | 51,433.46          | 99.25%                          | 41,540.41          |
| <b>Indian Subsidiaries</b>                                      |                                 |                    |                                 |                    |
| <b>Direct Subsidiaries</b>                                      |                                 |                    |                                 |                    |
| Sudharma Metropolis Health Services Private Limited             | 5.23%                           | 2,737.48           | 6.43%                           | 2,689.82           |
| Desai Metropolis Health Services Private Limited                | 4.61%                           | 2,413.45           | 5.27%                           | 2,204.92           |
| R.V. Metropolis Diagnostic & Health Care Center Private Limited | 3.96%                           | 2,071.60           | 5.03%                           | 2,105.57           |
| Micron Metropolis Healthcare Private Limited                    | 0.77%                           | 405.30             | 0.85%                           | 354.50             |
| Dr. Patel Metropolis Healthcare Private Limited                 | 2.04%                           | 1,067.30           | 2.26%                           | 947.44             |
| Amin's Pathology Laboratory Private Limited                     | 1.76%                           | 921.73             | 1.89%                           | 792.36             |
| Ekopath Metropolis Lab Services Private Limited                 | 0.52%                           | 273.19             | 0.52%                           | 218.52             |
| Lab One Metropolis Healthcare Services Private Limited          | 1.01%                           | 529.12             | 1.12%                           | 468.04             |
| <b>Indirect Subsidiaries</b>                                    |                                 |                    |                                 |                    |
| Bokil Golwilkar Metropolis Healthcare Private Limited           | 0.93%                           | 489.07             | 1.10%                           | 462.00             |
| Raj Metropolis Healthcare Private Limited                       | 0.18%                           | 96.25              | 0.23%                           | 94.50              |
| <b>Foreign Subsidiaries</b>                                     |                                 |                    |                                 |                    |
| Metropolis Bramser Lab Services (Mtius) Limited                 | 0.51%                           | 266.91             | 0.75%                           | 313.97             |
| Metropolis Healthcare Ghana Limited                             | -0.25%                          | (130.27)           | -0.17%                          | (72.86)            |
| Metropolis Healthcare (Mauritius) Limited                       | -0.88%                          | (462.43)           | -0.25%                          | (105.15)           |
| Metropolis Star Lab Kenya Limited                               | 2.37%                           | 1,240.39           | 1.72%                           | 721.24             |
| Metropolis Healthcare Lanka Private Limited                     | 0.05%                           | 25.67              | 0.17%                           | 71.09              |
| Metropolis Healthcare Tanzania Limited                          | 0.19%                           | 98.32              | 0.00%                           | -                  |
| <b>Joint Venture to the extent of shareholding</b>              |                                 |                    |                                 |                    |
| <b>Indian Joint Venture</b>                                     |                                 |                    |                                 |                    |
| Metropolis Histoexpert Digital Services Private Limited         | 0.00%                           | -                  | 0.12%                           | 51.98              |
| <b>Add/(Less): Adjustments</b>                                  | <b>-21.26%</b>                  | <b>(11,126.93)</b> | <b>-26.28%</b>                  | <b>(11,004.51)</b> |
| <b>Total</b>  | <b>100.00%</b>                  | <b>52,349.61</b>   | <b>100.00%</b>                  | <b>41,853.84</b>   |

# NOTES TO CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2020 (Contd.)

## Share in Profit or Loss

| Name of the Company   | 31 March 2020                                     |                   |                                     |          |                                     |           |   | 31 March 2019     |                                     |        |                                     |           |
|---|---|-------------------|-------------------------------------|----------|-------------------------------------|-----------|---|-------------------|-------------------------------------|--------|-------------------------------------|-----------|
|   | As % of<br>Consoli-<br>dated<br>profit or<br>loss | Profit/<br>(Loss) | As % of<br>Consoli-<br>dated<br>OCI | OCI      | As % of<br>Consoli-<br>dated<br>TCI | TCI       | As % of<br>Consoli-<br>dated<br>profit or<br>loss | Profit/<br>(Loss) | As % of<br>Consoli-<br>dated<br>OCI | OCI    | As % of<br>Consoli-<br>dated<br>TCI | TCI       |
| <b>Holding Company</b>  |   |                   |                                     |          |                                     |           |   |                   |                                     |        |                                     |           |
| Metropolis Healthcare Limited                                   | 89.54%  | 11,400.43         | 50.27%                              | (150.91) | 90.49%                              | 11,249.52 | 84.44%  | 10,145.70         | 24.20%                              | 33.43  | 83.76%                              | 10,179.13 |
| <b>Indian Subsidiaries</b>                                      |   |                   |                                     |          |                                     |           |   |                   |                                     |        |                                     |           |
| <b>Direct Subsidiaries</b>                                      |   |                   |                                     |          |                                     |           |   |                   |                                     |        |                                     |           |
| Sudharma Metropolis Health Services Private Limited             | 7.08%   | 901.59            | 11.98%                              | (35.97)  | 6.96%                               | 865.62    | 8.12%   | 975.28            | 6.75%                               | 9.33   | 8.10%                               | 984.61    |
| Desai Metropolis Health Services Private Limited                | 7.48%   | 951.87            | 3.22%                               | (9.68)   | 7.58%                               | 942.19    | 6.94%   | 833.43            | -1.14%                              | (1.58) | 6.84%                               | 831.86    |
| R.V. Metropolis Diagnostic & Health Care Center Private Limited | 4.57%   | 581.92            | 1.10%                               | (3.30)   | 4.65%                               | 578.62    | 4.67%   | 561.47            | 3.68%                               | 5.09   | 4.66%                               | 566.57    |
| Micron Metropolis Healthcare Private Limited                    | 1.40%   | 178.01            | 0.58%                               | (1.75)   | 1.42%                               | 176.26    | 1.48%   | 177.90            | 0.58%                               | 0.80   | 1.47%                               | 178.70    |
| Dr. Patel Metropolis Healthcare Private Limited                 | 3.51%   | 447.32            | 0.71%                               | (2.13)   | 3.58%                               | 445.19    | 3.35%   | 401.90            | 2.58%                               | 3.57   | 3.34%                               | 405.46    |
| Amin's Pathology Laboratory Private Limited                     | 1.05%   | 134.08            | 0.00%                               | -        | 1.08%                               | 134.08    | 1.41%   | 169.98            | 0.00%                               | -      | 1.40%                               | 169.98    |
| Ekopath Metropolis Lab Services Private Limited                 | 0.26%   | 32.76             | -0.02%                              | 0.07     | 0.26%                               | 32.83     | 0.75%   | 90.51             | -0.61%                              | (0.85) | 0.74%                               | 89.66     |
| Lab One Metropolis Healthcare Services Private Limited          | 1.30%   | 165.13            | 0.53%                               | (1.58)   | 1.32%                               | 163.55    | 1.78%   | 213.54            | -0.20%                              | (0.27) | 1.75%                               | 213.26    |
| <b>Indirect Subsidiaries</b>                                    |   |                   |                                     |          |                                     |           |   |                   |                                     |        |                                     |           |
| Bokil Golwilar Metropolis Healthcare Private Limited            | 1.08%   | 136.88            | 0.93%                               | (2.79)   | 1.08%                               | 134.09    | 0.94%   | 112.70            | 0.33%                               | 0.45   | 0.93%                               | 113.15    |
| Raj Metropolis Healthcare Private Limited                       | 0.01%   | 0.89              | 0.00%                               | -        | 0.01%                               | 0.89      | 0.21%   | 24.77             | 0.00%                               | -      | 0.20%                               | 24.77     |

**NOTES TO CONSOLIDATED FINANCIAL STATEMENTS  
FOR THE YEAR ENDED 31 MARCH 2020 (Contd.)**

| Name of the Company  | 31 March 2020                                     |                   |                                     |                 |                                     |                   | 31 March 2019                                     |                   |                                     |               |                                     |                   |
|--|---|-------------------|-------------------------------------|-----------------|-------------------------------------|-------------------|---|-------------------|-------------------------------------|---------------|-------------------------------------|-------------------|
|  | As % of<br>Consoli-<br>dated<br>profit or<br>loss | Profit/<br>(Loss) | As % of<br>Consoli-<br>dated<br>OCI | OCI             | As % of<br>Consoli-<br>dated<br>TCI | TCI               | As % of<br>Consoli-<br>dated<br>profit or<br>loss | Profit/<br>(Loss) | As % of<br>Consoli-<br>dated<br>OCI | OCI           | As % of<br>Consoli-<br>dated<br>TCI | TCI               |
| <b>Foreign Indirect Subsidiaries</b>   |   |                   |                                     |                 |                                     |                   |   |                   |                                     |               |                                     |                   |
| Metropolis Bramser Lab<br>Services (Mtius) Limited                           | -0.30%  | (38.06)           | 2.99%                               | (8.99)          | -0.38%                              | (47.05)           | 0.01%   | 0.62              | 15.87%                              | 21.93         | 0.19%                               | 22.54             |
| Metropolis Healthcare Ghana<br>Limited                                       | -0.56%  | (71.53)           | -4.70%                              | 14.12           | -0.46%                              | (57.41)           | -0.20%  | (23.52)           | -0.29%                              | (0.39)        | -0.20%                              | (23.92)           |
| Metropolis Healthcare<br>(Mauritius) Limited                                 | -2.01%  | (256.16)          | 31.16%                              | (93.54)         | -2.81%                              | (349.72)          | -0.35%  | (42.25)           | 37.41%                              | 51.68         | 0.08%                               | 9.43              |
| Metropolis Star Lab Kenya<br>Limited   | 3.80%   | 483.48            | -11.89%                             | 35.70           | 4.18%                               | 519.18            | 3.70%   | 444.05            | 12.49%                              | 17.25         | 3.80%                               | 461.31            |
| Metropolis Healthcare Lanka<br>Private Limited                               | -0.56%  | (71.02)           | -8.52%                              | 25.58           | -0.37%                              | (45.44)           | -1.80%  | (215.89)          | -0.82%                              | (1.14)        | -1.79%                              | (217.02)          |
| <b>Non-controlling interest<br/>in all non-wholly owned<br/>subsidiaries</b> | -0.18%  | (22.61)           | -0.11%                              | 0.33            | -0.18%                              | (22.28)           | -2.88%  | (346.49)          | -0.83%                              | (1.14)        | -2.86%                              | (347.64)          |
| <b>Joint Venture to the extent of<br/>shareholding</b>                       |   |                   |                                     |                 |                                     |                   |   |                   |                                     |               |                                     |                   |
| Indian Joint Venture   |   |                   |                                     |                 |                                     |                   |   |                   |                                     |               |                                     |                   |
| Metropolis Histoexpert Digital<br>Services Private Limited                   | -0.41%  | (51.98)           | 0.00%                               | -               | -0.42%                              | (51.98)           | -1.19%  | (143.02)          | 0.00%                               | -             | -1.18%                              | (143.02)          |
| <b>Add/(Less): Adjustments</b>   | <b>-17.05%</b>                                    | <b>(2,170.43)</b> | <b>21.77%</b>                       | <b>(65.34)</b>  | <b>-17.97%</b>                      | <b>(2,235.80)</b> | <b>-11.37%</b>                                    | <b>(1,365.88)</b> | <b>-0.02%</b>                       | <b>(0.01)</b> | <b>-11.24%</b>                      | <b>(1,365.89)</b> |
| <b>Total</b>   | <b>100.00%</b>                                    | <b>12,732.56</b>  | <b>100.00%</b>                      | <b>(300.18)</b> | <b>100.00%</b>                      | <b>12,432.37</b>  | <b>100.00%</b>                                    | <b>12,014.79</b>  | <b>100.00%</b>                      | <b>138.14</b> | <b>100.00%</b>                      | <b>12,152.93</b>  |

## NOTES TO CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2020 (Contd.)

- 62.** Consequent to the issuance of "Guidance Note on Division -II - Ind AS Schedule III to the Companies Act, 2013 certain items of the financial statements have been regrouped/reclassified.

As per our report of even date attached

For **B S R & Co. LLP**  
Chartered Accountants  
Firm Registration No: 101248W/W-100022

**Tarun Kinger**  
Partner  
Membership No: 105003

Place : Mumbai  
Date : 29 May 2020

**For and on behalf of the Board of Directors Metropolis Healthcare Limited**  
L73100MH2000PLC192798

**Dr. Sushil Shah**  
Chairman & Executive Director  
DIN: 00179918  
Place : Mumbai

**Vijender Singh**  
Chief Executive Officer  
Place : Gurugram

**Ameera Shah**  
Managing Director  
DIN: 00208095  
Place : Mumbai

**Rakesh Agarwal**  
Chief Financial Officer  
Place : Gurugram

**Poonam Tanwani**  
Company Secretary  
Membership No: ACS 19182  
Place : Mumbai

Date : 29 May 2020





**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 20TH ANNUAL GENERAL MEETING (AGM) OF THE MEMBERS OF **METROPOLIS HEALTHCARE LIMITED** will be held on Wednesday, September 16, 2020 at 9: 00 A.M. IST through Video conferencing ("VC") / Other Audio Visual means ("OAVM") to transact the following business:

## ORDINARY BUSINESS:

1. To receive, consider and adopt the Audited Standalone Financial Statements of the Company for the financial year ended March 31, 2020 together with the Reports of the Board of Directors and the Auditors thereon and the Audited Consolidated Financial Statements of the Company for the financial year ended March 31, 2020 together with the Report of the Auditors thereon.
2. To confirm the payment of Interim Dividend of ₹ 8 per equity share for the Financial Year ended March 31, 2020.
3. To appoint a Director in place of Ms. Ameera Sushil Shah (DIN: 00208095), who retires by rotation and, being eligible, offers herself for re-appointment.

## SPECIAL BUSINESS:

4. **To ratify the remuneration payable to M/s. Joshi Apte & Associates, Cost Auditors of the Company for the Financial Year 2020-2021.**

To consider and if thought fit, to pass with or without modification(s), the following resolution as an Ordinary Resolution:

**"RESOLVED THAT,** pursuant to the provisions of Section 148 and other applicable provisions, if any, of the Companies Act, 2013 ('the Act'), read with the Companies (Audit and Auditors) Rules, 2014 and the Companies (Cost Records and Audit) Rules, 2014, (including any statutory modification(s) or re-enactment(s) thereof, for the time being in force), and pursuant to the recommendation of the Audit Committee and the Board of Directors at their respective meetings held on May 29, 2020, the remuneration payable to M/s. Joshi Apte & Associates, Cost Accountants (Firm Registration No. 00240), appointed by the Board of Directors of the Company to conduct the audit of the Cost records of the Company for the Financial Year 2020-2021 amounting to ₹ 1,00,000/- (Rupees One Lakh Only) plus applicable GST and reimbursement of travelling and out of pocket expenses be and is hereby ratified and approved;

**RESOLVED FURTHER THAT,** the Board of Directors of the Company be and are hereby authorized to do all such acts, deeds, matters and things as may be considered necessary, desirable or expedient to give effect to this resolution."

5. **Appointment of Ms. Anita Ramachandran (DIN: 00118188) as a Non-Executive Independent Director of the Company.**

To consider and, if thought fit, to pass with or without modification(s), the following resolution as an Ordinary Resolution:

**"RESOLVED THAT,** pursuant to the provisions of Sections 149, 152 and other applicable provisions, if any, of the Companies Act, 2013 ('the Act'), read with Schedule IV of the Act, (including any statutory amendment(s), modification(s), enactment(s) or re-enactment(s) thereof, for the time being in force) and the Companies (Appointment and Qualification of Directors) Rules, 2014, as amended, and pursuant to the recommendation of the Nomination & Remuneration Committee and the approval of the Board of Directors vide their resolution dated May 14, 2020, Ms. Anita Ramachandran (DIN: 00118188), who has submitted a declaration that she meets the criteria of Independence as provided under Section 149(6) of the Act and Regulation 16(1) (b) of the Securities Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 and who is eligible for appointment, and in respect of whom, the Company has received a notice in writing from a member under Section 160 of the Act, proposing her candidature for the office of the Director of the Company, be and is hereby appointed as a Non-Executive Independent Director of the Company to hold office for a term of five consecutive years with effect from May 14, 2020 up to May 13, 2025;

**RESOLVED FURTHER THAT,** pursuant to the provisions of Sections 149, 197, and other applicable provisions, if any, of the Companies Act 2013, read with applicable rules made there under (including any statutory amendment(s), modification(s), enactment(s) or re-enactment(s) thereof, for the time being in force), Ms. Anita Ramachandran (DIN: 00118188), be paid such fees and remuneration and the profit - related Commission as the Nomination and Remuneration Committee and / or the Board of Directors may approve from time to time which shall however be subject to the limits prescribed in the Act;

**RESOLVED FURTHER THAT,** the Board of Directors be and are hereby authorised to do all such acts, deeds, matters and things as may be considered necessary, desirable or expedient to give effect to this resolution."

## NOTICE (CONTD.)

### 6. To approve the re-appointment of Dr. Sushil Kanubhai Shah (DIN: 00179918), as Whole Time Director of the Company:

To consider and if thought fit, to pass, with or without modification(s), the following resolution as a Special Resolution:

**"RESOLVED THAT,** pursuant to the provisions of Sections 196, 197 and 203 read with Schedule V and other applicable provisions, if any, of the Companies Act, 2013, read with applicable rules made there under, including statutory amendment(s), modification(s), enactment(s), re-enactment(s) thereof for the time being in force and pursuant to Regulation 17 of the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015, and pursuant to the recommendation of the Nomination and Remuneration Committee and approval of the Board of Directors of the Company at their respective meetings held on May 29, 2020, and subject to approvals / permissions, if any, as may be required, consent of members be and is hereby accorded to re-appoint Dr. Sushil Kanubhai Shah, (DIN: 00179918) as a Whole-time Director (designated as Chairman and Executive Director) of the Company for a further period of five years with effect from September 04, 2020, up to September 03, 2025, on the below terms and conditions inter-alia including the remuneration to be payable to Dr. Sushil Kanubhai Shah for the period from September 04, 2020, till September 03, 2025 with the liberty to the Board to alter and / or vary the terms and conditions of his appointment, including remuneration thereof and / or make any amendment(s) to the existing agreement as may be mutually agreed to between the Board of Directors (which term shall include any Committee or authorised person(s) which the Board has constituted or appointed to exercise its powers, including the powers conferred by this resolution) and Mr. Sushil Kanubhai Shah, subject to the requisite approval(s), as required under applicable law(s);

### Terms and Conditions:

- (i) Term of Appointment:** For a period of five years with effect from September 4, 2020.
- (ii) Designation:** Whole-time director designated as a Chairman & Executive Director.
- (iii) Total Remuneration:** ₹ 1,80,00,000 (Rupees One Crore Eighty Lakh Only) per annum including the components of allowances, ex-gratia, incentives, reimbursement of expenses and other entitlements and benefits such as medical insurance, personal accident insurance etc. and perquisites, if any, as per the Company policy with the authority to the Board (which term includes any Committee constituted by the Board in this behalf) to revise / increase the same from time to time.

**RESOLVED FURTHER THAT,** the annual remuneration payable to Dr. Sushil Kanubhai Shah, shall be within the overall ceiling of the total managerial remuneration as provided under Section 197 and Schedule V of the Companies Act, 2013, and the limits as prescribed under Regulation 17 of the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015, as amended;

**RESOLVED FURTHER THAT,** the Board of Directors be and are hereby severally authorized to sign and execute such agreements, letters, papers, documents etc. as may be required and file the relevant forms, documents and returns with the office of the Registrar of Companies as per the applicable provisions of the Companies Act, 2013 and to do all acts, deeds and things as may be deemed necessary, proper or desirable to give effect to the above resolution."

Place: Goa

Date: August 14, 2020

### Registered Office:

**Metropolis Healthcare Limited**

(CIN :L73100MH2000PLC192798)

250 D Udyog Bhavan, Hind Cycle Marg,  
Worli, Mumbai - 400030

Tel: +91 22 33993939

www.metropolisindia.com

**By Order of the Board of Directors**

**Ameera Sushil Shah**

Managing Director

DIN: 00208095

## NOTICE (CONTD.)

### NOTES:

1. In view of the continuing COVID-19 pandemic and restrictions imposed on the movement of the people, the Ministry of Corporate Affairs ("MCA") has vide its Circular dated May 5, 2020 read with Circulars dated April 8, 2020 and April 13, 2020 (collectively referred to as "MCA Circulars") and SEBI vide its Circular No. SEBI/HO/CFD/CMD1/CIR/P/2020/79 dated May 12, 2020, have permitted the holding of the Annual General Meeting ("AGM") through Video Conferencing ('VC') / Other Audio Visual means ('OAVM'), without the physical presence of the Members at a common venue.

Thus, in compliance with the provisions of the Companies Act, 2013 ("Act"), SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 ("SEBI Listing Regulations") and the Circulars issued by MCA and SEBI, the 20th Annual General Meeting ('AGM') of the Company is being held through VC / OAVM.

2. **PURSUANT TO THE PROVISIONS OF SECTION 105 OF THE ACT, A MEMBER ENTITLED TO ATTEND AND VOTE AT THE AGM IS ENTITLED TO APPOINT A PROXY TO ATTEND AND VOTE ON HIS/HER BEHALF AND THE PROXY NEED NOT BE A MEMBER OF THE COMPANY. SINCE THE 20TH AGM IS BEING HELD THROUGH VC / OAVM, THE REQUIREMENT OF PHYSICAL ATTENDANCE OF MEMBERS HAS BEEN DISPENSED WITH.**

**ACCORDINGLY, IN TERMS OF MCA CIRCULARS AND THE SEBI CIRCULAR, THE FACILITY FOR APPOINTMENT OF PROXIES BY THE MEMBERS WILL NOT BE AVAILABLE FOR THE 20TH AGM AND HENCE THE PROXY FORM, ATTENDANCE SLIP AND THE ROUTE MAP ARE NOT ANNEXED TO THIS NOTICE.**

3. The Members can join the AGM in the VC/OAVM mode 15 minutes before and after the scheduled time of the commencement of the Meeting by following the procedure mentioned in the Notice. The facility of participation at the AGM through VC/OAVM will be made available for 1000 members on first come first served basis. This will not include large Shareholders (Shareholders holding 2% or more shareholding), Promoters, Institutional Investors, Directors, Key Managerial Personnel, the Chairpersons of the Audit Committee, Nomination and Remuneration Committee and Stakeholders Relationship Committee, Auditors etc. who are allowed to attend the AGM without restriction on account of first come first served basis.
4. Institutional / Corporate Shareholders (i.e. other than Individuals / HUF, NRI, etc.) are required to send a scanned copy (PDF/JPG Format) of its Board

or governing body Resolution/Authorization etc., authorizing its representative to attend the AGM through VC / OAVM on its behalf and to vote on its behalf. The said Resolution/Authorization pursuant to Sections 112 or 113 of the Companies Act, 2013 shall be sent to the Company by email through its registered email address to [secretarial@metropolisindia.com](mailto:secretarial@metropolisindia.com) with a copy marked to [evoting@nsdl.co.in](mailto:evoting@nsdl.co.in). [rnt.helpdesk@linkintime.co.in](mailto:rnt.helpdesk@linkintime.co.in)

5. Members attending the AGM through VC / OAVM shall be counted for the purpose of reckoning the Quorum under Section 103 of the Act.
6. A Statement setting out the material facts pursuant to Section 102 of the Companies Act, 2013, concerning the special business in the Notice of the 20th AGM is annexed hereto and forms a part of this Notice.
7. A Statement giving details of the Directors seeking appointment / re-appointment is also annexed with the Notice pursuant to the requirements of Regulation 36(3) of the SEBI Listing Regulations and Secretarial Standard on General Meeting ("SS-2").
8. The Register of Directors and Key Managerial Personnel and their shareholding, maintained under Section 170 of the Act, and the Register of Contracts or Arrangements in which the directors are interested, maintained under Section 189 of the Act, and the Certificate from the Statutory Auditors of the Company certifying that the ESOP Scheme(s) of the Company are being implemented in accordance with the Securities and Exchange Board of India (Share Based Employee Benefits) Regulations, 2014, shall be available for inspection electronically during the AGM upon login at NSDL E-voting system at <http://www.evoting.nsdl.com>.
9. All documents referred to in the Notice will also be available for electronic inspection without any fee by the members from the date of circulation of this Notice up to the date of AGM, i.e. September 16, 2020. Members seeking to inspect such documents can send an email to [secretarial@metropolisindia.com](mailto:secretarial@metropolisindia.com)
10. Members seeking any information with regard to the accounts or any matter to be placed at the AGM, are requested to write to the Company on or before September 4, 2020 through email on [secretarial@metropolisindia.com](mailto:secretarial@metropolisindia.com). The same will be replied by the Company suitably.
11. Members holding shares in dematerialized form are requested to intimate all changes pertaining to their bank details such as bank account number, name of the bank and branch details, MICR code and IFSC code, mandates,

## NOTICE (CONTD.)

nominations, power of attorney, change of address, change of name, e-mail address, contact numbers, etc., directly to the Company's Registrar & Transfer Agents. Changes intimated to the DP will then be automatically reflected in the Company's records which will help the Company and the Company's Registrar and Transfer Agent, Link Intime India. Members holding shares in physical form are requested to intimate such changes to the Company's Registrar and Transfer Agent, Link Intime (India) Private Limited at C-101, 1st Floor, 247 Park, Lal Bahadur Shastri Marg, Vikhroli (West), Mumbai - 400 083 quoting their folio number.

12. To support the 'Green Initiative', Members who have not yet registered their email addresses are requested to register the same with their DPs in case the shares are held by them in electronic form and with the Company in case the shares are held by them in physical form.
13. The Securities and Exchange Board of India ("SEBI") has mandated the submission of Permanent Account Number (PAN) by every participant in securities market. Members holding shares in electronic form are, therefore, requested to submit the PAN to their depository participants with whom they are maintaining their demat accounts. Members holding shares in physical form can submit their PAN details to the Company's Registrar and Transfer Agent, Link Intime (India) Private Limited
14. 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.
15. In compliance with the MCA Circular No. 20/2020 dated May 5, 2020 and SEBI Circular No. SEBI/HO/CFD/CMD1/CIR/P/2020/79 dated May 12, 2020, the Notice of the AGM along with the Annual Report for the Financial Year 2019-2020 is being sent only through electronic mode to those Members whose email addresses are registered with the Company/ Depositories. Members may note that the Notice of the AGM and the Annual Report for the Financial Year 2019-2020 will also be available on the Company's website [www.metropolisindia.com](http://www.metropolisindia.com), websites of the Stock Exchanges at [www.bseindia.com](http://www.bseindia.com) and [www.nseindia.com](http://www.nseindia.com) respectively, and on the website of NSDL at [www.evoting.nsdl.com](http://www.evoting.nsdl.com).
16. **Attendance at the AGM:**
  - a. Member will be provided with a facility to attend the AGM through VC/OAVM through the NSDL e-Voting system. Members may access the same at <https://www.evoting.nsdl.com> under shareholders/

members login by using the remote e-voting credentials. The link for VC/OAVM will be available in shareholder/members login where the EVEN of Company will be displayed. Please note that the members who do not have the User ID and Password for e-Voting or have forgotten the User ID and Password may retrieve the same by following the remote e-Voting instructions mentioned in the notice to avoid last minute rush. Further members can also use the OTP based login for logging into the e-Voting system of NSDL.

- b. Members are encouraged to join the Meeting through Laptops for better experience.
  - c. Further Members will be required to allow Camera and use Internet with a good speed to avoid any disturbance during the meeting.
  - d. Please note that Participants Connecting from Mobile Devices or Tablets or through Laptop connecting via Mobile Hotspot may experience Audio/Video loss due to Fluctuation in their respective network. It is therefore recommended to use Stable Wi-Fi or LAN Connection to mitigate any kind of aforesaid glitches.
  - e. Shareholders who would like to express their views/ ask questions during the meeting may register themselves as a speaker and may send their request mentioning their name, demat account number/folio number, email id, mobile number at [secretarial@metropolisindia.com](mailto:secretarial@metropolisindia.com) by September 4, 2020 5:00 p.m. Please note, no shareholder would be allowed to register himself / herself as a speaker after the said date and time.
  - f. Shareholders who would like to express their views/ have questions may send their questions in advance mentioning their name demat account number/folio number, email id, mobile number at [secretarial@metropolisindia.com](mailto:secretarial@metropolisindia.com) by September 4, 2020 5:00 p.m. The same will be replied by the Company suitably.
  - g. Those shareholders who have registered themselves as a speaker will only be allowed to express their views/ask questions during the meeting. However, the Company reserves the right to restrict the number of speakers depending on the availability of time for the AGM.
17. **Remote e-voting:**
1. In compliance with the provisions of Section 108 of the Act, read with the corresponding rules, and

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Regulation 44 of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 ("the Listing Regulations"), the Company is pleased to provide a facility to its members to exercise their votes electronically through the electronic voting ("e-voting") facility provided by the National Securities Depository Limited ('NSDL'). Members who have cast their votes by remote e-voting prior to the AGM may participate in the AGM but shall not be entitled to cast their votes again. The manner of voting remotely by members holding shares in dematerialized mode, physical mode and for members who have not registered their email addresses is provided in the instructions for E-voting section which forms part of this Notice.

2. The remote e-voting period commences on Sunday, September 13, 2020 (9:00 a.m. IST) and ends on Tuesday, September 15, 2020 (5:00 p.m. IST). During this period, members holding shares either in physical or dematerialized form, as on cut-off date, i.e. as on Wednesday, September 9, 2020 may cast their votes electronically. The e-voting module will be disabled by NSDL for voting thereafter. A member will not be allowed to vote again on any resolution on which vote has already been cast. The voting rights of members shall be proportionate to their share of the paid-up equity share capital of the Company as on the cut-off date, i.e. as on Wednesday, September 9, 2020
3. Any person, who acquires shares of the Company and become member of the Company after dispatch of the notice and holding shares as of the cut-off date i.e. Wednesday, September 9, 2020, may obtain the login ID and password by sending a request at [evoting@nsdl.co.in](mailto:evoting@nsdl.co.in).
4. However if the member is already registered with NSDL for remote e-voting then they can use their existing User ID and password for casting their vote.
5. If you forget your password, you can reset your password by using "Forgot User Details/Password" option available on [www.evoting.nsdl.com](http://www.evoting.nsdl.com)
6. Instructions and other information relating to remote e-voting:

### **How do I vote electronically using NSDL e-Voting system?**

*The way to vote electronically on NSDL e-Voting system consists of "Two Steps" which are mentioned below:*

**Step 1: Log-in to NSDL e-Voting system at <https://www.evoting.nsdl.com/>**

**Step 2: Cast your vote electronically on NSDL e-Voting system.**

**Details on Step 1 is mentioned below:**

### **How to Log-in to NSDL e-Voting website?**

1. Visit the e-Voting website of NSDL. Open web browser by typing the following URL: <https://www.evoting.nsdl.com/> either on a Personal Computer or on a mobile.
2. Once the home page of e-Voting system is launched, click on the icon "Login" which is available under 'Shareholders' section.
3. A new screen will open. You will have to enter your User ID, your Password and a Verification Code as shown on the screen.

Alternatively, if you are registered for NSDL eservices i.e. IDEAS, you can log-in at <https://eservices.nsdl.com/> with your existing IDEAS login. Once you log-in to NSDL eservices after using your log-in credentials, click on e-Voting and you can proceed to Step 2 i.e. Cast your vote electronically.

4. Your User ID details are given below :

| <b>Manner of holding shares i.e. Demat (NSDL or CDSL) or Physical</b> | <b>Your User ID is:</b>   |
|---|---|
| a) For Members who hold shares in demat account with NSDL.            | 8 Character DP ID followed by 8 Digit Client ID<br>For example if your DP ID is IN300*** and Client ID is 12***** then your user ID is IN300***12*****.   |
| b) For Members who hold shares in demat account with CDSL.            | 16 Digit Beneficiary ID<br>For example if your Beneficiary ID is 12***** then your user ID is 12*****.  |
| c) For Members holding shares in Physical Form.                       | EVEN Number followed by Folio Number registered with the company<br>For example if folio number is 001*** and EVEN is 101456 then user ID is 101456001*** |

5. Your password details are given below:
  - a) If you are already registered for e-Voting, then you can use your existing password to login and cast your vote.
  - b) If you are using NSDL e-Voting system for the first time, you will need to retrieve the 'initial password' which was communicated to you. Once you retrieve your 'initial password', you need to enter the 'initial password' and the system will force you to change your password.
  - c) How to retrieve your 'initial password'?
    - (i) If your email ID is registered in your demat account or with the company, your 'initial password' is communicated to you on your email ID. Trace the email sent to you from NSDL from your mailbox. Open the email and open the attachment i.e. a .pdf file. Open the .pdf file. The password to open the .pdf file is your 8 digit client ID for NSDL account, last 8 digits of client ID for CDSL account or folio number for shares held in physical form. The .pdf file contains your 'User ID' and your 'initial password'.
    - (ii) If your email ID is not registered, please follow steps mentioned below in **process for those shareholders whose email ids are not registered**
6. If you are unable to retrieve or have not received the "Initial password" or have forgotten your password:
  - a) Click on **"Forgot User Details/Password?"** (If you are holding shares in your demat account with NSDL or CDSL) option available on [www.evoting.nsdl.com](http://www.evoting.nsdl.com).
  - b) **Physical User Reset Password?"** (If you are holding shares in physical mode) option available on [www.evoting.nsdl.com](http://www.evoting.nsdl.com).
  - c) If you are still unable to get the password by aforesaid two options, you can send a request at [evoting@nsdl.co.in](mailto:evoting@nsdl.co.in) mentioning your demat account number/folio number, your PAN, your name and your registered address.
  - d) Members can also use the OTP (One Time Password) based login for casting the votes on the e-Voting system of NSDL.
7. After entering your password, tick on Agree to "Terms and Conditions" by selecting on the check box.

8. Now, you will have to click on "Login" button.

9. After you click on the "Login" button, Home page of e-Voting will open.

**Details on Step 2 is given below:**

**How to cast your vote electronically on NSDL e-Voting system?**

1. After successful login at Step 1, you will be able to see the Home page of e-Voting. Click on e-Voting. Then, click on Active Voting Cycles.
2. After click on Active Voting Cycles, you will be able to see all the companies "EVEN" in which you are holding shares and whose voting cycle is in active status.
3. Select "EVEN" i.e. 113413 of the Company to cast your vote.
4. Now you are ready for e-Voting as the Voting page opens.
5. Cast your vote by selecting appropriate options i.e. assent or dissent, verify/modify the number of shares for which you wish to cast your vote and click on "Submit" and also "Confirm" when prompted.
6. Upon confirmation, the message "Vote cast successfully" will be displayed.
7. You can also take the printout of the votes cast by you by clicking on the print option on the confirmation page.
8. Once you confirm your vote on the resolution, you will not be allowed to modify your vote.
18. It is strongly recommended not to share your password with any other person and take utmost care to keep your password confidential. Login to the e-voting website will be disabled upon five unsuccessful attempts to key in the correct password. In such an event, you will need to go through the "Forgot User Details/Password?" or "Physical User Reset Password?" option available on [www.evoting.nsdl.com](http://www.evoting.nsdl.com) to reset the password.
19. In case of any queries, you may refer the Frequently Asked Questions (FAQs) for Shareholders and e-voting user manual for Shareholders available at the download section of [www.evoting.nsdl.com](http://www.evoting.nsdl.com) or call on toll free no.: 1800-222-990 or send a request to Ms. Pallavi Mhatre, Manager, NSDL at [evoting@nsdl.co.in](mailto:evoting@nsdl.co.in). Alternatively, you can connect with her on 022-24994545.
20. Process for those shareholders whose email ids are not registered with the depositories for procuring user id and

password and registration of e mail ids for e-voting for the resolutions set out in this notice :

- a. In case shares are held in physical mode please provide Folio No., Name of shareholder, scanned copy of the share certificate (front and back), PAN (self attested scanned copy of PAN card), AADHAR (self attested scanned copy of Aadhar Card) by email to [secretarial@metropolisindia.com](mailto:secretarial@metropolisindia.com)

In case shares are held in demat mode, please provide DPID-CLID (16 digit DPID + CLID or 16 digit beneficiary ID), Name, client master or copy of Consolidated Account statement, PAN (self attested scanned copy of PAN card), AADHAR (self attested scanned copy of Aadhar Card) to [secretarial@metropolisindia.com](mailto:secretarial@metropolisindia.com)

- b. Alternatively member may send an e-mail request to [evoting@nsdl.co.in](mailto:evoting@nsdl.co.in) for obtaining User ID and Password by proving the details mentioned in Point (1) or (2) as the case may be.

#### 21. Voting at AGM:

- a. The procedure for e-Voting on the day of the AGM is same as the instructions mentioned above for remote e-voting.
- b. Only those Members/ shareholders, who will be present in the AGM through VC/OAVM facility and have not casted their vote on the Resolutions through remote e-Voting and are otherwise not barred from doing so, shall be eligible to vote through e-Voting system in the AGM.
- c. Members who have voted through Remote e-Voting will be eligible to attend the AGM. However, they will not be eligible to vote at the AGM.
- d. In case of any grievances connected with the facility for e-Voting on the day of the AGM please send a request to Ms. Pallavi Mhatre, Manager, NSDL at [evoting@nsdl.co.in](mailto:evoting@nsdl.co.in). Alternatively, you can connect with her on 022-24994545.

#### 22. Other instructions:

1. The Board of Directors have appointed M/s. Manish Ghia & Associates (Membership No. FCS 3531), Practicing Company Secretaries as the Scrutinizer to scrutinize the voting during the AGM and remote e-voting process in a fair and transparent manner.
2. The Scrutinizer shall immediately after the conclusion of voting at the AGM, will first count the votes cast at the meeting through e-voting and thereafter unblock the votes cast through remote e-voting in the presence of at least two witnesses not in the employment of the Company and shall make, not later than 48 hours of the conclusion of the AGM, a consolidated scrutinizer's report of the total votes cast in favour or against, if any, to the Chairman or a person authorized by him in writing, who shall countersign the same and declare the result of the voting forthwith.
3. The Results declared along with the report of the Scrutinizer shall be placed on the website of the Company [www.metropolisindia.com](http://www.metropolisindia.com) and on the website of NSDL at [www.evoting.nsdl.com](http://www.evoting.nsdl.com) immediately after the declaration of result by the Chairman or a person authorized by him in writing. The Company shall simultaneously forward the results to National Stock Exchange Limited of India and BSE Limited, where the shares of the Company are listed.
4. As per the provisions of Section 72 of the Act, the facility for making nomination is available for the Members in respect of the shares held by them. Members who have not yet registered their nomination are requested to register the same by submitting Form No. SH-13. The form can be downloaded from the Company's website at <https://www.metropolisindia.com>. Members are requested to submit these details to their DP in case the shares are held by them in electronic form, and to the RTA, Link Intime Private Limited, in case the shares are held in physical form.

## EXPLANATORY STATEMENT PURSUANT TO SECTION 102 OF THE COMPANIES ACT, 2013

The following Explanatory Statement sets out all material facts relating to the Special Business mentioned in the Notice convening the 20th AGM to be held on Wednesday, September 16, 2020:

### Item No. 4

On the recommendation of the Audit Committee, the Board of Directors at their Meeting held on May 29, 2020, approved the appointment of M/s. Joshi Apte & Associates, Cost Accountants, (Firm Registration No. 00240), as Cost Auditors of the Company to conduct the audit of the Cost records of the Company for the Financial year 2020-2021 at a remuneration of ₹ 1,00,000/- (Rupees One Lakh Only) plus applicable GST and reimbursement of travelling and 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 has to be ratified by the members of the Company.

None of the Directors, Key Managerial Personnel and / or their relatives are, in any way, concerned or interested financially or otherwise, in the above resolution.

Accordingly, the Board of Directors recommend passing of an Ordinary Resolution as set out in Item No. 4 of the accompanying Notice relating to the ratification of the remuneration payable to M/s. Joshi Apte & Associates, Cost Auditors of the Company for the Financial Year 2020-2021 for the approval of the members.

### Item No. 5:

In pursuance to the provisions of Section 149, 152, 161, and other applicable provisions, if any, of the Companies Act, 2013, read with applicable rules made there under, Regulation 16 (1)(b) and other applicable provisions of the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015, Articles of Association of the Company and pursuant to the recommendation of the Nomination and Remuneration Committee, the Board of Directors of the Company, vide their resolution dated May 14, 2020, appointed Ms. Anita Ramachandran (DIN: 00118188), as an Additional Non-Executive Independent Director of the Company with effect from May 14, 2020 to hold office up to the date of the ensuing Annual General Meeting.

In terms of Section 161 of the Act, Ms. Anita Ramachandran (DIN: 00118188), holds office upto the date of the Annual General Meeting but is eligible for appointment as a Director.

A notice under Section 160 of the Act has been received from a member proposing the candidature of Ms. Anita Ramachandran for the office of a Director of the Company.

The Company has also received:-

- (i) the consent in writing to act as Director pursuant to Rule 8 of the Companies (Appointment and Qualification of Directors) Rules, 2014, and
- (ii) an intimation in Form DIR-8 pursuant to Rule 14 of the Companies (Appointment and Qualification of Directors) Rules, 2014, that she is not disqualified to act as a Director under Section 164(2) of the Companies Act, 2013;
- (iii) A declaration that she meets the criteria of Independence as provided under Section 149 of the Companies Act, 2013 and Regulation 16 (1) (b) of the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015, as amended;
- (iv) a declaration to the effect that she is not debarred from holding the office of Director pursuant to any Order issued by the Securities and Exchange Board of India (SEBI).

After taking into consideration the recommendation of the Nomination & Remuneration Committee, the Board is of the opinion that Ms. Anita Ramachandran's vast knowledge and varied experience will be of great value to the Company and would be beneficial to the overall functioning of the Company.

As on date of this notice, Ms. Anita Ramachandran does not hold any shares in the Company and is not related to any of the Directors / Key Managerial Personnel of the Company.

A brief profile of Ms. Anita Ramachandran including the nature of her expertise and other details in terms of Regulation 36(3) of the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015, and Secretarial Standard-2 is annexed to the Notice convening the AGM.

Except Ms. Anita Ramachandran, none of the Directors, Key Managerial Personnel and / or their relatives are, in any way, concerned or interested financially or otherwise, in the above resolution.

The Board of Directors recommend the passing of Ordinary Resolution as set out in Item No. 5 of the accompanying notice relating to the appointment of Ms. Anita Ramachandran as a Non-Executive Independent Director of the Company for the approval of the members.

## EXPLANATORY STATEMENT PURSUANT TO SECTION 102 OF THE COMPANIES ACT, 2013 (CONTD.)

A copy of the draft Letter of Appointment for Independent Directors, setting out the terms and conditions of appointment of Independent Directors is available for inspection on the website of the Company at [www.metropolisindia.com](http://www.metropolisindia.com).

### Item No. 6:

Dr. Sushil Kanubhai Shah was appointed as a Whole Time Director of the Company for a period for a period of 5 (five) years with effect from September 4, 2015, after obtaining the approval of members of the Company. The present term of Dr. Sushil Shah comes to an end on September 3, 2020.

Based on the recommendation of the Nomination and Remuneration Committee, the Board of Directors of the Company at their meeting held on May 29, 2020, re-appointed Dr. Sushil Kanubhai Shah (DIN: 00179918) as a Whole-Time Director of the Company (designated as a Chairman & Executive Director) for a period of five years with effect from September 04, 2020, subject to approval of the members of the Company.

The Company has received from Dr. Sushil Kanubhai Shah:

- i) the consent in writing to act as Director pursuant to Rule 8 of the Companies (Appointment and Qualification of Directors) Rules, 2014, and
- ii) an intimation in Form DIR-8 pursuant to Rule 14 of the Companies (Appointment and Qualification of Directors) Rules, 2014, that he is not disqualified to act as a Director under Section 164(2) of the Companies Act, 2013;
- iii) A confirmation on the fulfilment of criteria as laid down under Schedule V of the Companies Act, 2013;
- iv) a declaration to the effect that he is not debarred from holding the office of Director pursuant to any Order issued by the Securities and Exchange Board of India (SEBI).

Place: Goa

Date: August 14, 2020

### Registered Office:

#### Metropolis Healthcare Limited

(CIN : L73100MH2000PLC192798)

250 D Udyog Bhavan, Hind Cycle Marg,

Worli, Mumbai – 400030

Tel: +91 22 33993939

[www.metropolisindia.com](http://www.metropolisindia.com)

A notice under Section 160 of the Act has been received from a member proposing the candidature of Dr. Sushil Kanubhai Shah for the office of a Director of the Company.

The members are informed that Dr. Sushil Shah is the Founder of the Company and has more than four decades of experience in the pathology business. 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 has been instrumental to the growth and success of the Company. 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 been a Director on the Board since 2005. The Board of Directors believe that his continuing guidance and services would be of immense benefit to the Company.

The copy of the agreement setting out the terms and conditions of appointment and remuneration of Dr. Sushil Kanubhai Shah, shall be open for inspection by the members during the AGM.

Except Dr. Sushil Shah and Ms. Ameera Sushil Shah, none of the other Directors, Key Managerial Personnel and / or their relatives are, in any way, concerned or interested financially or otherwise, in the above resolution.

The Board of Directors recommend passing of a Special Resolution as set out in Item No. 6 of the accompanying notice relating to the re-appointment of Dr. Sushil Kanubhai Shah as a Whole-time Director of the Company for the approval of the members.

**By Order of the Board of Directors**

**Ameera Sushil Shah**

Managing Director

DIN: 00208095

**Information as required under Regulation 36 of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 and Secretarial Standards-2 for appointment / re-appointment of directors is as below:**

|   |  |  |  |
|---|--|--|--|
| <b>Name of the Director</b>   | Ms. Ameera Sushil Shah   | Ms. Anita Ramachandran   | Mr.Sushil Kanubhai Shah  |
| <b>DIN</b>  | 00208095   | 00118188   | 00179918   |
| <b>Date of Birth</b>  | September 24, 1979   | April 28, 1955   | December 29, 1946  |
| <b>Date of Appointment</b>  | May 6, 2008  | May 14, 2020   | August 17, 2005  |
| <b>Category</b>   | Managing Director  | Non-Executive Independent Director   | Whole-time Director (Designated as Chairman & Executive Director)  |
| <b>Qualification</b>  | She has obtained a degree in finance from the University of Texas at Austin. She has completed the Owner-President Management Program at Harvard Business School.  | M.B.A. (Finance), Jamnalal Bajaj Institute   | M.D (Path & Bact.)   |
| <b>Nature of expertise in specific functional areas and Experience</b>            | Healthcare – Understanding the complexities of the healthcare sector and expertise in the field of diagnostics. She has over two decades of experience in this business.   | Mrs. Anita has over 35 years of experience as a Management Consultant.   | Dr. Sushil Shah has over Three decades of experience in the pathology business.  |
| <b>Terms and conditions of appointment/ reappointment</b>                         | Re-appointed as a director liable to retire by rotation.   | Refer Item No.5 of the Notice  | Refer Item No. 6 of the Notice   |
| <b>Number of shares held in the Company</b>                                       | 1,81,845   | NIL  | 37,25,245  |
| <b>Remuneration to be paid</b>  | ₹ 5 Crore (Rupees Five Crore Only)   | Sitting fees for attending the Board / Committee meetings and Profit related Commission, if any, as may be approved by the Board | Refer Item No. 6 of the Notice   |
| <b>Directorship held in other Companies</b>                                       | Refer Annexure A (i)   | Refer Annexure A (ii)  | Refer Annexure A (iii)   |
| <b>Memberships / Chairmanships of Committees of other Companies</b>               | Refer Annexure A (i)   | Refer Annexure A (ii)  | Refer Annexure A (iii)   |
| <b>Relationships between Directors inter-se</b>                                   | Daughter of Dr. Sushil Kanubhai Shah, Wholetime Director of the Company.   | None   | Father of Ms. Ameera Sushil Shah, Managing Director of the Company.  |
| <b>Last Drawn Remuneration and No. of Board Meetings attended during the year</b> | Details of remuneration last drawn by Ms. Ameera Sushil Shah, and number of Board / Committee meetings attended during financial year 2019-2020 are provided in the Corporate Governance Report which forms a part of the Annual Report. | -  | Details of remuneration last drawn by Dr. Sushil Kanubhai Shah, and number of Board / Committee meetings attended during financial year 2019-2020 are provided in the Corporate Governance Report which forms a part of the Annual Report. |

## ANNEXURE A – DETAILS OF OTHER DIRECTORSHIPS AND COMMITTEE MEMBERSHIPS HELD BY THE DIRECTORS:

### (i) Details of Other Directorships and Committee memberships held by Ms. Ameera Sushil Shah:

| Sr. No. | Name of the Company in which she is a director                  | Details of Committee Membership / Chairmanship in the Company  |
|---------|---|--|
| 1       | Metropolis Healthcare Limited                                   | <ul style="list-style-type: none"> <li>- Member of Stakeholders Relationship Committee</li> <li>- Chairperson of Risk Management Committee</li> <li>- Member of Corporate Social Responsibility Committee</li> </ul> |
| 2       | Desai Metropolis Health Services Private Limited                | <ul style="list-style-type: none"> <li>- Chairperson of Corporate Social Responsibility Committee</li> </ul>   |
| 3       | Micron Metropolis Healthcare Private Limited                    | -  |
| 4       | Sudharma Metropolis Health Services Private Limited             | <ul style="list-style-type: none"> <li>- Chairperson of Corporate Social Responsibility Committee</li> </ul>   |
| 5       | Bokil Golwilkar Metropolis Healthcare Limited                   | -  |
| 6       | R.V. Metropolis Diagnostic & Health Care Center Private Limited | <ul style="list-style-type: none"> <li>- Chairperson of Corporate Social Responsibility Committee</li> </ul>   |
| 7       | Metropolis Histoxpert Digital Services Private Limited          | <ul style="list-style-type: none"> <li>- Chairperson of Audit Committee</li> </ul>   |
| 8       | Kaya Limited  | <ul style="list-style-type: none"> <li>- Member of Audit Committee</li> </ul>  |
| 9       | Torrent Pharmaceuticals Limited                                 | <ul style="list-style-type: none"> <li>- Member of Audit Committee</li> <li>- Member of Stakeholders Relationship Committee</li> <li>- Chairperson of Corporate Social Responsibility Committee</li> </ul>           |
| 10      | Shoppers Stop Limited   | <ul style="list-style-type: none"> <li>- Member of Audit Committee*</li> <li>- Member of Nomination and Remuneration Committee</li> </ul>  |
| 11      | Metropolis Healthcare (Mauritius) Limited                       | -  |
| 12      | Metropolis Star Lab Kenya Limited                               | -  |
| 13      | Metropolis Healthcare Lanka (Private) Limited                   | -  |
| 14      | Metropolis Bramser Lab Services (Mauritius) Limited             | -  |
| 15      | Metropolis Healthcare Ghana Limited                             | -  |
| 16      | Metropolis Healthcare Uganda Limited                            | -  |
| 17      | Metropolis Healthcare (Zambia) Limited                          | -  |
| 18      | Star Metropolis Health Services Middle East LLC                 | -  |

\* Member of Audit cum Risk Management Committee of Shoppers Stop Limited

### (ii) Details of Other Directorships and Committee memberships held by Ms. Anita Ramachandran:

| Sr. No. | Name of the Company in which she is a director | Details of Committee Membership / Chairmanship in the Company   |
|---------|--|---|
| 1       | Metropolis Healthcare Limited                  | <ul style="list-style-type: none"> <li>- Member of Nomination and Remuneration Committee</li> <li>- Chairperson of CSR Committee</li> </ul>   |
| 2       | Cerebrus Consultants Private Limited           | -   |
| 3       | Kotak Mahindra Life Insurance Company Limited  | <ul style="list-style-type: none"> <li>- Member of Nomination and Remuneration Committee</li> </ul>   |
| 4       | Aditya Birla Housing Finance Limited           | <ul style="list-style-type: none"> <li>- Member of Audit Committee</li> <li>- Member of Nomination and Remuneration Committee</li> </ul>      |
| 5       | Oxfam India                                    | <ul style="list-style-type: none"> <li>- Member of Finance and Audit Committee</li> </ul>   |
| 6       | IDFC Asset Management Company Limited          | <ul style="list-style-type: none"> <li>- Member of Audit Committee</li> <li>- Chairperson of Nomination and Remuneration Committee</li> </ul> |

**ANNEXURE A – DETAILS OF OTHER DIRECTORSHIPS AND COMMITTEE MEMBERSHIPS HELD BY THE DIRECTORS: (CONTD.)**

| <b>Sr. No.</b> | <b>Name of the Company in which she is a director</b> | <b>Details of Committee Membership / Chairmanship in the Company</b>   |
|----------------|---|--|
| 7              | FSN E-Commerce Ventures Private Limited               | <ul style="list-style-type: none"> <li>- Member of Audit Committee</li> <li>- Chairperson of Nomination and Remuneration Committee</li> <li>- Member of Share Allotment Committee</li> </ul>                 |
| 8              | Utkarsh Small Finance Bank Limited                    | <ul style="list-style-type: none"> <li>- Member of Audit Committee</li> <li>- Member of Nomination and Remuneration Committee</li> <li>- Member of Special Committee to monitor large value funds</li> </ul> |
| 9              | Grasim Industries Limited                             | <ul style="list-style-type: none"> <li>- Member of Corporate Social Responsibility Committee</li> </ul>  |
| 10             | Rane (Madras) Limited                                 | <ul style="list-style-type: none"> <li>- Member of Audit Committee</li> <li>- Member of Nomination and Remuneration Committee</li> <li>- Member of Corporate Social Responsibility Committee</li> </ul>      |
| 11             | Samhi Hotels Limited                                  | -  |
| 12             | Godrej & Boyce Manufacturing Company Limited          | <ul style="list-style-type: none"> <li>- Member of Audit Committee</li> <li>- Chairperson of Nomination and Remuneration Committee</li> </ul>  |
| 13             | Happiest Minds Technologies Limited                   | <ul style="list-style-type: none"> <li>- Member of Audit Committee</li> <li>- Chairperson of Nomination and Remuneration Committee</li> </ul>  |

**(iii) Details of Other Directorships and Committee memberships held by Dr. Sushil Kanubhai Shah:**

| <b>Sr. No.</b> | <b>Name of the Company in which he is a Director</b> | <b>Details of Committee Membership / Chairmanship in the Company</b>   |
|----------------|--|--|
| 1              | Metropolis Healthcare Limited                        | <ul style="list-style-type: none"> <li>- Member of Risk Management Committee</li> <li>- Member of Stakeholders Relationship Committee</li> </ul> |
| 2              | Span Divergent Limited                               | -  |
| 3              | Nitrolabs Technology Private Limited                 | -  |
| 4              | Sudharma Metropolis Health Services Private Limited  | -  |
| 5              | Metropolis Star Lab Kenya Private Limited            | -  |
| 6              | Metropolis Healthcare Lanka (Private) Limited        | -  |
| 7              | Metropolis Bramser Lab Services (Mauritius) Limited  | -  |
| 8              | Metropolis Healthcare Ghana Limited                  | -  |
| 9              | Star Metropolis Health Services Middle East LLC      | -  |
| 10             | Metropolis Healthcare Uganda Limited                 | -  |