DRAFT RED HERRING PROSPECTUS
Dated: September 27, 2018
Please read Section 32 of the Companies Act, 2013
(This Draft Red Herring Prospectus will be updated upon filing with the RoC)
100% Book Built Offer

METROPOLIS
The Pathology Specialist

METROPOLIS HEALTHCARE LIMITED

Dr. Sushil Kanubhai Shah, one of our Promoters, commenced a pathology business in January 1980 as a partnership firm under the name of Dr. V. K. Desai's Hospital, which was subsequently converted into a private limited company, namely, Metropolis Health Services (India) Private Limited ("**MHSIPL**") in 2003 under the Companies Act, 1956. The name of MHSIPL was changed to Metropolis Health Services (India) Limited ("**MHSIL**") pursuant to a 'Fresh Certificate of Incorporation Consequent upon Change of Name on Conversion to Public Limited Company' granted by the RoC on March 1, 2006. In 2009, MHSIL amalgamated into Pathnet India Private Limited, which was wholly owned subsidiary of MHSIL. Pathnet India Private Limited subsequently changed its name to Metropolis Healthcare Limited (our "**Company**" or the "**Company**" or the "**Issuer**"). Pathnet India Private Limited was incorporated at New Delhi as a private limited company under the Companies Act, 1956 pursuant to the 'Certificate of Incorporation' granted by the Registrar of Companies, N. C. T. of Delhi and Haryana on November 10, 2000. The name of our Company was changed to Pathnet India Limited pursuant to a 'Fresh Certificate of Incorporation Consequent upon Change of Name on Conversion to Public Limited Company' granted by the Registrar of Companies, Maharashtra at Mumbai (the "**RoC**") on July 1, 2009. The name of our Company was changed to Metropolis Healthcare Limited pursuant to a 'Fresh Certificate of Incorporation Consequent upon Change of Name' granted by the RoC on September 23, 2009. For further details, see "*History and Certain Corporate Matters*" on page 158.

Registered and Corporate Office: 250 D Udyog Bhavan, Hind Cycle Marg, Worli, Mumbai 400 030, Maharashtra, India; **Tel**: (91 22) 6258 2810 **Facsimile**: Not available
Contact Person: Jayant Prakash, Head Legal, Company Secretary and Compliance Officer; **E-mail:** investor.relations@metropolisindia.com; **Website**: www.metropolisindia.com
Corporate Identity Number: U73100MH2000PLC192798

PROMOTERS OF OUR COMPANY: DR. SUSHIL KANUBHAI SHAH, AMEERA SUSHIL SHAH AND METZ ADVISORY LLP

INITIAL PUBLIC OFFERING OF UP TO 15,269,684 EQUITY SHARES OF FACE VALUE OF ₹ 2 EACH (THE "EQUITY SHARES") OF OUR COMPANY FOR CASH AT A PRICE OF ₹ [●] PER EQUITY SHARE AGGREGATING UP TO ₹ [●] MILLION, CONSISTING OF AN OFFER FOR SALE OF UP TO 5,017,868 EQUITY SHARES BY DR. SUSHIL KANUBHAI SHAH (THE "PROMOTER SELLING SHAREHOLDER") AGGREGATING UP TO [●] MILLION AND UP TO 10,251,816 EQUITY SHARES BY CA LOTUS INVESTMENTS (THE "INVESTOR SELLING SHAREHOLDER") AGGREGATING UP TO [●] MILLION (THE "OFFER"). THE OFFER INCLUDES A RESERVATION OF UP TO 300,000 EQUITY SHARES AGGREGATING UP TO ₹ [●] MILLION, FOR SUBSCRIPTION BY ELIGIBLE EMPLOYEES (AS DEFINED HEREINAFTER) (THE "EMPLOYEE RESERVATION PORTION"). THE OFFER LESS THE EMPLOYEE RESERVATION PORTION IS HEREINAFTER REFERRED TO AS THE "NET OFFER" AND SUCH NET OFFER AGGREGATES UP TO 14,969,684 EQUITY SHARES. THE OFFER AND THE NET OFFER SHALL CONSTITUTE [●]% AND [●]%, RESPECTIVELY, OF THE POST-OFFER PAID-UP EQUITY SHARE CAPITAL OF OUR COMPANY.

THE FACE VALUE OF EQUITY SHARES IS ₹ 2 EACH. THE PRICE BAND AND THE MINIMUM BID LOT WILL BE DECIDED BY OUR COMPANY AND THE SELLING SHAREHOLDERS IN CONSULTATION WITH THE BOOK RUNNING LEAD MANAGERS ("BRLMS") AND WILL BE ADVERTISED IN ALL EDITIONS OF [●] (A WIDELY CIRCULATED ENGLISH NATIONAL DAILY NEWSPAPER), ALL EDITIONS OF [●] (A HINDI NATIONAL DAILY NEWSPAPER) AND THE [●] EDITION OF [●] (A WIDELY CIRCULATED MARATHI NEWSPAPER, MARATHI BEING THE REGIONAL LANGUAGE OF MAHARASHTRA WHERE OUR REGISTERED OFFICE IS LOCATED), AT LEAST FIVE WORKING DAYS PRIOR TO THE BID/OFFER OPENING DATE IN ACCORDANCE WITH THE SECURITIES AND EXCHANGE BOARD OF INDIA (ISSUE OF CAPITAL AND DISCLOSURE REQUIREMENTS) REGULATIONS, 2009, AS AMENDED ("SEBI ICDR REGULATIONS") AND SHALL BE MADE AVAILABLE TO BSE LIMITED ("BSE") AND NATIONAL STOCK EXCHANGE OF INDIA LIMITED ("NSE", AND TOGETHER WITH BSE, THE "STOCK EXCHANGES") FOR THE PURPOSE OF UPLOADING ON THEIR RESPECTIVE WEBSITES.

In case of any revision to the Price Band, the Bid/Offer Period will be extended by at least three additional Working Days following such revision of the Price Band, subject to the Bid/Offer Period not exceeding 10 Working Days. Any revision in the Price Band and the revised Bid/Offer Period, if applicable, will be widely disseminated by notification to the Stock Exchanges, by issuing a press release, and also by indicating the change on the respective websites of the Book Running Lead Managers and at the terminals of the Syndicate Members and by intimation to Self-Certified Syndicate Banks ("**SCSBs**") and other Designated Intermediaries, as applicable.

In terms of Rule 19(2)(b) of the Securities Contracts (Regulation) Rules, 1957, as amended ("**SCRR**") read with Regulation 41 of the SEBI ICDR Regulations, the Offer is being made for at least 10% of the post-Offer paid up Equity Share capital of our Company. Further, the Offer is being made through the Book Building Process, in compliance with Regulation 26(2) of the SEBI ICDR Regulations, wherein at least 75% of the Net Offer shall be Allotted on a proportionate basis to Qualified Institutional Buyers ("**QIBs**") ("**QIB Portion**"), provided that our Company and the Selling Shareholders, in consultation with the BRLMs, may allocate up to 60% of the QIB Portion to Anchor Investors, on a discretionary basis ("**Anchor Investor Portion**"), of which one-third shall be reserved for domestic Mutual Funds, subject to valid Bids being received from domestic Mutual Funds at or above the Anchor Investor Allocation Price. In the event of undersubscription, or non-allocation in the Anchor Investor Portion, the balance Equity Shares shall be added to the QIB Portion. Further, 5% of the QIB Portion (excluding the Anchor Investor Portion) shall be available for allocation on a proportionate basis to Mutual Funds only. The remainder of the QIB Portion shall be available for allocation on a proportionate basis to QIBs, subject to valid Bids being received from them at or above the Offer Price. If at least 75% of the Net Offer cannot be Allotted to QIBs, the entire application money shall be refunded forthwith. Further, not more than 15% of the Net Offer will be available for allocation on a proportionate basis to Non-Institutional Investors and not more than 10% of the Net Offer will be available for allocation to Retail Individual Investors, in accordance with the SEBI ICDR Regulations, subject to valid Bids being received at or above the Offer Price. All Bidders (except Anchor Investors) shall mandatorily participate in this Offer only through the Application Supported by Blocked Amount ("**ASBA**") process and shall provide details of their respective bank account in which the Bid amount will be blocked by the SCSBs. Anchor Investors are not permitted to participate in the Anchor Investor Portion through the ASBA process. For details, see "*Offer Procedure*" on page 551.

RISK IN RELATION TO THE FIRST OFFER

This being the first public offer of our Company, there has been no formal market for the Equity Shares. The face value of each Equity Shares is ₹ 2 and the Floor Price is [●] times the face value and the Cap Price is [●] times the face value. The Offer Price is [●] times the face value of the Equity Shares. The Offer Price (determined and justified by our Company and the Selling Shareholders in consultation with the Book Running Lead Managers and in accordance with the SEBI ICDR Regulations, and as stated under "*Basis for Offer Price*" on page 110) should not be taken to be indicative of the market price of the Equity Shares after the Equity Shares are listed. No assurance can be given regarding an active or sustained trading in the Equity Shares or regarding the price at which the Equity Shares will be traded after listing.

GENERAL RISKS

Investments in equity and equity-related securities involve a degree of risk and investors should not invest any funds in the Offer unless they can afford to take the risk of losing their investment. Investors are advised to read the risk factors carefully before taking an investment decision in the Offer. For taking an investment decision, investors must rely on their own examination of our Company and the Offer, including the risks involved. The Equity Shares in the Offer have not been recommended or approved by the Securities and Exchange Board of India ("**SEBI**"), nor does SEBI guarantee the accuracy or adequacy of the contents of this Draft Red Herring Prospectus. Specific attention of the investors is invited to "*Risk Factors*" on page 18.

COMPANY'S AND SELLING SHAREHOLDERS' ABSOLUTE RESPONSIBILITY

Our Company, having made all reasonable inquiries, accepts responsibility for and confirms that this Draft Red Herring Prospectus contains all information with regard to our Company and the Offer, which is material in the context of the Offer, that the information contained in this Draft Red Herring Prospectus is true and correct in all material aspects and is not misleading in any material respect, that the opinions and intentions expressed herein are honestly held and that there are no other facts, the omission of which makes this Draft Red Herring Prospectus as a whole or any of such information or the expression of any such opinions or intentions misleading in any material respect. Further, each Selling Shareholder severally and not jointly accepts responsibility for and confirms only statements made or undertaken expressly by such Selling Shareholder in this Draft Red Herring Prospectus solely in relation to itself as a Selling Shareholder and/ or its respective portion of the Offered Shares and confirms that such statements are true and correct and are not misleading. Each Selling Shareholder assumes no responsibility for any other statements, including, *inter alia*, any of the statements made by or relating to our Company or its business or by the other Selling Shareholder or by any other person in this Draft Red Herring Prospectus.

LISTING

The Equity Shares offered through the Red Herring Prospectus are proposed to be listed on BSE and NSE. Our Company has received an 'in-principle' approval from BSE and NSE for the listing of the Equity Shares pursuant to letters dated [●] and [●], respectively. For the purposes of the Offer, the Designated Stock Exchange shall be [●]. A signed copy of the Red Herring Prospectus and the Prospectus shall be delivered for registration to the RoC in accordance with Section 26(4) of the Companies Act, 2013. For details of the material contracts and documents available for inspection from the date of the Red Herring Prospectus up to the Bid/Offer Closing Date, see "*Material Contracts and Documents for Inspection*" on page 676.

BOOK RUNNING LEAD MANAGERS					**REGISTRAR TO THE OFFER**
JM FINANCIAL	CREDIT SUISSE	Goldman Sachs	HDFC BANK We understand your world	kotak Investment Banking	LINKIntime
JM Financial Limited 7th Floor, Cnergy Appasaheb Marathe Marg Prabhadevi Mumbai 400 025 Tel: (91 22) 6630 3030 Facsimile: (91 22) 6630 3330 Email: metropolis.ipo@jmfl.com Investor Grievance Email: grievance.ibd@jmfl.com Website: www.jmfl.com Contact Person: Prachee Dhuri SEBI Registration Number: INM000010361	**Credit Suisse Securities (India) Private Limited**^ 9th Floor, Ceejay House Dr. Annie Besant Road, Worli, Mumbai 400 018 Tel: (91 22) 6777 3885 Facsimile: (91 22) 6777 3820 Email: list.metropolisipo@credit-suisse.com Investor Grievance Email: list.metropolisipo@credit-suisse.com Website: www.credit-suisse.com Contact Person: Akshay Lulla SEBI Registration Number: INM000011161	**Goldman Sachs (India) Securities Private Limited** Rational House 951-A, Appasaheb Marathe Marg, Prabhadevi Mumbai 400 025 Tel: (91 22) 6616 9000 Facsimile: (91 22) 6616 9001 Email: gs-metropolis-ipo@gs.com Investor Grievance Email: india-client-support@gs.com Website: www.goldmansachs.com Contact Person: Sonam Chopra SEBI Registration Number: INM000011054	**HDFC Bank Limited** Investment Banking Group Unit No. 401 & 402, 4th Floor Tower B, Peninsula Business Park, Lower Parel Mumbai 400 013 Tel: (91 22) 3395 8233 Facsimile: (91 22) 3078 8584 E-mail: metropolis.ipo@hdfcbank.com Investor Grievance e-mail: investor.redressal@hdfcbank.com Website: www.hdfcbank.com Contact Person: Rakesh Bhunatar/Ravi Sharma SEBI Registration No.: INM000011252	**Kotak Mahindra Capital Company Limited** 1st Floor, 27 BKC, Plot No. 27 G Block, Bandra Kurla Complex Bandra (East) Mumbai 400 051 Tel: (91 22) 4336 0000 Facsimile: (91 22) 6713 2447 Email: metropolis.ipo@kotak.com Investor Grievance Email: kmccredressal@kotak.com Website: www.investmentbank.kotak.com Contact Person: Ganesh Rane SEBI Registration Number: INM000008704	**Link Intime India Private Limited** C-101, 1st floor, 247 Park L B S Marg Vikhroli West Mumbai 400 083 Tel: (91 22) 4918 6200 Facsimile: (91 22) 4918 6195 E-mail: metropolis.ipo@linkintime.co.in Investor grievance e-mail: metropolis.ipo@linkintime.co.in Website: www.linkintime.co.in Contact Person: Shanti Gopalkrishnan SEBI Registration No.: INR000004058

BID/OFFER PROGRAMME

BID/OFFER OPENS ON	[●]*
BID/OFFER CLOSES ON	[●]**

**Our Company and the Selling Shareholders may in consultation with the Book Running Lead Managers, consider participation by Anchor Investors in accordance with the SEBI ICDR Regulations. The Anchor Investor Bid/Offer Period shall be one Working Day prior to the Bid/Offer Opening Date.*
***Our Company and the Selling Shareholders may, in consultation with the Book Running Lead Managers, consider closing the Bid/Offer Period for QIBs one Working Day prior to the Bid/Offer Closing Date in accordance with the SEBI ICDR Regulations*
^In compliance with the proviso to Regulation 21A(1) of the Securities and Exchange Board of India (Merchant Bankers) Regulations, 1992, as amended, read with proviso to Regulation 5(3) of the SEBI ICDR Regulations, Credit Suisse Securities (India) Private Limited is involved as a merchant banker only in marketing of the Offer.

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SECTION I – GENERAL

DEFINITIONS AND ABBREVIATIONS

This Draft Red Herring Prospectus uses certain definitions and abbreviations which, unless the context otherwise indicates or implies, shall have the meanings ascribed to such terms herein, and references to any legislation, act, rule, regulation, circular, guideline, policy, notification or clarification will include any amendments or re-enactments thereto, from time to time. In case of any inconsistency between the definitions given below and the definitions contained in the General Information Document (as defined below), the definitions given in this section shall prevail.

Notwithstanding the foregoing, terms in the sections "Main Provisions of the Articles of Association", "Statement of Tax Benefits", "Objects of the Offer", "Industry Overview", "Our Business", "Risk Factors", "Regulations and Policies", "Financial Information", "Outstanding Litigation and Other Material Developments" and "Part B" of "Offer Procedure", will have the meaning ascribed to such terms in those respective sections.

General terms

Term	Description
"our Company", "the Company" or "the Issuer",	Metropolis Healthcare Limited, a public company incorporated under the Companies Act, 1956 and having its Registered and Corporate Office at 250 D Udyog Bhavan, Hind Cycle Marg, Worli, Mumbai 400 030
"we", "us" or "our"	Our Company and Subsidiaries, on a consolidated basis

Company Related Terms

Term	Description
AoA/Articles of Association/ Articles	The articles of association of our Company, as amended from time to time
Audit Committee	The audit committee of our Board, constituted in accordance with Regulation 18 of the SEBI Listing Regulations and Section 177 of the Companies Act, 2013, as described in "*Our Management*" on page 181
Auditors/Statutory Auditors	The statutory auditor of our Company, being B S R & Co. LLP, Chartered Accountants
Board/Board of Directors	The board of directors of our Company, or a duly constituted committee thereof
Bonus Issue	Allotment of 385,990 Equity Shares dated September 15, 2018 by our Company to the Shareholders as on September 14, 2018 by way of bonus issue in the ratio of 1:25 (one Equity Share issued for every 25 Equity Shares held)
Corporate Social Responsibility Committee	The corporate social responsibility committee of our Board, constituted in accordance with Section 135 of the Companies Act, 2013 and the Companies (Corporate Social Responsibility Policy) Rules, 2014, the details of which are provided in "*Our Management*" on page 181
Compliance Officer	Compliance officer of our Company in terms of SEBI ICDR Regulations and SEBI Listing Regulations
Director(s)	The director(s) on our Board
Equity Shares	The equity shares of our Company of face value of ₹ 2 each
ESOP Schemes	MESOS 2007 and MESOS 2015, collectively
Executive Directors	Whole time directors of our Company, in terms of the Companies Act
Group Companies	Such companies as covered under the applicable accounting standards and other companies as considered material by our Board, if any, in accordance with the materiality policy adopted by our Board on September 24, 2018. For further details, see "*Our Group Companies*" on page 198
Independent Director(s)	The independent director(s) of our Company, in terms of Section 2(47) and Section 149(6) of the Companies Act, 2013
Investor Selling Shareholder	CA Lotus Investments
IPO Committee	The committee of our Board constituted pursuant to a resolution passed by our Board on September 24, 2018 to facilitate the process of the Offer.
Key Management Personnel/ Key Managerial Personnel/ KMP	Key management personnel of our Company in terms of Regulation 2(1)(s) of the SEBI ICDR Regulations, together with the key managerial personnel of our Company in terms of Section 2(51) of the Companies Act, 2013 and as described in "*Our Management*" on page 181

Term	Description
MoA/Memorandum of Association	The memorandum of association of our Company, as amended from time to time
MESOS 2007	Metropolis Employee Stock Option Scheme, 2007 of our Company. For details, see "*Capital Structure*" on page 90
MESOS 2015	Metropolis Employee Stock Option Scheme 2015 of our Company. For details, see "*Capital Structure*" on page 90
MHSIPL	Metropolis Health Services (India) Private Limited
Nomination and Remuneration Committee/ NRC	The nomination and remuneration committee of our Board, constituted in accordance with Regulation 19 of the SEBI Listing Regulations and Section 178 of the Companies Act, 2013, the details of which are provided in "*Our Management*" on page 181
Non-Executive Directors	Non-executive directors of our Company
Promoter Group	Such persons and entities constituting the promoter group in accordance with Regulation 2(1)(zb) of the SEBI ICDR Regulations. For further details, see "*Our Promoters and Promoter Group*" on page 194
Promoters	The Promoters of our Company namely, Dr. Sushil Kanubhai Shah, Ameera Sushil Shah and Metz Advisory LLP. For further details, see "*Our Promoters and Promoter Group*" on page 194
Promoter Selling Shareholder	Dr. Sushil Kanubhai Shah
Registered and Corporate Office	Registered and corporate office of our Company located at 250 D Udyog Bhavan, Hind Cycle Marg, Worli, Mumbai 400 030
Registrar of Companies/RoC	The Registrar of Companies, Maharashtra at Mumbai located at 100, Everest, Marine Drive, Mumbai 400 002, Maharashtra, India
Restated Consolidated Ind AS Financial Information	The consolidated financial information of our Company, which comprises of the restated consolidated Ind AS summary statement of assets and liabilities, the restated consolidated Ind AS summary statement of profit and loss, the restated consolidated Ind AS statement of changes in equity and the restated consolidated Ind AS summary statement of cash flows, for Fiscals ended March 31, 2018, March 31, 2017 and March 31, 2016, and the significant accounting policies and other information including schedules, notes, and annexures thereto, included in this Draft Red Herring Prospectus, prepared under Ind AS and restated in accordance with the SEBI ICDR Regulations, SEBI Circular SEBI/HO/CFD/DIL/CIR/P/2016/47 dated March 31, 2016; and Guidance Note on Reports in Company Prospectuses (Revised 2016) issued by ICAI, and included in "*Financial Statements*" on page 203
Restated Consolidated Indian GAAP Financial Information	The consolidated financial information of our Company, which comprises of the restated consolidated Indian GAAP summary statement of assets and liabilities, the restated consolidated Indian GAAP summary statement of profit and loss and the restated consolidated Indian GAAP summary statement of cash flows, for Fiscals ended March 31, 2015 and March 31, 2014, and the significant accounting policies and other information included in this Draft Red Herring Prospectus, prepared under Indian GAAP and restated in accordance with the SEBI ICDR Regulations, SEBI Circular SEBI/HO/CFD/DIL/CIR/P/2016/47 dated March 31, 2016 and Guidance Note on Reports in Company Prospectuses (Revised 2016) issued by ICAI, and included in "*Financial Statements*" on page 203
Restated Consolidated Summary Statements	Restated Consolidated Ind AS Financial Information and Restated Consolidated Indian GAAP Financial Information, on a collective basis
Restated Standalone Summary Statements	Restated Standalone Ind AS Financial Information and Restated Standalone Indian GAAP Financial Information, on a collective basis
Restated Summary Statements	Collectively, the Restated Consolidated Summary Statements and Restated Standalone Summary Statements
Restated Standalone Ind AS Financial Information	The standalone financial information of our Company, which comprise of the restated standalone Ind AS summary statement of assets and liabilities, the restated standalone Ind AS summary statement of profit and loss, the restated standalone Ind AS statement of changes in equity and the restated standalone Ind AS summary statement of cash flows, for Fiscals ended March 31, 2018, March 31, 2017 and March 31, 2016, and the significant accounting policies and other information including the schedules, notes and annexures thereto, included in this Draft Red Herring Prospectus, prepared under Ind AS and restated in accordance with the SEBI ICDR Regulations, SEBI Circular SEBI/HO/CFD/DIL/CIR/P/2016/47 dated March 31, 2016 and Guidance Note on Reports in Company Prospectuses (Revised 2016) issued by ICAI, and included in "*Financial Statements*" on page 203

Term	Description
Restated Standalone Indian GAAP Financial Information	The standalone financial information of our Company, which comprise of the restated standalone Indian GAAP summary statement of assets and liabilities, the restated standalone Indian GAAP summary statement of profit and loss and the restated standalone Indian GAAP summary statement of cash flows, for Fiscals ended March 31, 2015 and March 31, 2014, and the significant accounting policies and other information included in this Draft Red Herring Prospectus, prepared under Indian GAAP and restated in accordance with the SEBI ICDR Regulations SEBI Circular SEBI/HO/CFD/DIL/CIR/P/2016/47 dated March 31, 2016 and Guidance Note on Reports in Company Prospectuses (Revised 2016) issued by ICAI, and included in "*Financial Statements*" on page 203
Scheme of Amalgamation 2009	Scheme of amalgamation between Pathnet India Private Limited and Metropolis Health Services (India) Limited, Metro Home Health Services Private Limited, Lister Metropolis Laboratory and Research Centre Private Limited, Tripoli Path Lab Private Limited and Diwanchand Metropolis Diagnostics Services Private Limited, which came into effect on January 30, 2009. For details, see "*History and Certain Corporate Matters*" on page 158
Scheme of Amalgamation 2018	Scheme of amalgamation between our Company and Bacchus Hospitality Services and Real Estate Private Limited, Metropolis Healthcare (Chandigarh) Private Limited, Metropolis Healthcare (Jodhpur) Private Limited, Final Diagnosis Private Limited, Sanket Metropolis Health Services (India) Private Limited and Golwilkar Metropolis Health Services (India) Private Limited, which came into effect on September 8, 2018. For details, see "*History and Certain Corporate Matters*" on page 158
Selling Shareholders	Promoter Selling Shareholder and Investor Selling Shareholder, collectively
Shareholders	Shareholders of our Company holding Equity Shares, from time to time
SPA	Share Purchase Agreement dated September 27, 2018 entered into between Ameera Sushil Shah, Dr. Sushil Kanubhai Shah, Dr. Duru Sushil Shah, Metz Advisory LLP, CA Lotus Investments and our Company
Stakeholder's Relationship Committee	The stakeholder's relationship committee of our Board, constituted in accordance with Regulation 20 of the SEBI Listing Regulations and Section 178 of the Companies Act, 2013, the details of which are provided in "*Our Management*" on page 181
Sub-Division	Sub-division of share capital of the Company by sub-dividing the face value of Equity Shares from ₹ 10 to ₹ 2 per Equity Share, pursuant to a Shareholders' resolution dated September 14, 2018 (with effect from September 20, 2018). Accordingly, the issued and paid-up capital of our Company was sub-divided from 10,035,736 Equity Shares of ₹ 10 each to 5,01,78,680 Equity Shares of ₹ 2 each.
Subsidiaries	The subsidiaries of our Company, namely: 1. Desai Metropolis Health Services Private Limited; 2. Lab One Metropolis Healthcare Services Private Limited; 3. Micron Metropolis Healthcare Private Limited; 4. Amin's Pathology Laboratory Private Limited; 5. Ekopath Metropolis Lab Services Private Limited; 6. Sudharma Metropolis Health Services Private Limited; 7. Dr. Patel Metropolis Healthcare Private Limited; 8. R.V. Metropolis Diagnostic & Health Care Center Private Limited; 9. Metropolis Histoxpert Digital Services Private Limited; 10. Bokil Golwilkar Metropolis Health Care Private Limited; 11. Raj Metropolis Healthcare Private Limited; 12. Metropolis Healthcare (Mauritius) Limited; 13. Metropolis Star Lab Kenya Limited; 14. Metropolis Healthcare Lanka (Pvt) Limited; 15. Metropolis Bramser Lab Services (Mtius) Limited; 16. Metropolis Healthcare Ghana Ltd; 17. Metropolis Healthcare Uganda Limited; and 18. Metropolis Healthcare (Tanzania) Limited
Subsidiary Shareholding Acquisitions	Acquisition of shareholding by our Company in (i) R.V. Metropolis Diagnostic & Health Care Center Private Limited; (ii) Desai Metropolis Health Services Private Limited; (iii) Lab One Metropolis Healthcare Services Private Limited; and (iv) Sudharma Metropolis Health Services Private Limited, pursuant to separate share purchase agreements each dated September 6, 2018, to make these entities wholly owned subsidiaries of our Company.

Offer Related Terms

Term	Description
Acknowledgment Slip	The slip or document issued by the Designated Intermediary(ies) to a Bidder as proof of registration of the Bid cum Application Form
Allotted/Allotment/Allot	Unless the context otherwise requires, the allotment of Equity Shares to successful Bidders pursuant to transfer of the Offered Shares by the Selling Shareholders to the successful Bidders, pursuant to the Offer
Allotment Advice	The note or advice or intimation of Allotment, sent to each successful Bidder who has been or would be Allotted the Equity Shares after approval of the Basis of Allotment by the Designated Stock Exchange
Allottee	A successful Bidder to whom the Equity Shares are Allotted
Anchor Investor	A QIB, who applies under the Anchor Investor Portion in accordance with the requirements specified in the SEBI ICDR Regulations and the Red Herring Prospectus. For further details, see "*Offer Procedure*" on page 551
Anchor Investor Allocation Price	The price at which Equity Shares will be allocated to the Anchor Investors in terms of the Red Herring Prospectus and the Prospectus, which will be decided by our Company and the Selling Shareholders, in consultation with the BRLMs
Anchor Investor Bidding Date	The date, one Working Day prior to the Bid/Offer Opening Date on which Bids by Anchor Investors shall be submitted, prior to and after which the BRLMs will not accept any Bids in the Anchor Investor Portion, and allocation to the Anchor Investors shall be completed
Anchor Investor Offer Price	The final price at which the Equity Shares will be Allotted to Anchor Investors in terms of the Red Herring Prospectus and the Prospectus, which will be a price equal to or higher than the Offer Price but not higher than the Cap Price. The Anchor Investor Offer Price will be decided by our Company and the Selling Shareholders, in consultation with the BRLMs
Anchor Investor Portion	Up to 60% of the QIB Portion, which may be allocated by our Company and the Selling Shareholders, in consultation with the BRLMs, to Anchor Investors, on a discretionary basis, in accordance with SEBI ICDR Regulations. One-third of the Anchor Investor Portion is reserved for domestic Mutual Funds, subject to valid Bids being received from domestic Mutual Funds at or above the Anchor Investor Allocation Price
Application Supported by Blocked Amount/ASBA	The application (whether physical or electronic) by a Bidder (other than Anchor Investors) to make a Bid authorising the relevant SCSB to block the Bid Amount in the relevant ASBA Account
ASBA Account	A bank account maintained with an SCSB and specified in the ASBA Form which will be blocked by such SCSB to the extent of the appropriate Bid Amount in relation to a Bid by an ASBA Bidder (other than a Bid by an Anchor Investor)
ASBA Bidder	Prospective investors (other than Anchor Investors) in the Offer who intend to submit the Bid through the ASBA process
ASBA Form	An application form, whether physical or electronic, used by ASBA Bidders which will be considered as the application for Allotment in terms of the Red Herring Prospectus and the Prospectus
Banker(s) to the Offer	Escrow Bank(s), Refund Bank (s) and Public Offer Account Bank(s)
Basis of Allotment	The basis on which the Equity Shares will be Allotted, as described in "*Offer Procedure – Allotment Procedure and Basis of Allotment*" on page 586
Bid	An indication to make an offer during the Bid/Offer Period by an ASBA Bidder (other than an Anchor Investor), or on the Anchor Investor Bidding Date by an Anchor Investor, pursuant to submission of a Bid cum Application Form, to purchase our Equity Shares at a price within the Price Band, including all revisions and modifications thereto, to the extent permissible under the SEBI ICDR Regulations, in terms of the Red Herring Prospectus and the Bid cum Application Form. The term 'Bidding' shall be construed accordingly
Bid Amount	In relation to each Bid, the highest value of the optional Bids as indicated in the Bid cum Application Form and payable by the Anchor Investor or as blocked in the ASBA Account of the ASBA Bidder, as the case may be, upon submission of the Bid in the Offer
Bid cum Application Form	The form in terms of which the Bidder shall make a Bid, including an ASBA Form, and which shall be considered as the application for the Allotment pursuant to the terms of the Red Herring Prospectus and the Prospectus
Bid Lot	[●] Equity Shares
Bid/Offer Closing Date	Except in relation to Anchor Investors, the date after which the Designated Intermediaries shall not accept any Bids for the Offer, which shall be published in all editions of [●] (a widely circulated English national daily newspaper), all editions of [●] (a widely circulated Hindi national daily newspaper) and [●] edition of [●] (a widely circulated Marathi newspaper**,** Marathi being the regional language of Maharashtra, where our Registered

Term	Description
	Office is located) and in case of any revisions, the extended Bid/Offer Closing Date shall also be notified on the websites and terminals of the members of the Syndicate, as required under the SEBI ICDR Regulations. Our Company and the Selling Shareholders, in consultation with the BRLMs, may decide to close the Bid/Offer Period for QIBs one Working Day prior to the Bid/Offer Closing Date, subject to the conditions imposed by the SEBI ICDR Regulations
Bid/Offer Opening Date	Except in relation to Bids received from Anchor Investors, the date on which the Designated Intermediaries shall start accepting Bids for the Offer, which shall be published in all editions of [●] (a widely circulated English national daily newspaper), all editions of [●] (a widely circulated Hindi national daily newspaper) and [●] edition of [●] (a widely circulated Marathi newspaper**,** Marathi being the regional language of Maharashtra where our Registered Office is located)
Bid/Offer Period	Except in relation to Bids received from Anchor Investors, the period between the Bid/Offer Opening Date and the Bid/Offer Closing Date, inclusive of both days during which prospective Bidders (excluding Anchor Investors) can submit their Bids, including any revisions thereof in accordance with the SEBI ICDR Regulations and the terms of the Red Herring Prospectus
Bidder/Applicant	Any prospective investor who makes a Bid pursuant to the terms of the Red Herring Prospectus and the Bid cum Application Form and unless otherwise stated or implied, includes an Anchor Investor
Bidding Centres	Centres at which the Designated Intermediaries shall accept the Bid cum Application Forms, being the Designated Branch for SCSBs, Specified Locations for the Syndicate, Broker Centres for Registered Brokers, Designated RTA Locations for CRTAs and Designated CDP Locations for CDPs
Book Building Process	The book building process as described in Part A of Schedule XI of the SEBI ICDR Regulations, in terms of which the Offer Price shall be determined
Book Running Lead Managers/ BRLMs	JM Financial Limited, Credit Suisse Securities (India) Private Limited^, Goldman Sachs (India) Securities Private Limited, HDFC Bank Limited and Kotak Mahindra Capital Company Limited are the book running lead managers to the Offer ^*In compliance with the proviso to Regulation 21A(1) of the Securities and Exchange Board of India (Merchant Bankers) Regulations, 1992, as amended, read with proviso to Regulation 5(3) of the SEBI ICDR Regulations, Credit Suisse Securities (India) Private Limited is involved as a merchant banker only in marketing of the Offer*
Broker Centres	Broker centres notified by the Stock Exchanges, where Bidders (other than Anchor Investors) can submit the Bid cum Application Forms to a Registered Broker. The details of such Broker Centres, along with the names and contact details of the Registered Brokers are available on the respective websites of the Stock Exchanges, being https://www.bseindia.com/ and https://www.nseindia.com/, respectively
CAGR	Compound annual growth rate calculated as ((ending value / beginning value)^(1 / number of years) – 1)
CAN/Confirmation of Allocation Note	Notice or intimation of allocation of the Equity Shares sent to Anchor Investors, who have been allocated the Equity Shares, after the Anchor Investor Bidding Date
Cap Price	Higher end of the Price Band, subject to any revisions thereof, i.e. ₹ [●] above which the Offer Price and Anchor Investor Offer Price will not be finalised and above which no Bids will be accepted
Circular on Streamlining of Public Issues	Circular no. CIR/CFD/POLICYCELL/11/2015 dated November 10, 2015 issued by SEBI
Client ID	Client identification number maintained with one of the depositories in relation to the demat account
Collecting Depository Participants/CDPs	A depository participant, as defined under the Depositories Act, 1996 and registered under Section 12(1A) of the SEBI Act and who is eligible to procure Bids at the Designated CDP Locations in terms of the Circular on Streamlining of Public Issues
Collecting Registrar and Share Transfer Agents/CRTAs	Registrar and share transfer agents registered with SEBI and eligible to procure Bids at the Designated RTA Locations in terms of the Circular on Streamlining of Public Issues
Cut-off Price	Offer Price as finalised by our Company and the Selling Shareholders, in consultation with the BRLMs, which may be any price within the Price Band. Only Retail Individual Investors and Eligible Employees Bidding in the Employee Reservation Portion are entitled to Bid at the Cut-off Price. QIBs (including Anchor Investors) and Non-Institutional Investors are not entitled to Bid at the Cut-off Price
Credit Suisse	Credit Suisse Securities (India) Private Limited

Term	Description
Demographic Details	Details of the Bidders including the Bidders' address, names of the Bidders' father/husband, investor status, occupation and bank account details
Designated Branches	Such branches of the SCSBs which shall collect the Bid cum Application Forms used by Bidders (other than Anchor Investors), a list of which is available at the website of the SEBI (http://www.sebi.gov.in/sebiweb/other/OtherAction.do?doRecognised=yes) and updated from time to time and at such other website as prescribed by SEBI from time to time
Designated CDP Locations	Such centres of the Collecting Depository Participants where Bidders (except Anchor Investors) can submit the Bid cum Application Forms. The details of such Designated CDP Locations, along with the names and contact details of the CDPs are available on the respective websites of the Stock Exchanges, being https://www.bseindia.com/ and https://www.nseindia.com/, respectively and updated from time to time
Designated Date	The date on which funds are transferred from the Escrow Account and instructions are given to the SCSBs to unblock the ASBA Accounts and transfer the amounts blocked by the SCSBs, from the ASBA Accounts, to the Public Offer Account or the Refund Account, as applicable, in terms of the Red Herring Prospectus and the aforesaid transfer and instructions shall be issued only after finalisation of Basis of Allotment in consultation with the Designated Stock Exchange
Designated Intermediaries	Collectively, the members of the Syndicate, sub-syndicate/agents, SCSBs, Registered Brokers, CDPs and CRTAs, who are authorised to collect Bid cum Application Forms from the Bidders (other than Anchor Investors), in relation to the Offer
Designated RTA Locations	Such centres of the CRTAs where Bidders (except Anchor Investors) can submit the Bid cum Application Forms. The details of such Designated RTA Locations, along with the names and contact details of the CRTAs are available on the respective websites of the Stock Exchanges (www.nseindia.com and www.bseindia.com) and updated from time to time
Designated Stock Exchange	[●]
Draft Red Herring Prospectus/ DRHP	This draft red herring prospectus dated 27 September 2018, issued in accordance with the SEBI ICDR Regulations, which does not contain complete particulars of the price at which our Equity Shares will be Allotted and the size of the Offer, including any addenda or corrigenda thereto
Eligible Employee	A permanent and full-time employee of our Company, (excluding such employees not eligible to invest in the Offer under applicable laws, rules, regulations and guidelines) as of the date of filing of the Red Herring Prospectus with the RoC and who continues to be an employee of our Company until the submission of the Bid cum Application Form, and is based, working in India as on the date of submission of the Bid cum Application Form. The maximum Bid Amount under the Employees Reservation Portion by an Eligible Employee cannot exceed ₹ 500,000. However, the initial Allotment to an Eligible Employee in the Employee Reservation Portion shall not exceed ₹ 200,000. Only in the event of an under-subscription in the Employee Reservation Portion post the initial allotment, such unsubscribed portion may be Allotted on a proportionate basis to Eligible Employees Bidding in the Employee Reservation Portion, for a value in excess of ₹ 200,000, subject to the total Allotment to an Eligible Employee not exceeding ₹ 500,000.
Eligible NRI	A non-resident Indian, resident in a jurisdiction outside India where it is not unlawful to make an offer or invitation under the Offer and in relation to whom the Red Herring Prospectus constitutes an invitation to subscribe to the Equity Shares
Employee Reservation Portion	The portion of the Offer, being up to 300,000 Equity Shares, aggregating up to ₹ [●] million, available for allocation to Eligible Employees, on a proportionate basis.
Escrow Account(s)	Account(s) opened with Escrow Bank and in whose favour the Anchor Investors will transfer money through direct credit or NACH or NEFT or RTGS in respect of the Bid Amount when submitting a Bid
Escrow Agreement	Agreement to be entered into among our Company, the Selling Shareholders, the Registrar to the Offer, the BRLMs and the Banker(s) to the Offer for collection of the Bid Amounts and where applicable remitting refunds, if any, on the terms and conditions thereof
Escrow Bank	A bank, which is a clearing member and registered with SEBI as a banker to an issue and with whom the Escrow Account will be opened
First Bidder	The Bidder whose name appears first in the Bid cum Application Form or the Revision Form and in case of joint Bids, whose name appears as the first holder of the beneficiary account held in joint names
Floor Price	The lower end of the Price Band, subject to any revisions thereof, at or above which the Offer Price and the Anchor Investor Offer Price will be finalised and below which no Bids will be accepted, and which shall not be less than the face value of the Equity Shares

Term	Description
General Information Document	The General Information Document for investing in public issues prepared and issued in accordance with the circular (CIR/CFD/DIL/12/2013) dated October 23, 2013, notified by SEBI and updated pursuant to the circular (CIR/CFD/POLICYCELL/11/2015) dated November 10, 2015, the circular (CIR/CFD/DIL/1/2016) dated January 1, 2016 and (SEBI/HO/CFD/DIL/CIR/P/2016/26) dated January 21, 2016, notified by SEBI and included in "*Offer Procedure*" on page 551
Goldman	Goldman Sachs (India) Securities Private Limited
HDFC	HDFC Bank Limited
JM Financial	JM Financial Limited
Kotak	Kotak Mahindra Capital Company Limited
Maximum RII Allottees	The maximum number of RIIs who can be Allotted the minimum Bid Lot. This is computed by dividing the total number of Equity Shares available for Allotment to RIIs by the minimum Bid Lot
Minimum Promoters' Contribution	Aggregate of 20% of the fully diluted post- Offer equity share capital of our Company that are eligible to form part of the minimum promoters' contribution, as required under the provisions of the SEBI ICDR Regulations, held by our Promoters that shall be locked-in for a period of three years from the date of Allotment
Mutual Fund Portion	5% of the Net QIB Portion or 224,546 Equity Shares, which shall be available for allocation to Mutual Funds only, on a proportionate basis, subject to valid Bids being received at or above the Offer Price
Net Offer	Offer less Employee Reservation Portion
Net QIB Portion	The portion of the QIB Portion less the number of Equity Shares Allotted to the Anchor Investors
Non-Institutional Investors/NIIs	All Bidders, including Category III FPIs that are not QIBs (including Anchor Investors) or Retail Individual Investors who have Bid for Equity Shares for an amount of more than ₹ 200,000 or Eligible Employees Bidding in the Employee Reservation Portion, who have Bid for Equity Shares for an amount of more than ₹ 500,000 (but not including NRIs other than Eligible NRIs)
Non-Institutional Portion	The portion of the Offer, being not more than 15% of the Net Offer or 2,245,452 Equity Shares, available for allocation on a proportionate basis to Non-Institutional Investors, subject to valid Bids being received at or above the Offer Price
Offer	Initial public offering of up to 15,269,684 Equity Shares for cash at a price of ₹ [●] per Equity Share aggregating up to ₹ [●] million, consisting of an Offer for Sale of up to 5,017,868 Equity Shares by Dr. Sushil Kanubhai Shah aggregating up to [●] million and up to 10,251,816 Equity Shares by CA Lotus Investments aggregating up to [●] million. The Offer includes a reservation of up to 300,000 Equity Shares aggregating up to ₹ [●] million, for subscription by Eligible Employees. The Offer and the Net Offer shall constitute [●]% and [●]%, respectively, of the post-Offer paid-up Equity Share capital of our Company
Offer Agreement	The agreement dated September 27, 2018 entered into among our Company, the Selling Shareholders and the BRLMs, pursuant to which certain arrangements are agreed to in relation to the Offer
Offer for Sale	Offer for sale of up to 5,017,868 Equity Shares by Dr. Sushil Kanubhai Shah aggregating up to ₹ [●] million and up to 10,251,816 Equity Shares by CA Lotus Investments aggregating up to ₹ [●] million, in the Offer
Offer Price	The final price at which Equity Shares will be Allotted to the successful Bidders (except Anchor Investors), as determined in accordance with the Book Building Process and determined by our Company and the Selling Shareholders, in consultation with the BRLMs, in terms of the Red Herring Prospectus on the Pricing Date
Offered Shares	Up to 15,269,684 Equity Shares aggregating up to ₹ [●] million, consisting of 5,017,868 Equity Shares offered by the Promoter Selling Shareholder and 10,251,816 Equity Shares offered by the Investor Selling Shareholders, in the Offer
Price Band	Price band of the Floor Price of ₹ [●] and a Cap Price of ₹ [●], including any revisions thereof. The Price Band and the minimum Bid Lot size for the Offer will be decided by our Company and the Selling Shareholders, in consultation with the BRLMs, and shall be advertised in all editions of [●] (a widely circulated English national daily newspaper), all editions of [●] (a widely circulated Hindi national daily newspaper) and the [●] edition of [●] (a widely circulated Marathi newspaper**,** Marathi being the regional language of Maharashtra where our Registered Office is located) at least five Working Days prior to the Bid/Offer Opening Date, with the relevant financial ratios calculated at the Floor Price and at the Cap Price and shall be made available to the Stock Exchanges for the purpose of uploading on their websites
Pricing Date	The date on which our Company and the Selling Shareholders, in consultation with the

Term	Description
	BRLMs, shall finalise the Offer Price
Prospectus	The Prospectus to be filed with the RoC in relation to this Offer, on or after the Pricing Date in accordance with the provisions of Section 26 of the Companies Act, 2013 and the SEBI ICDR Regulations, containing the Offer Price, the size of the Offer and certain other information, including any addenda or corrigenda thereto
Public Offer Account	The account(s) to be opened with the Public Offer Account Bank under Section 40(3) of the Companies Act, 2013 to receive monies from the Escrow Account(s) and the ASBA Accounts on the Designated Date
Public Offer Account Bank	The banks with whom the Public Offer Account is opened for collection of Bid Amounts from Escrow Account and ASBA Account on the Designated Date
QIB Portion	The portion of the Offer, being not less than 75% of the Net Offer or 11,227,264 Equity Shares to be Allotted to QIBs on a proportionate basis, including the Anchor Investor Portion (in which allocation shall be on a discretionary basis, as determined by our Company and the Selling Shareholders, in consultation with the BRLMs), subject to valid Bids being received at or above the Offer Price
Qualified Institutional Buyers/ QIBs	A qualified institutional buyer as defined under Regulation 2(1)(zd) of the SEBI ICDR Regulations
Red Herring Prospectus/RHP	The red herring prospectus to be issued in accordance with Section 32 of the Companies Act, 2013 and the SEBI ICDR Regulations, which will not have complete particulars of the price at which the Equity Shares shall be Allotted and which shall be filed with the RoC at least three Working Days before the Bid/Offer Opening Date and will become the Prospectus after filing with the RoC after the Pricing Date, including any addenda or corrigenda thereto
Refund Account(s)	Account(s) opened with the Refund Bank from which refunds, if any, of the whole or part of the Bid Amount shall be made to Anchor Investors
Refund Bank(s)	The bank(s) with whom the Refund Account(s) will be opened
Registered Brokers	Stock brokers registered with SEBI and the stock exchanges having nationwide terminals, other than the members of the Syndicate and eligible to procure Bids in terms of circular number CIR/CFD/14/2012 dated October 14, 2012, issued by SEBI
Registrar Agreement	The agreement dated September 27, 2018, entered into among our Company, the Selling Shareholders and the Registrar to the Offer in relation to the responsibilities and obligations of the Registrar to the Offer pertaining to the Offer
Registrar to the Offer	Link Intime India Private Limited
Retail Portion	The portion of the Offer, being not more than 10% of the Net Offer or 1,496,968 Equity Shares, available for allocation to Retail Individual Investors, which shall not be less than the minimum Bid lot, subject to availability in the Retail Portion
Retail Individual Investors/RIIs	Bidders, other than Eligible Employees Bidding in the Employee Reservation Portion, whose Bid Amount for Equity Shares in the Offer is not more than ₹ 200,000 in any of the bidding options in the Offer (including HUFs applying through their karta and Eligible NRIs and does not include NRIs other than Eligible NRIs)
Revision Form	The form used by the Bidders to modify the quantity of Equity Shares or the Bid Amount in any of their Bid cum Application Forms or any previous Revision Form(s), as applicable. QIBs and Non-Institutional Investors are not permitted to withdraw their Bid(s) or lower the size of their Bid(s) (in terms of quantity of Equity Shares or the Bid Amount) at any stage Retail Individual Bidders can revise their Bids during the Bid/Offer Period and withdraw their Bids until Bid/Offer Closing Date
Self Certified Syndicate Banks/ SCSBs	The banks registered with the SEBI which offer the facility of ASBA and the list of which is available on the website of the SEBI (http://www.sebi.gov.in/sebiweb/other/OtherAction.do?doRecognised=yes) and updated from time to time and at such other websites as may be prescribed by SEBI from time to time
Share Escrow Agreement	The agreement to be entered into among the Selling Shareholders, our Company and a share escrow agent in connection with the transfer of the Offered Shares and credit of such Equity Shares to the demat account of the Allottees
Specified Locations	Bidding centres where the Syndicate shall accept Bid cum Application Forms, a list of which is included in the Bid cum Application Form
Stock Exchanges	Collectively, BSE Limited and National Stock Exchange of India Limited
Syndicate Agreement	The agreement to be entered into among the members of the Syndicate, our Company and the Selling Shareholders in relation to the collection of Bid cum Application Forms by the Syndicate Members (other than Bids directly submitted to the SCSBs under the ASBA process and Bids submitted to the Registered Brokers at the Broker Centres)
Syndicate Members	Intermediaries registered with the SEBI and permitted to carry out activities as an underwriter,

Term	Description
	as may be appointed by our Company, in consultation with the BRLMs
Syndicate or members of the Syndicate	Collectively, the BRLMs and the Syndicate Members
Systemically Important Non-Banking Financial Company	Systemically important non-banking financial company as defined under Regulation 2(1)(zla) of the SEBI ICDR Regulations, as a non-banking financial company registered with the Reserve Bank of India and having a net-worth of more than five thousand million rupees as per the last audited financial statements
Underwriters	The underwriters to be appointed in terms of the Underwriting Agreement
Underwriting Agreement	The agreement to be entered into among our Company, the Selling Shareholders and the Underwriters on or after the Pricing Date but prior to filing of the Prospectus
Working Day(s)	Any day, other than the second and fourth Saturdays of each calendar month, Sundays and public holidays, on which commercial banks in Mumbai are open for business, provided however, with reference to (a) announcement of Price Band; and (b) Bid/Offer Period, "*Working Day*" shall mean any day, excluding all Saturdays, Sundays and public holidays, on which commercial banks in Mumbai are open for business; and (c) period between the Bid/Offer Closing Date and the listing of the Equity Shares on the Stock Exchanges, "*Working Day*" shall mean all trading days of the Stock Exchanges, excluding Sundays and bank holidays, as per the SEBI Circular SEBI/HO/CFD/DIL/CIR/P/2016/26 dated January 21, 2016

Conventional and General Terms and Abbreviations

Term	Description
Adjusted EBITDA	EBITDA adjusted for non-operating items
AIF(s)	Alternative Investment Funds, as defined in, and registered under the SEBI AIF Regulations
AS	Accounting standards referred to in the Companies (Accounting Standards) Rules, 2006 issued by the Institute of Chartered Accountants of India
BSE	BSE Limited
CAGR	Compounded Annual Growth Rate
Category III FPIs	FPIs registered as category III FPIs under the SEBI FPI Regulations, which shall include all other FPIs not eligible under category I and II foreign portfolio investors, such as endowments, charitable societies, charitable trusts, foundations, corporate bodies, trusts, individuals and family offices
CCI	Competition Commission of India
CDSL	Central Depository Services (India) Limited
CEO	Chief Executive Officer
CFO	Chief Financial Officer
CGST Act, 2017	Central Goods and Services Tax Act, 2017
CIN	Corporate Identity Number
Companies Act	Companies Act, 1956 (without reference to the provisions thereof that have ceased to have effect upon notification of the Notified Sections) and the Companies Act, 2013, read with the rules, regulations, clarifications and modifications thereunder
Companies Act, 1956	Companies Act, 1956 (without reference to the provisions thereof that have ceased to have effect upon notification of the Notified Sections) and the rules, regulations, modifications and clarifications made thereunder as the context requires
Companies Act, 2013	Companies Act, 2013, to the extent in force pursuant to the notification of the Notified Sections, read with the rules, regulations, notifications, clarifications and modifications thereunder
Competition Act	Competition Act, 2002
CPC	Code of Civil Procedure, 1908
CSR	Corporate Social Responsibility
Demat	Dematerialised
Depositories Act	The Depositories Act, 1996
Depository	A depository registered with the SEBI under the Securities and Exchange Board of India (Depositories and Participants) Regulations, 1996
DIPP	Department of Industrial Policy and Promotion, Ministry of Commerce and Industry, GoI
DP ID	Depository Participant's Identity number
EBITDA	Net income before interest expense, other non-operating income or losses, taxes, depreciation and amortization
Environment Act	Environment (Protection) Act, 1986
EPF Act	Employees' Provident Fund and Miscellaneous Provisions Act, 1952

Term	Description
EPS	Earnings per share
ESI Act	Employees' State Insurance Act, 1948
ESOP	Employee stock option plan
FCNR Account	Foreign Currency Non-Resident (Bank) account established in accordance with the FEMA
FDI	Foreign direct investment
FDI Policy	The consolidated FDI Policy, effective from August 28, 2017, issued by the Department of Industrial Policy and Promotion, Ministry of Commerce and Industry, Government of India, and any modifications thereto or substitutions thereof, issued from time to time
FEMA	The Foreign Exchange Management Act, 1999 read with rules, regulations, notifications, circulars and directions thereunder
FEMA Regulations	Foreign Exchange Management (Transfer or Issue of Security by a Person Resident Outside India) Regulations, 2017
Finance Act	Finance Act, 2018
Financial Year/Fiscal/Fiscal Year	The period of 12 months commencing on April 1 of the immediately preceding calendar year and ending on March 31 of that particular calendar year
FPIs	Foreign Portfolio Investors, as defined and registered with SEBI under SEBI FPI Regulations
FVCI	Foreign venture capital investors as defined and registered with SEBI under the SEBI FVCI Regulations
GAAR	General Anti-Avoidance Rules
GDP	Gross Domestic Product
GoI/Central Government/ Indian Government/ Government	The Government of India
GST	Goods and services tax
HUF(s)	Hindu Undivided Family(ies)
ICAI	Institute of Chartered Accountants of India
ICDS	Income Computation and Disclosure Standards
IFRS	International Financial Reporting Standards
IFSC	Indian Financial System Code
Income Tax Act	Income Tax Act, 1961
Ind AS	Indian Accounting Standards prescribed under Section 133 of the Companies Act, 2013, as notified under Rule 3 of Companies (Indian Accounting Standard) Rules, 2015
Indian GAAP/IGAAP/Previous GAAP	In accordance with the accounting principles generally accepted in India, including the Accounting Standards as prescribed under Section 133 of the Companies Act, 2013 read with Rule 7 of the Companies (Accounts) Rules, 2014
INR/Rupee/₹ /Rs.	Indian Rupee, the official currency of the Republic of India
IPO	Initial public offering
IRDAI	Insurance Regulatory and Development Authority of India
IRDAI Investment Regulations	Insurance Regulatory and Development Authority of India (Investment) Regulations, 2016
IT	Information Technology
LLP	Limited Liability Partnership
MCA	Ministry of Corporate Affairs, GoI
Mn	Million
MoEF	Ministry of Environment, Forest and Climate Change
Mutual Funds	Mutual funds registered with the SEBI under the Securities and Exchange Board of India (Mutual Funds) Regulations, 1996
N.A.	Not applicable
NCDs	Non-convertible debentures
NCLT	National Company Law Tribunal
Notified Sections	Sections of the Companies Act, 2013 that have been notified by the MCA and are currently in effect
NR/Non-resident	A person resident outside India, as defined under FEMA and includes NRIs, FVCIs and FPIs
NRI	Non-Resident Indian as defined under the FEMA Regulations
NSDL	National Securities Depository Limited
NSE	National Stock Exchange of India Limited
P/E Ratio	Price/Earnings Ratio
PAN	Permanent account number
RBI	Reserve Bank of India
Regulation S	Regulation S under the U.S. Securities Act

Term	Description
Rule 144A	Rule 144A under the U.S. Securities Act
SCRA	Securities Contract (Regulation) Act, 1956
SCRR	Securities Contracts (Regulation) Rules, 1957
SE Act	Shops and establishment legislations as enacted by various state governments
SEBI	Securities and Exchange Board of India constituted under the SEBI Act
SEBI Act	Securities and Exchange Board of India Act, 1992
SEBI AIF Regulations	Securities and Exchange Board of India (Alternative Investment Funds) Regulations, 2012
SEBI ESOP Regulations	Securities and Exchange Board of India (Share Based Employee Benefits) Regulations, 2014
SEBI FPI Regulations	Securities and Exchange Board of India (Foreign Portfolio Investors) Regulations, 2014
SEBI FVCI Regulations	Securities and Exchange Board of India (Foreign Venture Capital Investors) Regulations, 2000
SEBI ICDR Regulations	Securities and Exchange Board of India (Issue of Capital and Disclosure Requirements) Regulations, 2009
SEBI Listing Regulations	Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015
STT	Securities Transaction Tax
Takeover Regulations	Securities and Exchange Board of India (Substantial Acquisition of Shares and Takeovers) Regulations, 2011
Total Revenue	Revenue from operations and other income
Trade Marks Act	Trade Marks Act, 1999
U.S. GAAP	Generally Accepted Accounting Principles in the United State of America
U.S. QIBs	As defined in Rule 144A under the U.S. Securities Act and referred to in this Draft Red Herring Prospectus as “U.S. QIBs”. For the avoidance of doubt, the term “U.S. QIBs” does not refer to a category of institutional investor defined under applicable Indian regulations and referred to in this Draft Red Herring Prospectus as - QIBs
U.S. Securities Act	U.S. Securities Act of 1933, as amended
US$/USD/US Dollar	United States Dollar, the official currency of the United States of America
USA/U.S./US/United States	United States of America, its territories and possessions, any state of the United States of America and the District of Columbia
VAT	Value Added Tax
VCFs	Venture capital funds as defined in and registered with the SEBI under the Securities and Exchange Board of India (Venture Capital Fund) Regulations, 1996 or the SEBI AIF Regulations, as the case may be

Industry Related Terms

Term	Description
AERB	Atomic Energy Regulatory Board
APLAC	Asia Pacific Laboratory Accreditation Cooperation
ART Centers	Antiretroviral Therapy Centers
CAP	College of American Pathologists
CT Scan	Computed Tomography Scan
CLIA	Clinical Laboratory Improvement Amendments
CME	Continuing Medical Education Program
CRM	Customer Relationship Management
DNA	Deoxyribo Nucleic Acid
FDA	Food and Drug Administration
FICCI	Federation of Indian Chambers of Commerce and Industry
GRL	Global Reference Laboratory
HIV	Human Immunodeficiency Virus
IATA	International Air Transport Association
IMF	International Monetary Fund
ILAC	International Laboratory Accreditation Cooperation
ISO	International Organization for Standardization
KENAS	Kenya Accreditation Service
LIMS	Laboratory Information Management System
MRI	Magnetic Resonance Imaging
NABL	National Accreditation Board for Testing and Calibration Laboratories
NACO	National Aids Control Organization

Term	Description
PET-CT	Positron Emission Tomography–Computed Tomography
PPP	Public Private Partnership
RNA	Ribo Nucleic Acid
VPN	Virtual Private Network

The words and expressions used but not defined in this Draft Red Herring Prospectus will have the same meaning as assigned to such terms under the Companies Act, the SEBI Act, the SEBI ICDR Regulations, the SCRA, the Depositories Act and the rules and regulations made thereunder.

CERTAIN CONVENTIONS, USE OF FINANCIAL INFORMATION AND MARKET DATA AND CURRENCY OF PRESENTATION

Certain Conventions

All references in this Draft Red Herring Prospectus to "*India*" are to the Republic of India.

Unless stated otherwise, all references to page numbers in this Draft Red Herring Prospectus are to the page numbers of this Draft Red Herring Prospectus.

Financial Data

Unless stated or the context requires otherwise, the financial information in this Draft Red Herring Prospectus is derived from our Restated Summary Statements. The Restated Summary Statements for (a) Fiscals 2018, 2017 and 2016 have been prepared in accordance with Ind AS notified under the Companies (Indian Accounting Standards) Rules, 2015, as amended, read with Section 133 of the Companies Act, 2013 and other relevant provisions of the Companies Act, 2013, to the extent applicable and (b) Fiscals 2015 and 2014 have been prepared in accordance with Indian GAAP and Companies Act, 1956, and each have been restated in accordance with the SEBI ICDR Regulations. For further information, see "*Financial Information*" on page 203. Certain other financial information pertaining to our Group Companies is derived from its respective financial statements.

On February 16, 2015, the Ministry of Corporate Affairs issued the Ind AS Rules for the purpose of enacting changes to Indian GAAP that are intended to align Indian GAAP further with IFRS. In terms of a notification issued by the Ministry of Corporate Affairs, Government of India read with SEBI Circular SEBI/HO/CFD/DIL/CIR/P/2016/47 dated March 31, 2016, our Company is required to: (i) prepare its financial statements in accordance with Ind AS for accounting periods beginning on or after April 1, 2017, and (ii) for the purposes of disclosure in this Draft Red Herring Prospectus, prepare and present our standalone and consolidated financial statements for the latest three Fiscals (in this case, for Fiscals 2018, 2017 and 2016) under Ind AS and present our standalone and consolidated financial statements for the earliest two Fiscals (in this case, Fiscals 2015 and 2014) in accordance with Indian GAAP. Accordingly, our financial statements for Fiscals 2018, 2017 and 2016 may not be comparable to our historical financial statements.

The Restated Summary Statements have been compiled from (i) our audited financial statements for the year ended March 31, 2018 prepared in accordance with Ind AS. Such audited financial statements as at and for the year ended March 31, 2018 also include the comparative Ind AS financial statements for the year ended March 31, 2017 (ii) audited financial statements as at and for the year ended March 31, 2016 prepared under previous generally accepted accounting principles (Indian GAAP) adjusted in conformity with Ind AS. The proforma financial information of our Company (on a standalone and consolidated basis) for the year ended March 31, 2016, has been prepared in accordance with requirements of SEBI Circular SEBI/HO/CFD/DIL/CIR/P/2016/47 dated March 31, 2016. This proforma Ind AS financial information has been prepared by making Ind AS adjustments to the audited Indian GAAP financial statements as at and for the year ended March 31, 2016. (iii) our audited financial statements as at and for the years ended March 31, 2015 and March 31, 2014, prepared under Indian GAAP.

Our Company's financial year commences on April 1 of the immediately preceding calendar year and ends on March 31 of that particular calendar year, so all references to a particular financial year or fiscal are to the 12-month period commencing on April 1 of the immediately preceding calendar year and ending on March 31 of that particular calendar year. Unless the context requires otherwise, all references to a year in this Draft Red Herring Prospectus are to a calendar year and references to a Fiscal/Fiscal Year are to the year ended on March 31, of that calendar year. Further, the financial statements of all the Subsidiaries considered in the Restated Consolidated Summary Statements of our Company are drawn up to March 31, 2018 except for Metropolis Bramser Lab Services (Mtius) Limited, Metropolis Healthcare Ghana Ltd and Metropolis Star Lab Kenya Limited, which are drawn up to December 31, 2017. The financial statements of Metropolis Bramser Lab Services (Mtius) Limited, Metropolis Healthcare Ghana Ltd and Metropolis Star Lab Kenya Limited are not adjusted for the period between December 31, 2017 and the date of the Restated Summary Statements since there were no significant transactions and events that occurred in this period.

There are significant differences between Ind AS, Indian GAAP, U.S. GAAP and IFRS. Our Company does not provide reconciliation of its financial information to IFRS or U.S. GAAP. Our Company has not attempted to explain those differences or quantify their impact on the financial data included in this Draft Red Herring Prospectus and it is urged that you consult your own advisors regarding such differences and their impact on our Company's financial data. The degree to which the financial information included in this Draft Red Herring Prospectus will provide meaningful information is entirely dependent on the reader's level of familiarity with Indian accounting policies and practices, Indian GAAP, Ind AS, the Companies Act, 2013 and the SEBI ICDR Regulations. Any reliance by persons not familiar with Indian accounting policies and practices on the financial disclosures presented in this Draft Red Herring Prospectus should accordingly be limited.

Unless the context otherwise indicates, any amount and percentage, as set forth in "*Risk Factors*", "*Our Business*" and "*Management's Discussion and Analysis of Financial Condition and Results of Operations*" on pages 18, 135 and 492, respectively, and elsewhere in this Draft Red Herring Prospectus have been calculated on the basis of the Restated Consolidated Summary Statements.

Certain figures contained in this Draft Red Herring Prospectus, including financial information in rupees million, have been subject to rounding adjustments. All decimals have been rounded off to two decimal points other than the operational numbers which have been rounded off to one decimal point in some instances. In certain instances, (i) the sum or percentage change of such numbers may not conform exactly to the total figure given; and (ii) the sum of the numbers in a column or row in certain tables may not conform exactly to the total figure given for that column or row. Further, any figures sourced from third-party industry sources may be rounded off to other than two decimal points to conform to their respective sources.

Industry and Market Data

Unless stated otherwise, industry and market data used in this Draft Red Herring Prospectus have been obtained or derived from publicly available information as well as industry publications and sources.

Information has also been included in this Draft Red Herring Prospectus based on the report titled "*Indian Diagnostic Industry Report*" dated September 20, 2018, that we have commissioned from Frost & Sullivan (the "**Report**"). For details of risks in relation to commissioned reports, see "*Risk Factor – We have commissioned industry report from Frost & Sullivan India Private Limited, which have been used for industry related data in this Draft Red Herring Prospectus and such data has not been independently verified by us*" on page 35.

Industry publications generally state that the information contained in such publications has been obtained from sources generally believed to be reliable, but their accuracy, completeness and underlying assumptions are not guaranteed, and their reliability cannot be assured and accordingly, investment decisions should not be on such information. Although we believe that the industry and market data used in this Draft Red Herring Prospectus is reliable, it has not been independently verified by us, the Selling Shareholders, the BRLMs or any of our or their respective affiliates or advisors and none of these parties make any representation as to the accuracy of this information. The data used in these sources may have been reclassified by us for the purposes of presentation. Data from these sources may also not be comparable. Industry publications may also base their information on estimates and assumptions that may prove to be incorrect.

The extent to which the market and industry data presented in this Draft Red Herring Prospectus is meaningful depends upon the reader's familiarity with and understanding of the methodologies used in compiling such data. There are no standard data gathering methodologies in the industry in which the business of our Company is conducted, and methodologies and assumptions may vary widely among different market and industry sources.

Such data involves risks, uncertainties and numerous assumptions and is subject to change based on various factors, including those discussed in "*Risk Factors*" on page 18. Accordingly, investment decisions should not be based solely on such information.

In accordance with the SEBI ICDR Regulations, the section "*Basis for the Offer Price*" on page 110 includes information relating to our peer group companies. Such information has been derived from publicly available sources, and neither we nor the BRLMs have independently verified such information.

Currency and Units of Presentation

All references to:

- "Rupees" or "₹ " or "INR" or "Rs." are to Indian Rupee, the official currency of the Republic of India;
- "GBP" or "£" are to Pound Sterling, the official currency of the United Kingdom;
- "USD" or "US$" are to United States Dollar, the official currency of the United States;
- "AED" are to Arab Emirates Dirham, the official currency of the United Arab Emirates;
- "KES" are to Kenyan Shilling, the official currency of the Republic of Kenya;
- "LKR" are to Sri Lankan Rupee, the official currency of the Socialist Republic of Sri Lanka;
- "MUR" are to Mauritian Rupee, the official currency of the Republic of Mauritius;
- "GHS" are to Ghanaian Cedi, the official currency of the Republic of Ghana;
- "UGX" are to Ugandan Shilling, the official currency of the Republic of Uganda; and
- "TZS" are to Tanzanian Shilling, the official currency of the United Republic of Tanzania.

Except otherwise specified, our Company has presented certain numerical information in this Draft Red Herring Prospectus in "million" units. One million represents 1,000,000 and one billion represents 1,000,000,000. However, where any figures that may have been sourced from third-party industry sources are expressed in denominations other than millions, such figures appear in this Draft Red Herring Prospectus expressed in such denominations as provided in their respective sources.

Exchange Rates

This Draft Red Herring Prospectus contains conversion of certain other currency amounts into Indian Rupees that have been presented solely to comply with the SEBI ICDR Regulations. These conversions should not be construed as a representation that these currency amounts could have been, or can be converted into Indian Rupees, at any particular rate or at all.

The following table sets forth, for the periods indicated, information with respect to the exchange rate between the Rupee and other currencies:

(in ₹)

Currency	As on March 31, 2018#	As on March 31, 2017	As on March 31, 2016	As on March 31, 2015	As on March 31, 2014**
1 USD*	65.04	64.84	66.33	62.59	60.10
1 GBP*	92.28	80.88	95.09	92.46	99.85
1 AED^	17.65	17.62	17.99	16.99	16.30
1 KES^	0.64	0.62	0.64	0.66	0.68
1 LKR^	0.42	0.42	0.44	0.46	0.46
1 MUR^	1.88	1.77	1.81	1.65	1.93
1 GHS^	14.65	14.86	17.09	16.38	22.22
1 UGX^	0.02	0.02	0.02	0.02	0.02
1 TZS^	0.03	0.03	0.03	0.03	0.04

* *Source: RBI Reference Rate*

^ *Source: www.oanda.com*

\# *Exchange rate as on March 28, 2018, as RBI Reference Rate is not available for March 29, 2018 and March 30, 2018 being public holiday and March 31, 2018 being a Saturday.*

** *Exchange rate as on March 28, 2014, as RBI Reference Rate is not available for March 31, 2014, March 30, 2014 and March 29, 2014 being a public holiday, a Sunday and a Saturday, respectively.*

FORWARD-LOOKING STATEMENTS

This Draft Red Herring Prospectus contains certain "forward-looking statements", which are not statements of historical facts. These forward-looking statements include statements which can generally be identified by words or phrases such as "aim", "anticipate", "believe", "expect", "estimate", "intend", "likely to", "objective", "plan", "propose", "project", "will", "will continue", "seek to", "will pursue", or other words or phrases of similar import. Similarly, statements that describe our Company's strategies, objectives, plans or goals are also forward-looking statements. However, these are not exhaustive means of identifying forward looking statements.

These forward-looking statements, whether made by us or a third-party, are based on our current plans, estimates, presumptions and expectations and actual results may differ materially from those suggested by such forward-looking statements. All forward-looking statements are subject to risks, uncertainties and assumptions about us that could cause actual results to differ materially from those contemplated by the relevant forward-looking statement.

This may be due to risks or uncertainties or assumptions associated with the expectations with respect to, but not limited to, regulatory changes pertaining to the industry in which our Company operates and our ability to respond to them, our ability to successfully implement our strategy, our growth and expansion, technological changes, our exposure to market risks, general economic and political conditions in India which have an impact on our business activities or investments, the monetary and fiscal policies of India, inflation, deflation, unanticipated turbulence in interest rates, foreign exchange rates, equity prices or other rates or prices, the performance of the financial markets in India and globally, changes in domestic laws, regulations and taxes, changes in competition in the industry and incidence of any natural calamities and/or acts of violence. Important factors that could cause actual results to differ materially from our Company's expectations include, but are not limited to, the following:

- our disagreements with ETA-Star Healthcare LLC in respect of our associate, Star Metropolis Healthcare Services Middle East LLP;
- our inability to maintain and grow our brand image;
- any interruptions at our Global Reference Laboratory;
- any inadequacy in collection of, or failure or delay in the delivery of, specimens to our laboratories;
- loss of business in west and south India;
- technological advancement leading to more cost effective technologies or non-invasive diagnostic healthcare tests;
- various challenges faced by the healthcare industry in India;
- reliance on information technology infrastructure for our operations and to protect customers' personal information;
- any deficiency in the services provided by third parties, including third party patient service centers; and
  our inability to compete effectively.

For a further discussion of factors that could cause our actual results to differ from our expectations, see "*Risk Factors*", "*Our Business*" and "*Management's Discussion and Analysis of Financial Condition and Results of Operations*" on pages 18, 135 and 492, respectively. By their nature, certain market risk disclosures are only estimates and could be materially different from what actually occurs in the future. As a result, actual future gains or losses could materially differ from those that have been estimated and are not a guarantee of future performance.

Although we believe that the assumptions on which such forward-looking statements are based are reasonable, we cannot assure investors that the expectations reflected in these forward-looking statements will prove to be correct. Given these uncertainties, investors are cautioned not to place undue reliance on such forward-looking statements and not to regard such statements as a guarantee of future performance.

Forward-looking statements reflect the current views of our Company as on the date of this Draft Red Herring Prospectus and are not a guarantee of future performance. These statements are based on the management's belief and assumptions, which in turn are based on currently available information. Although we believe the assumptions upon which these forward-looking statements are based are reasonable, any of these assumptions as well as statements based on them could prove to be inaccurate. Neither our Company, the Selling Shareholders, our Promoters, our Directors, the BRLMs, nor any of their respective affiliates have any obligation to update or otherwise revise any statements reflecting circumstances arising after the date hereof or to reflect the occurrence of underlying events, even if the underlying assumptions do not come to fruition.

In accordance with regulatory requirements, our Company will ensure that investors are informed of material developments from the date of the Red Herring Prospectus until receipt of the final listing and trading approvals by the Stock Exchanges for this Offer. The Promoter Selling Shareholder shall ensure that it will keep the investors informed of all developments pertaining to Offered Shares and itself from the date of the Red Herring Prospectus until receipt of final listing and trading approvals by the Stock Exchanges for this Offer, that may be material from the context of the Offer. The Investor Selling Shareholder shall ensure that it will keep the Company and BRLMs informed of all material developments pertaining to its respective portion of the Offered Shares and itself, as Selling Shareholder from the date of the Red Herring Prospectus until receipt of final listing and trading approvals by the Stock Exchanges for this Offer, that may be material from the context of the Offer.

SECTION II - RISK FACTORS

An investment in Equity Shares involves a high degree of risk. You should carefully consider all the information in this Draft Red Herring Prospectus, including the risks and uncertainties described below, before making an investment in our Equity Shares. The risks described below are not the only ones relevant to us or our Equity Shares, the country, the industry and segments in which we currently operate. We have described the risks and uncertainties that our management believes are material but the risks set out in this Draft Red Herring Prospectus may not be exhaustive and additional risks and uncertainties not presently known to us, or which we currently deem to be immaterial, may arise or may become material in future. If any of the following risks, or other risks that are not currently known or are currently deemed immaterial, actually occur, our business, results of operations, financial condition and cash flows could suffer, the trading price of our Equity Shares could decline, and you may lose all or part of your investment. To obtain a complete understanding of our Company, prospective investors should read this section in conjunction with "Our Business", "Industry Overview" and "Management's Discussions and Analysis of Financial Condition and Results of Operations" on pages 135, 117 and 492, respectively, as well as the financial, statistical and other information contained in this Draft Red Herring Prospectus. In making an investment decision, prospective investors must rely on their own examination of us and the terms of the Offer including the merits and risks involved. You should consult your tax, financial and legal advisors about the particular consequences to you of an investment in our Equity Shares.

Prospective investors should pay particular attention to the fact that our Company is incorporated under the laws of India and is subject to a legal and regulatory environment, which may differ in certain respects from that of other countries. This Draft Red Herring Prospectus also contains forward-looking statements that involve risks, assumptions, estimates and uncertainties. Our actual results could differ materially from those anticipated in these forward-looking statements as a result of certain factors, including the considerations described below and elsewhere in this Draft Red Herring Prospectus. See "Forward-Looking Statements" on page 16.

Unless specified or quantified in the relevant risk factors below, we are not in a position to quantify the financial or other implications of any of the risks described in this section. Unless the context requires otherwise, our financial information has been derived from our Restated Consolidated Summary Statements.

Internal Risk Factors

Risks Relating to Our Business

1. ***We had certain disagreements with ETA Star Healthcare LLC due to which we have not been able to account for the results of our associate, Star Metropolis Health Services Middle East LLC, in our consolidated financial statements since Fiscal 2012 and there is an auditor qualification in our financial statements in this regard.***

   Star Metropolis Health Services Middle East LLC ("**Star Metropolis**") is a company incorporated under the laws of the United Arab Emirates in which we acquired and currently hold 34% equity interest pursuant to a shareholder's agreement dated May 23, 2005 ("**SHA**"). The remaining 66% equity interest is held by ETA Star Healthcare LLC ("**ETA**").

   Since 2011, certain disagreements arose between our Company, ETA and Star Metropolis. Subsequently, Star Metropolis stopped providing any information, including financial information, to our Company and no further notice of any meeting of the shareholders or the supervisory board was sent to our Company. While, we have recently established contact with Arabian Healthcare Group LLC, parent entity of ETA, we have not been able to account for results of Star Metropolis since Fiscal 2012 because of non-availability of adequate information. The value of our investment in Star Metropolis was ₹12.98 million on March 31, 2018. Our Company has made provisions in relation to Star Metropolis, including provision for doubtful trade receivables for ₹ 59.85 million, provision for doubtful advances for ₹ 4.23 million and provision for diminution in the value of investments for ₹ 12.98 million, in the Restated Consolidated Summary Statements for financial year 2018. For details with respect to auditor qualification included in our financial statements in this regard and provisions for doubtful trade receivables, doubtful advances and diminution in the value of investments, see "*Summary Financial Information*", "*Financial Statements – Notes to Restated Consolidated Financial Information – Note 2.1(a)(iii)", "Financial Statements – Notes to Restated Consolidated Financial Information – Note 41 - Related Party Disclosures"* and "*Management's Discussion and Analysis of*

Financial Condition and Results of Operations" on pages 61, 220, 273 and 492, respectively. We cannot assure you that our audit report for any future fiscal periods will not contain qualifications, matters of emphasis or other observations, which could adversely affect our results of operations in such future periods.

In addition, our Company has also defaulted on its obligation to provide annual performance reporting of its overseas foreign investment in Star Metropolis since 2011 with the Reserve Bank of India due to non-availability of financial statements of Star Metropolis, which could restrict our future ability to invest in other foreign ventures under exchange control laws of India. We cannot assure you that there will not be any regulatory scrutiny in the future for any default in filing the annual performance reporting of overseas foreign investment in Star Metropolis with the RBI, as the RBI may take a serious view on non-compliance with the guidelines / instructions in this regard and initiate penal action as may be considered necessary.

Since March 2012, Star Metropolis had begun defaulting in payments, which were to be made to our Company for the pathology test and services provided by us, and accordingly we discontinued providing pathology testing and other services to Star Metropolis. Our Company also filed a suit before the Bombay High Court in July 2015 to recover an amount of AED 5.97 million, together with interest at the rate of 18% per annum. On September 26, 2018, we have entered into a mutual release agreement with Arabian Healthcare Group LLC, parent entity of ETA, where in both parties have agreed to waive any present or future claims in relation to each other. However, the suit has not been withdrawn and is currently pending before the Bombay High Court. For further details, see "*Outstanding Litigation and Material Developments*" on page 513. The SHA included certain covenants, which, among others, restricted our ability to conduct business in Gulf Cooperation Council. We and the other parties to the SHA may not be in compliance with such SHA provisions at all times. For further details in relation to the SHA, please refer to "*Our Group Companies – Star Metropolis Health Services (Middle East) LLC*" on page 198.

Further, we understand that STAR Metropolis Clinical Laboratories & Healthcare Service Middle East, one of ETA's affiliate, has been using the '*Metropolis*' brand to market its pathology services in the Gulf Cooperation Council. The use of the '*Metropolis'* brand name by STAR Metropolis Clinical Laboratories & Healthcare Service Middle East may lead to customers confusing them with our Company, which could lead to us losing business to such entity and could adversely affect our reputation and business. We may also be unable to prevent infringement of our trademark and a passing off action may not provide sufficient protection until such time that we are able to register our trademark.

2. Our business and prospects may be adversely affected if we are unable to maintain and grow our brand image.

Our brand and reputation are critical for the success of our business and operations. Our ability to maintain and improve our brand image is dependent on factors such as quality, accuracy and efficiency of our clinical laboratory tests and profiles, turnaround time and patient satisfaction, the performance of our service network, the introduction of new tests and services and our ability to maintain strong relationships with doctors and vendors. Further, as we expand into new geographic markets within India and overseas, and as the market becomes increasingly competitive, maintaining and enhancing our brand image may become costly and difficult.

Our services are designed to diagnose or prevent diseases and other health conditions. As a result, users of our services have a greater sensitivity to errors than users of services or products that are not intended for the diagnosis, treatment and prevention of diseases. We train our medical personnel, including technicians and other staff to provide accurate and timely test results. However, any delays or inaccuracies in the results we provide, including due to inherent limitations in the technology and equipment used or due to wrong interpretation of test results by doctors, may result in the wrong treatment being prescribed to a patient, which may cause potential harm to such patient. In addition, if our personnel make errors in the handling and labelling of patient specimens, or in the operation of our complex medical equipment, or if they inadequately or improperly extract specimens from patients causing bodily harm, our test results may not be accurate and we may become liable under healthcare or other laws for acts or omissions by our employees, which may adversely affect our brand and reputation. Further, we provide intimation of certain critical test results to doctors by phone. Any lapse, miscommunication or failure may cause serious harm to patients and could adversely affect our brand and reputation. Also, any allegation of sex determination against us as well as our inability to identify fraudulent organ donors could lead to criminal proceedings, which may adversely affect our brand and reputation.

Our service network includes third-party patient service centers which are operated by third-parties under the 'Metropolis' brand. Our relationship with third-party patient service centers are contractual in nature and we have limited control over them. If such third-party patient service centers fail to meet our quality standards, engage in improper business practices or otherwise act in any way that harm our brand, our reputation may be adversely affected and we may lose existing and potential patients. In the event that (i) a third party having a right to use our brand name for a specific purpose on limited terms under an arrangement with us misuses our brand, or (ii) customer complaints or adverse publicity from any other source damages our brand, our business, financial condition and results of operations may be adversely affected.

Further, our quality certifications and accreditations are critical for our brand image. As of March 31, 2018, 25 of our clinical laboratories hold one or more of CAP, NABL, KENAS, ILAC or APLAC accreditations. If our laboratories and testing services fail to meet accreditation standards, or if we fail to adapt to evolving diagnostic standards, we could lose one or more of our accreditations, which may adversely affect our reputation and business prospects.

3. Any interruptions at our Global Reference Laboratory may affect our ability to process clinical tests, which in turn may adversely affect our business, results of operations and financial condition.

Our Global Reference Laboratory ("**GRL**"), which is located in Mumbai, is our main 'hub' and equipped to conduct majority of the tests offered within our network. In addition to walk-in patients, our GRL also receives test requests and related specimens that other laboratories in our network are unable to process. Consequently, if we experience any interruptions at our GRL, or if it fails to function, in whole or in part, because of events such as fire, natural disaster as well as loss of licenses, certifications and permits, governmental planning for the land underlying our GRL and regulatory changes or other events beyond our control, our services may be adversely affected or suspended for an indefinite period of time. The occurrence of such events could also cause us to lose our patients and we may face significant increase in costs for test processing, transport and logistics which we may not be able to pass on to our patients. Any failure, malfunction, shutdown or partial or complete destruction of our GRL could adversely affect our business, prospects, results of operations and financial condition.

4. Any inadequacy in collection of, or failure or delay in the delivery of, specimens to our laboratories could compromise or destroy the integrity of such specimens, which could adversely affect our business, results of operations and financial condition.

The process of collecting specimens is highly dependent on the skill and performance of our front-end employees. Any losses or errors in the specimen collection, preparation, labelling and storage process could result in us not being able to effectively provide our services and adversely affect our business and reputation.

The timely pickup, transportation and delivery of specimens depend on several factors beyond our control, including weather and road conditions, air traffic delays and, in the case of our international operations, delays at customs check points. Any disruptions in transportation services on account of natural disasters, strikes, lock-outs, terrorism, inadequacies in the road or air infrastructure, weather related problems, or other events beyond our control could affect our ability to receive specimens and generate test results in a timely manner. While most of our laboratories are serviced through our in-house logistics team, we also rely on the services of third-party logistics providers. As a result, we may experience loss of specimens, delays and inefficiencies, including mislabeling of specimen, which are not within our control. If we are unable to deliver or receive specimens at our laboratories in a timely manner, their integrity as well as the outcome of results may be compromised, or the reporting of results of tests to patients may be delayed, which could adversely affect our reputation. Further, specimens may be lost, damaged or contaminated due to mishandling while in transit. In the event specimens are lost, destroyed, damaged or contaminated, we may incur additional costs, such as the cost of re-administering tests or from delays in the generation of critical test results. The occurrence of any such events could adversely affect our reputation, business, results of operations and financial condition.

5. Our operations are concentrated in west and south India, and any loss of business in such regions could have an adverse effect on our business, results of operations and financial condition.

While we have widespread presence across 18 states in India, as of March 31, 2018, a significant portion of our operations are concentrated in west and south India. We derived 54.08%, 55.62% and 55.72% of our revenue from operations from west India for the financial years 2018, 2017 and 2016, respectively and 27.86%, 28.90% and 30.82% of our revenue from operations from south India for the financial years 2018, 2017 and 2016, respectively. Further, as of March 31, 2018, we have an operational network of 69 clinical laboratories, 967 patient touch points (which primarily cater to individual patients) and 314 Assisted Referral Centers ("**ARC**s") (which primarily cater to institutional customers) in west and south India which comprised 65.09%, 85.58% and 60.38% of our total network of clinical laboratories, patient touch points and ARCs, respectively. In the event of a regional slowdown in the economic activity in these regions, or any other developments including political or civil unrest, disruption or sustained economic downturn that reduce the demand for our services in these regions, could adversely affect our business, financial condition and results of operations, which are largely dependent on the performance and other prevailing conditions affecting the economies of these regions.

6. ***We rely on the performance of third parties, including third party patient service centers and pick-up points, for a portion of our business, and any deficiency in services provided by them could adversely affect our business and reputation.***

We rely on the performance of third parties, including third party patient service centers and channel partners, who may be responsible for setting up facilities, procuring equipment instruments and supplies, recruiting employees, running facilities, and sourcing the samples for providing diagnostic healthcare services.

In addition to owned patient service centers, our service network includes third-party patient service centers which are operated by third parties under the 'Metropolis' brand. We cannot assure you that there will be no disruptions in the provision of such services or that these third-parties will adhere to their contractual obligations. If there is a disruption in the third-party services, or breach of contractual obligations, or if the third-party service providers discontinue their service agreements with us, our business could be adversely affected and may result in litigation or other costs. Such additional costs, in addition to the cost of entering into agreements with third-parties in the same industry, may adversely affect our business, results of operations and financial condition. If any third party service provider terminates its contractual arrangement with our Company, we cannot assure you that we will be able to replace it with other third party service provider in a timely manner and at acceptable terms, or at all.

We cannot assure you that the performance of such third-party patient service centers will meet our required specifications or performance parameters. Our third-party service providers are contractually obligated to operate their service centers in accordance with the requirements and standards set forth in our contractual arrangements with them, however, third-party patient service centers are independent third parties over which we have limited control and we may be subject to liability in case of their non-compliance with agreed standards. In addition, although we have exclusivity provisions under some of our arrangements with these third-party patient service centers, we may be unable to enforce such provisions and they may provide their services to our competitors. We may also be restricted from directly providing services in certain areas where these third-party patient service centers are located. As a result, our growth, results of operations and the integrity of our brand depends on the performance of these third-party patient service centers. We cannot assure you that the third-party patient service centers will be able to generate adequate revenue consistently, and we may be exposed to credit risks associated with non-payment or untimely payments by our third-party patient service centers as well as risk arising out of negligence or non-performance by our third-party patient service centers.

We also rely on the performance of our pick-up points, including large and small-scale hospitals, nursing homes, private laboratories, radiology centers, diagnostic centers and other healthcare service providers for a portion of our business. We collect specimens from our pick-up points, on a periodic basis, for processing in our clinical laboratories. While our pick-up points are obligated to conduct certain operations including specimen collection, handling, labelling, preparation, packaging and storage process in accordance with our requirements and standards, our pick-up points are independent third parties over which we have limited control. Failure of our pick-up points to meet our quality standards could result in us not being able to effectively provide our services and adversely affect our business and reputation.

7. ***Any cancellation of contract or rejection, delay or failure by our institutional customers, including our customers in 'Laboratory in Hospital' model and Public-Private Partnership contract with National Aids Control Organization, to make payments under the contract may adversely affect our business, results of operations, financial condition and prospects.***

We rely on our institutional customers, including our customers in 'Laboratory in Hospital' model and Public-Private Partnership ("**PPP**") contract with National Aids Control Organization ("**NACO**"), for a portion of our business. However, we are exposed to the risk of rejection, delay or failure by our institutional customers to make payment for claims we submit for services rendered. An increase in claims rejections or prolonged or repeated failures by our institutional customers to make payments may adversely affect our business, results of operations and financial condition.

Further, we are also exposed to the risk of cancellation of the contract and subsequent blacklisting by NACO in case we fail to provide our services effectively, which would adversely affect our ability to obtain additional PPP tenders in the future. In case we get blacklisted from participating in future tenders issued by NACO or other government entities, it could adversely affect our business, results of operations, financial condition and prospects.

8. ***Non-compliance with and changes in any of the applicable laws, rules or regulations, including safety, health and environmental laws, may adversely affect our business, results of operations and financial condition.***

Our laboratories through which we provide services are "clinical establishments" under the Clinical Establishments (Registration and Regulation) Act, 2010 ("**CERR Act**") and the Clinical Establishments (Central Government) Rules, 2012 ("**CECG Rules**") and the respective state legislation in this regard. These laws and regulations require registration and regulation of clinical establishments in India, prescribe minimum standards, requires clinical establishments to charge rates for its facilities and services within the range as determined by the Central Governments, and provide penalties in case of any contravention.

We are also subject to a broad range of safety, health and environmental laws and various labor, workplace and related laws and regulations in the jurisdictions in which we operate, which impose controls on the disposal and storage of raw materials, bio-medical waste and water discharges, on the storage, handling, discharge and disposal of chemicals, employee exposure to hazardous substances and other aspects of our operations. For example, the Biomedical Waste (Management and Handling) Rules, 1998 ("**Biomedical Waste Rules**") are applicable to all persons generating, collecting, receiving, storing, transporting, treating, disposing or handling bio-medical waste in any form including hospitals, clinics and pathological laboratories. The Biomedical Waste Rules prescribe different categories of waste and various treatment and disposal options. Non-compliance in the discharge of medical waste or of other hazardous substances or other pollutants into the soil or water may cause us to be liable to the government and regulatory bodies or to third parties. In addition, we may be required to incur costs to remedy the damage caused by such discharges, pay fines or other penalties for non-compliance. For instance, a criminal complaint has been filed against us alleging (i) illegal dumping of bio medical waste in the compound of our Company's Registered Office; (ii) keeping municipal waste outside the compound of our Company's Registered Office; and (iii) discharging hazardous bio-medical wastes into storm water drains situated in the vicinity of our Company's Registered Office, and that we are, therefore, violating, amongst others, the provisions of the Environment (Protection) Act, 1986 read with Bio-Medical Waste (Management and Handling) Rules, 1998. For further details, see "*Outstanding Litigation and Material Developments*" on page 513.

If a determination is made that we are in violation of any of the applicable laws, rules or regulations, including conditions in the permits required for our operations, we may be subjected to regulatory sanctions, have to pay fines, modify or discontinue our operations, incur additional operating costs or make capital expenditures which would adversely affect our business, financial position, results of operations or cash flows. Uncertainty in the applicability, interpretation or implementation of any amendment to, or change in, applicable laws, rules or regulations or policies, may also adversely affect the viability of our current business or restrict our ability to grow our business in the future. Further, the adoption of stricter applicable laws and regulations, stricter interpretations of existing laws, increased governmental enforcement of laws or other developments in the future may require that we make additional capital expenditures, incur additional expenses or take other actions in order to remain compliant and maintain our current operations. Complying with, and changes in, these laws and regulations or terms of approval may increase our compliance costs and adversely affect our business, prospects, results of operations and financial condition.

We are also subject to the laws and regulations governing relationships with employees in such areas as minimum wage and maximum working hours, overtime, working conditions, hiring and termination of employees, contract labour and work permits. There is a risk that we may inadvertently fail to comply with such regulations, which could lead to enforced shutdowns and other sanctions imposed by the relevant authorities, as well as the withholding or delay in receipt of regulatory approvals. We cannot assure you that we will not be involved in future litigation or other proceedings or be held liable in any litigation or proceedings including in relation to safety, health and environmental matters, the costs of which may be significant.

9. We require certain approvals, licenses, registrations and permits for conducting our business and our inability to obtain, retain or renew them in a timely manner, or at all, may adversely affect our business, results of operations and financial condition.

Our operations are subject to extensive government regulation and we are required to obtain and maintain a number of statutory and regulatory registrations, permits and approvals under central, state and local government rules in India, generally for carrying out our business and for each of our facilities. For details, see "*Government and Other Approvals*" on page 522. The regulatory licenses that we require are typically granted for a limited term and are subject to renewal at the end of such terms. We cannot assure that we will be able to obtain or renew all necessary licenses and registrations as and when required, within a reasonable time, or at all.

Our licenses and approvals are subject to various conditions, including periodic renewal and maintenance standards that are subject to inspection and may require us to incur substantial expenditure. Any actual or alleged failure on our part to comply with the terms and conditions of such regulatory licenses and registrations could expose us to significant compliance costs or liabilities or could affect our ability to continue our operations. Further, in the event certain accreditations, are made compulsory, either by law or as a condition for empanelment, our business and operations may be adversely affected until such time we receive such accreditations.

If we fail to obtain or renew any applicable approvals, licenses, registrations or consents in a timely manner, we may not be able to undertake certain operations of our business, or at all, which may affect our business or results of operations. We cannot assure you that the approvals, licenses, registrations or permits issued to us will not be suspended or revoked in the event of non-compliance or alleged non-compliance with any terms or conditions thereof, or pursuant to any regulatory action. In addition, any suspension, revocation or termination of one or more of our operational licenses may also lead to consequences under the terms of our other licenses. Any failure to renew the approvals that have expired, or to apply for and obtain the required approvals, licenses, registrations or consents, or any suspension or revocation of any of the approvals, licenses, registrations or consents that have been or may be issued to us, may adversely affect our business, results of operations and financial condition. For details of material approvals not obtained by our Company in relation to its material patient service centers and laboratories, see "*Government and Other Approvals*" on page 522.

In respect of the third party patient service centres, all applicable licenses, consents and approvals are maintained by the respective third party. We cannot assure that these third parties will obtain, maintain and renew such licenses, consents and approvals on an ongoing basis. Any failure to maintain such licenses, consents and approvals by such third parties may expose us to penalties, regulatory and statutory sanctions and proceedings, imposition of obligations to take corrective measures, which could harm our business, results of operations and financial condition.

10. Our operations may be adversely affected by the effects of health pandemics, civil disturbances, social unrest, hostilities or acts of terrorism, natural disasters such as extreme weather events and other criminal activities.

Certain events that are beyond our control, such as health pandemics, terrorist attacks, natural calamities and other acts of violence or war, may adversely affect worldwide financial and Indian markets, and could potentially lead to a severe economic recession, which could adversely affect our business, results of operations, financial condition and cash flows, and more generally, any of these events could lower confidence in India's economy.

India has experienced social unrest in some parts of the country. If such tensions occur in other parts of the country leading to overall political and economic instability, it could have a materially adverse effect on our business, financial condition, cash flows, results of operations and the trading price of our Equity Shares. India has also experienced natural calamities such as earthquakes, tsunamis, floods and droughts in the past. Instances of floods or other natural calamities could have an adverse effect on our business and the price of our Equity Shares. Such events may result in a temporary decline in the number of patients who seek clinical testing services or in our employees' ability to perform their duties. In addition, such events may temporarily interrupt our ability to transport specimens, to receive materials from our suppliers or otherwise to provide our services. For instance, recent floods in the south Indian state of Kerala caused major disruptions in our operations and adversely affected our business.

11. ***The diagnostics industry in India is highly competitive and our inability to compete effectively may adversely affect our business, results of operations and financial condition.***

The diagnostics industry in India is highly competitive with several companies present in the market, and therefore it is challenging to improve market share and profitability. Our competitors include diagnostic healthcare service providers in India, hospital-based laboratories, independent clinical laboratories, other smaller-scale providers of diagnostic services (with more established local and regional presence in certain geographies) such as pathology, radiology laboratories and preventive care providers as well as international service providers which may establish and expand their operations in future. We compete on the breadth of our test offerings, the geographical reach of our network, our ability to accurately process specimens and report data in a timely manner and our customer relationships. Some of our competitors may have greater financial, research and development, marketing and other resources, broader service offerings, more experience in obtaining regulatory approvals or greater geographic reach.

Also, the pricing-related competition may intensify in the near future which may have an adverse impact on the results of our operations, including our profit margins. Increase in the number of comparable diagnostic healthcare facilities may exert additional pricing pressure on some or all of our services. In addition, we may price our services differently in different regions of India, which may lead to patient dissatisfaction. Our competitors may also succeed in providing services that are more effective, popular or cheaper than ours, which may render our services uncompetitive. Our larger competitors may also have the benefit of increased cost efficiencies and provide services similar to ours at a significant discount to our prices. If we are unable to compete effectively, our business could decline or contract and our business, results of operations and financial condition could be adversely affected.

12. ***Implementation of pricing policies by the Government or other authorities could adversely affect our business, results of operations and financial condition.***

The prices that we charge for our services could become subject to recommended or maximum fees set by the Government or other authorities. For example, the government could introduce "price lists" for services that could be mandatory or, even if not mandatory, result in guidance for the prices we charge for our diagnostic healthcare services. The implementation of such or other policies affecting the prices we charge could, in effect, limit our ability to charge customers higher prices for our services, which may have an adverse effect on our business, results of operations and financial condition.

13. ***Our business, result of operations and financial condition could be affected by adverse results of legal proceedings.***

There are several outstanding legal proceedings against our Company, Subsidiaries, Directors, Promoters and Group Companies. These proceedings are pending at different levels of adjudication before various adjudication forums. For further details of material legal proceedings involving our Company, our Subsidiaries, our Directors, our Promoters and the Group Companies, including criminal charges, see "*Outstanding Litigation and Material Developments"* on page 513. If any these outstanding litigations are decided against our Company, Subsidiaries, Directors, Promoters or Group Companies, as the case may be, we may need to make provisions in our financial statements that could increase our expenses and current liabilities.

We cannot assure you that these outstanding legal proceedings will be decided in our Company's favor or in favor of our Subsidiaries, Directors, Promoters or Group Companies, or that no further liability will arise out of these proceedings. Further, such legal proceedings could divert management time and attention and consume financial resources. Any adverse outcome in any of these proceedings may adversely affect our Directors or our profitability, reputation, business, result of operations and financial condition.

A summary of pending litigation in relation to criminal matters, tax matters, and pending actions by regulatory or statutory authorities against our Company, Subsidiaries, Directors, Promoters and Group Companies, as applicable, as at the date of this Draft Red Herring Prospectus is set out below.

Litigation in relation to/arising out of dispute pertaining to our Registered Office

Type of proceeding	Number of cases	Amount, to the extent quantifiable *(₹ million)*
Criminal	9	-
Civil	9	-

Litigation against our Company

Type of proceeding	Number of cases	Amount, to the extent quantifiable *(₹ million)*
Criminal	1	-
Civil	-	-
Tax	4	11.75
Regulatory	3	-

Litigation against our Subsidiaries

Type of proceeding	Number of cases	Amount, to the extent quantifiable *(₹ million)*
Criminal	-	-
Civil	5	See note below
Tax	1	2.20
Regulatory	-	-

Note: *(I) Amount involved in relation to litigation involving Metropolis Lanka Healthcare (Pvt) Limited is ₹ 9.5 million; and*

(II) Amount involved in relation to litigation involving Metropolis Bramser Lab Services (Mtius) Limited is MUR 0.79 million.

Litigation against our Directors

Type of proceeding	Number of cases	Amount, to the extent quantifiable *(₹ million)*
Criminal	10	-
Civil	6	-
Tax	-	-
Regulatory	-	-

Litigation against our Promoters

Type of proceeding	Number of cases	Amount, to the extent quantifiable *(₹ million)*
Criminal	10	-
Civil	6	-
Tax	-	-
Regulatory	-	-

Litigation against our Group Companies

Type of proceeding	Number of cases	Amount, to the extent quantifiable *(₹ million)*
Criminal	-	-
Civil	-	-
Tax	-	-
Regulatory	-	-

For further details of litigation indicated above and litigation filed by our Company, our Subsidiaries, our Directors, our Promoters and our Group Companies, see "*Outstanding Litigation and Material Developments*" on page 513.

14. We depend on third-parties to provide us our testing equipment and reagents, and any failure to continue to do so or recall of existing testing equipment and reagents could adversely affect our business, results of operations and financial condition.

We depend on third-party vendors and suppliers to procure our testing equipment and reagents and we enter into contractual arrangements with them. However, we cannot assure you that we will be able to continue to obtain adequate supplies of equipment, reagents and test kits, in a timely manner and without any defects, in the future. For instance, our vendors have faced several issues in importing reagents and test kits in the past, including difficulty in obtaining clearance from the Drug Controller General of India, which have affected our ability to provide our services in a timely manner. Any such reductions or interruptions in the supply of equipment or reagents, defects in reagent and test kits and any inability on our part to find alternate sources for the procurement of such items, may have an adverse effect on our ability to provide our services in a timely or cost effective manner. Further, the procurement cost of foreign produced testing equipment and reagents may increase due to depreciation of Indian Rupee, and the suppliers may therefore demand to re-negotiate the supply contracts with us. In the event of an increase in the price of such items, we cannot assure you that we will be able to correspondingly increase the price of our services.

Further, the agreements under which we procure our testing equipment and reagents are exclusive in nature and we are required to purchase all our reagents, test kits, consumables and disposables for a certain minimum quantity or value of purchases from the suppliers with whom we have contracted, or their authorized agents. Any disruption in our business could result in us not meeting our minimum purchase obligations under these agreements resulting in an event of default. Such default could potentially disrupt our supply of reagents, and adversely affect our business, results of operations and financial condition.

In addition, under our lease and reagent supply agreements, the supplier typically has the discretion to terminate the agreement with written notice in the event of a breach of any material term or condition of such agreement, including on account of a default in the purchase of a committed amount of reagents or payment of the rent or lease fee. In addition, manufacturers may discontinue the supply of, or recall reagents, test kits, instruments or equipment which could adversely affect our operations. Any such recall or termination and consequent removal of the installed equipment can adversely affect our operations.

15. Failure or malfunction of our equipment could adversely affect our ability to conduct our operations.

Our operations are subject to risks inherent in the use of complex medical equipment. We may experience failures or there could be injury to our employees or others either because of defects, faulty maintenance or repair, or improper use or lack of timely servicing of our equipment. Any significant malfunction or breakdown of our equipment may entail significant repair and maintenance costs and cause disruptions in our operations. Any injury caused by our medical equipment in our laboratories due to equipment defects, improper maintenance or improper operation could subject us to liability claims. We cannot assure you that we would be able effectively respond to any such events, in a timely manner and at an acceptable cost, which could lead to an inability to effectively provide our services and, therefore, affect our business and reputation.

16. ***Failure to acquire new or improved equipment could adversely affect our business, results of operations and financial condition.***

Competition among manufacturers for a greater share of the diagnostic healthcare equipment market may accelerate the development of new technologies and, consequently, result in the obsolescence of our equipment, and we may not have the financial ability to acquire new or improved equipment and may not be able to maintain a competitive equipment base. We may consequently be unable to deliver our diagnostic healthcare services in an efficient and effective manner and, as a result, our business, results of operations and financial condition may be adversely affected.

17. ***Technological advancement may lead to more cost-effective technologies or non-invasive diagnostic healthcare tests that can be performed without the use of specialized diagnostic healthcare service centers or laboratories, which could adversely affect our business, results of operations and financial condition.***

Technological advancement could lead to the development of more cost-effective technologies or non-invasive diagnostic healthcare tests which are more convenient or less expensive than the tests that we offer. The introduction of such technology and its subsequent use by our existing and potential patients could lead to a decline in the demand for our services. Our patients are often referred to us by doctors that choose to outsource their testing, usually because they lack the expertise or the resources to conduct the testing themselves in a cost-effective manner. Advances in technology may lead to the development of more cost-effective tests that can be performed outside a commercial clinical laboratory, such as tests that can be performed by hospitals in their own laboratories, point-of-care tests that can be performed by doctors in their surgeries, or home-testing that can be performed by patients or other non-medical professionals themselves, such as pregnancy and diabetes tests. In addition, manufacturers of laboratory equipment and test kits could seek to increase their sales by marketing point-of-care laboratory equipment to physicians and by selling test kits approved for home use to both physicians and patients. Increased testing by physicians in their offices and home use by patients could affect the market for our services and, therefore, adversely affect our business, results of operations and financial condition.

18. ***Failure to introduce new tests, services and technologies could adversely affect our business, results of operations and financial condition.***

The diagnostic healthcare services industry is subject to constant innovations in, and improvements to tests and services, processes and technologies. In order to maintain our position in our industry, we must continue to anticipate and keep abreast of the demands and needs of our patients through investing in technologies to develop new tests and services and improve existing tests and services. If we fail to anticipate trends in the industry, or we are not able to introduce or develop new tests, services and technologies before or at least concurrently with our competitors and at competitive prices, our business, results of operations and financial condition may be adversely affected.

19. ***We rely on our information technology platform for the operation of our business and to protect our patients' personal information, and any disruption to our systems, or failure to protect such confidential information, could adversely affect our business and reputation and result in litigation.***

We have information technology systems that support our business processes, including for conducting tests, transmission of testing results, billing services, quality control, tracking logistics, human resources, finance and other patient service functions. As a result, our business depends on the capacity, reliability and security of our technology systems, as well as the systems of third-party information technology vendors whom we engage and will continue to do so. These systems may be susceptible to outages due to fire, floods, power loss, telecommunications failures, natural disasters, break-ins and similar events. Effective response to such disruptions will require effort and diligence on the part of our third-party vendors and employees to avoid any adverse effect to our information technology systems. In addition, our systems and proprietary data stored electronically may be vulnerable to computer viruses, cybercrime, computer hacking and similar disruptions from unauthorized tampering. Sustained system failures or interruption of our systems (including systems of third-party information technology vendors) in one or more of our laboratory operations could disrupt our ability to process laboratory requisitions, perform testing, provide test results in a timely manner and bill the appropriate party. The occurrence of any such events could adversely affect our business, interrupt our operations, subject us to increased operating costs and expose us to litigation.

Further, we must comply with privacy laws and regulations with respect to the use, storage and disclosure of protected patients' health information, as well as laws pertaining to the electronic transmission of such information, such as the Information Technology (Reasonable security practices and procedures and sensitive personal data on information) Rules, 2011. In the ordinary course of our business, we receive certain personal information about our customers and their patients, including by electronic means. Accordingly, we depend upon our internal information technology system for the storage and transmission of such confidential information. A compromise in our security systems (including systems of third-party information technology vendors) that results in customer or patient personal information being obtained by unauthorized persons or our failure to comply with security requirements for use, storage and transmission of sensitive information could adversely affect our reputation with our customers and result in litigation against us or the imposition of penalties and fines, all of which may adversely impact our business, results of operations, financial condition and liquidity. Further, new requirements for additional security and protection of the privacy of patient information could prove technically difficult, time-consuming or expensive to implement. Failure to comply with privacy laws and regulations may adversely impact our business and reputation and result in litigation.

20. ***If we pursue strategic acquisitions, we may not be able to successfully consummate favorable transactions or successfully integrate acquired businesses.***

From time to time, we may evaluate potential acquisitions that would further strategic objectives of our Company.

However, we may not be able to (i) identify or secure suitable investment or acquisition opportunities, or our competitors may capitalize on such opportunities before we do; (ii) obtain requisite approvals from governmental authorities on a timely basis; (iii) consummate a transaction without delay and on terms that are favorable to us; or (iv) achieve expected returns and other benefits as a result of integration challenges or anti-monopoly regulations. Further, companies or operations acquired or joint ventures created by us may not be profitable and may have unidentified issues not discovered in our due diligence process including hidden liabilities and legal contingencies or may not achieve sales levels and profitability that justify the investments made. Our corporate development activities may entail financial and operational risks, including diversion of management attention and other resources from its existing core businesses, difficulty in integrating, retaining or separating personnel and financial and other systems, and negative impacts on existing business relationships with suppliers and customers. If we fail to successfully source, execute and integrate investments or acquisitions, our overall growth could be impaired, and our business, results of operations and financial condition could be adversely affected. Future acquisitions could also result in potentially dilutive issuances of equity securities, the incurrence of debt, contingent liabilities and increased operating expenses, all of which could adversely affect our business, financial condition, results of operations and prospects.

21. ***Our inability to effectively manage our growth or to successfully implement our business plan and growth strategy could have an adverse effect on our business, results of operations and financial condition.***

We have experienced considerable growth over the past three years and we have significantly expanded our operations and service offerings. Our revenue from operations grew from ₹ 4,754.69 million for the financial year 2016 to ₹ 6,435.67 million for the financial year 2018, while our profit for the year grew from ₹ 819.55 million for the financial year 2016 to ₹ 1,097.47 million for the financial year 2018. However, we cannot assure you that our growth strategy will continue to be successful or that we will be able to continue to grow further, or at the same rate.

As part of our growth strategy, among others, we seek to increase the penetration of our existing test services in the Indian market and make strategic acquisitions of other diagnostic healthcare providers. Our ability to successfully execute expansion plans will depend on various factors, including:

- our ability to obtain or renew requisite statutory and regulatory approvals and licenses on a timely basis;
- our ability to identify suitable locations for setting up patient service centers and laboratories;
- the availability, terms and costs of financing required to fund acquisitions or complete expansion plans; and

- our ability to consummate a transaction without delay and on terms that are favorable to us.

Our inability to manage our expansion effectively and execute our growth strategy in a timely manner, or within budget estimates or our inability to meet the expectations of our stakeholders could have an adverse effect on our business, results of operations and financial condition. We cannot assure you that our existing or future management, operational and financial systems, procedures and controls will be adequate to support our future operations, or establish or develop business relationships beneficial to our future operations. Failure to manage growth effectively could have an adverse effect on our business, results of operations and financial condition.

22. ***Employee misconduct or failure of our internal processes or procedures could harm us by impairing our ability to attract and retain patients and subject us to significant legal liability and reputational harm.***

Our business is exposed to the risk of employee misconduct or the failure of our internal processes and procedures. For example, misconduct by employees could involve the improper use or disclosure of confidential information, which could result in costly litigation and serious reputational or financial harm. While we strive to monitor, detect and prevent fraud or misappropriation by our employees, through various internal control measures and insurance coverage, we may be unable to adequately prevent or deter such activities in all cases. While we have been able to identify such issues in the past, there could be instances of fraud and misconduct by our employees, which may go unnoticed for certain periods of time before corrective action is taken. For instance, during the financial year 2014, we identified instances of misappropriation of customer collection by our employees for an amount of ₹ 4.80 million and have, accordingly, included a provision in this regard in our financial statements. In addition, we may be subject to regulatory or other proceedings in connection with any such unauthorized transaction, fraud or misappropriation by our employees, which could adversely affect our goodwill, business prospects and future financial performance. Even when we identify instances of fraud and other misconduct and pursue legal recourse or file claims with our insurance carriers, we cannot assure you that we will recover any amounts lost through such fraud or other misconduct.

23. ***If we are unable to establish and maintain an effective internal controls and compliance system, our business and reputation could be adversely affected.***

We are responsible for establishing and maintaining adequate internal measures commensurate with the size and complexity of operations. Our internal audit functions make an evaluation of the adequacy and effectiveness of internal systems on an ongoing basis so that our laboratories adhere to our policies, compliance requirements and internal guidelines. While we periodically test and update our internal processes and systems, we are exposed to operational risks arising from the potential inadequacy or failure of internal processes or systems, and our actions may not be sufficient to ensure effective internal checks and balances in all circumstances.

We take reasonable steps to maintain appropriate procedures for compliance and disclosure and to maintain effective internal controls over our financial reporting so that we produce reliable financial reports and prevent financial fraud. As risks evolve and develop, internal controls must be reviewed on an ongoing basis. Maintaining such internal controls requires human diligence and compliance and is therefore subject to lapses in judgment and failures that result from human error. Any lapses in judgment or failures that result from human error can affect the accuracy of our financial reporting, resulting in a loss of investor confidence and a decline in the price of our equity shares.

Further, our operations are subject to anti-corruption laws and regulations. These laws generally prohibit us and our employees and intermediaries from bribing, being bribed or making other prohibited payments to government officials or other persons to obtain or retain business or gain some other business advantage. We participate in collaborations and relationships with third parties whose actions could potentially subject us to liability under these laws or other local anti-corruption laws. While our code of conduct requires our employees and intermediaries to comply with all applicable laws, and we continue to enhance our policies and procedures in an effort to ensure compliance with applicable anti-corruption laws and regulations, these measures may not prevent the breach of such anti-corruption laws, as there are risks of such breaches in emerging markets, such as India, including within the healthcare sector. If we are not in compliance with applicable anti-corruption laws, we may be subject to criminal and civil penalties, disgorgement and other sanctions and remedial measures, and legal expenses, which could have an adverse impact on our business, financial condition, results of operations and liquidity. Likewise, any investigation of any potential violations of anti-corruption laws by the relevant authorities could also have an adverse impact on our business and reputation.

24. ***We may be subject to legal proceedings arising out of patient complaints in relation to our services, which could adversely affect our business and reputation.***

We may receive patient complaints arising out of any alleged deficiency, negligence or malpractice in relation to the services that we provide. In the past, we have received such complaints from patients on various grounds, including alleged delays in providing test results and incorrect results or misdiagnoses. For details, please see "*Outstanding Litigation and Other Material Developments*" on page 513. Presently, we are involved in two consumer complaints pertaining to alleged wrong or inaccurate test reports involving claims aggregating to ₹ 1.10 million. In addition, members of our staff and our healthcare personnel may be subject to malpractice claims, and we may be impleaded in such claims as co-defendants. Such events may generate adverse publicity about our business and reduce customer confidence in the quality of our services. While we have established systems and procedures to help minimize errors that can arise during the collection of specimens and the testing and delivery of reports, any failure in our systems and procedures may lead to the delivery of inaccurate or untimely results exposing us to civil and criminal proceedings.

We may also be subject to professional liability claims, including for the improper use or malfunction of our diagnostic equipment, contamination or injury arising from exposure to radiation, or for infections or other complications arising from the specimen collection process.

Further, our operations involve the use of hazardous materials. Such materials are hazardous unless properly managed and contained and we typically contract third parties for the disposal of such materials and wastes. However, we cannot completely eliminate the risk of contamination of the environment or injury to our employees or others from the use, storage, handling or disposal of these materials. For instance, a criminal complaint has been filed against us alleging, amongst other things, (i) illegal dumping of bio medical waste in the compound of our Company's Registered Office; (ii) keeping municipal waste outside the compound of our Company's Registered Office; and (iii) discharging hazardous bio-medical wastes into storm water drains situated in the vicinity of our Company's Registered Office. For further details, see "*Outstanding Litigation and Material Developments*" on page 513.

In the event of contamination or injury resulting from our use of hazardous materials, we could be held liable for any resulting damages. We also could incur significant costs associated with civil or criminal fines and penalties. If we are found to be in violation, we may be subject to any applicable penalties associated with such violations, including civil and criminal penalties; damages and fines; loss of various licenses, certifications, accreditations or authorizations; orders to refund payments received by us; or orders to curtail or cease our operations. Consequently, any patient complaints or litigation brought against us as a result of our services may adversely affect our reputation and brand, result in the imposition of fines and divert the attention of our management from our operations, which could adversely affect our business and reputation.

25. ***We are dependent on a number of key personnel, including our senior management and qualified and experienced laboratory professionals, and the loss of, or our inability to attract or retain such persons could adversely affect our business, results of operations and financial condition.***

Our performance depends largely on the efforts and abilities of our senior management and other key personnel. We believe that the inputs and experience of our senior management and key managerial personnel are valuable for the development of business and operations and the strategic directions taken by our Company. We cannot assure you that we will be able to retain these employees or find adequate replacements in a timely manner, or at all. We may require a long period of time to hire and train replacement personnel when qualified personnel terminate their employment with our Company. We may also be required to increase our levels of employee compensation more rapidly than in the past to remain competitive in attracting employees that our business requires.

In addition, our sustained growth depends on our ability to attract, train, motivate and retain qualified and experienced laboratory professionals, including physicians, pathologists and scientists. Our inability to attract and retain such skilled personnel, especially in smaller cities in India, could result in a decrease in the quality of our services. Across our operations, we experienced attrition of 34.3% for Fiscal 2018. However, we cannot assure you that these individuals will not leave us or join a competitor. The growth and success of our business depends, in part, on the professional reputation of our healthcare professionals and technicians and their personal relationship with our patients. Therefore, the loss of services of our healthcare professionals and technicians, failure to recruit suitable replacements in a timely manner or the need to incur additional expenses to recruit and train new personnel could adversely affect our operations.

Further, if any of our executive officers or key employees joins a competitor or forms a competing company, we may lose know-how, trade secrets, customers and key professionals and staff. The occurrence of any such events could have an adverse effect on our business, results of operations and financial condition.

26. ***We conduct certain business operations on leased premises and our inability to renew such leases may adversely affect our business, results of operations and financial condition.***

Substantially all of our laboratories, patient service centers and business premises are on leasehold or leave and license basis. In case of any deficiency in the title of the owners from whose premises we operate, breach of the contractual terms of any lease, leave and license agreements, or if any of the owners of these premises do not renew the agreements under which we occupy the premises, or if they seek to renew such agreements on terms and conditions unfavorable to us, or if they terminate our agreements, we may suffer a disruption in our operations and will have to look for alternate premises. Further, in respect of certain laboratories, patient service centres and business premises, we are in the process of entering into fresh or renewed written arrangements for lease or leave and license, as the case may be. We may be unable to relocate our laboratories and other offices in a timely manner or at acceptable terms, which may adversely affect our business, results of operations and financial condition.

Further, some of our lease agreements and leave and license agreements may not have been duly stamped as per applicable law or registered with the registering authority of the appropriate jurisdiction. An instrument not duly stamped, or insufficiently stamped, is not admitted as evidence in any Indian court or may even attract a penalty as prescribed under applicable law, which could adversely affect our business, results of operations and financial condition.

27. ***There are certain restrictive conditions on us pursuant to a financing agreement executed by one of our promoters, Metz Advisory LLP. This may limit our ability to pursue our business and limit our flexibility in planning for, or reacting to, changes in our business or industry.***

One of our Promoters, Metz Advisory LLP has availed a term loan and has entered into a financing agreement with the lenders. The financing agreement include various conditions and restrictive covenants, including the requirement that we obtain consent from/intimate the lenders prior to carrying out certain activities and entering into certain transactions including (a) the amendment of our memorandum and articles of association; (b) incurrence of financial indebtedness; (c) issuance of new securities; (d) undertaking certain corporate actions like issue of bonus shares or sub-division of shares; (e) undertake any revocation, consolidation, combination or merger; and (f) change in line of business. Additionally, the financing agreement require that our Promoters continue to hold a least 51% equity interest in our Company and pledge the same with the lenders, subject to applicable law. These restrictions may limit our flexibility in responding to business opportunities, competitive developments and adverse economic or industry conditions. A breach of any of these covenants by our Company, could result in a variety of adverse consequences, including the termination of the credit facilities in part or full, enforcement of any security provided and acceleration of all amounts outstanding.

28. ***Certain reserved matters in the shareholders' agreement entered into by our Company with the other shareholders of certain of our Subsidiaries may adversely affect our business operations.***

Our Company has entered into a shareholders' agreement dated March 1, 2013 with Dr. Ronica Baruah in respect of the manner in which the affairs of Ekopath Metropolis Lab Services Private Limited ("**Ekopath**") shall be conducted. Similarly, our Company has also entered into a shareholder's agreement dated July 2, 2018 with Koninklijke Philips N.V and Histoxpert in respect of, inter alia, the manner in which the business and affairs of Metropolis Histoxpert Digital Services Private Limited ("**Histoxpert**") shall be conducted. Pursuant to the aforesaid shareholders' agreements, certain reserved matters such as (i) commencement of new line of business; (ii) winding up; (iii) re-organization and purchase of material assets; (iv) alteration of constitutional documents; (v) change in share capital; and/or (vi) buy-back of shares or bonus or rights issue, could only be decided upon affirmative vote by the other party. Our Company's restricted ability to decide on such reserved matters may adversely affect our business operations and performance of Ekopath and Histoxpert. Further, in terms of the aforesaid shareholders' agreements, our Company has certain restrictions in respect of transferability of its shareholding in Ekopath and Histoxpert, which may adversely affect our Company's ability to exit from its investment in Ekopath and Histoxpert.

29. ***Our inability to protect or use our intellectual property rights or comply with intellectual property rights of others may adversely affect our business.***

We consider our brands and intellectual property to be one of our most valuable assets and we have certain trademarks registered in India and abroad. We also rely on unpatented proprietary know-how, continuing technological innovation and other trade secrets to develop and maintain our competitive position.

Given the generic nature of the word '*Metropolis*', we do not have trademark registration in respect of our Company's name and logo. We have applied for a copyright registration of our logo "*Metropolis*", including the tagline "*The Pathology Specialist*" with the Registrar of Trademarks in India, under the Copyright Act, 1957. If any of our unregistered trademarks are registered in favour of a third party, we may not be able to claim registered ownership of such trademarks, and consequently, we may be unable to seek remedies for infringement of those trademarks by third parties other than relief against passing off by other entities. Our inability to obtain or maintain these registrations may adversely affect our competitive business position. The measures we take to protect our intellectual property include relying on Indian and foreign laws and initiating legal proceedings, which may not be adequate to prevent unauthorized use of our intellectual property by third parties. Notwithstanding the precautions we take to protect our intellectual property rights, it is possible that third parties may copy or otherwise infringe on our rights, which may have an adverse effect on our business, results of operations and financial condition. Further, we understand that STAR Metropolis Clinical Laboratories & Healthcare Service Middle East, one of the affiliates of ETA, has been using the '*Metropolis*' brand to market its pathology services in the Gulf Cooperation Council. The use of the '*Metropolis'* brand name by STAR Metropolis Clinical Laboratories & Healthcare Service Middle East may lead to customers confusing them with our Company, which could lead to us losing business to such entity and could adversely affect our reputation and business. We may also be unable to prevent infringement of our trademark and a passing off action may not provide sufficient protection until such time that we are able to register our trademark.

Further, our tests and business processes may infringe on the intellectual property rights of others. While we take care to ensure that we comply with the intellectual property rights of others, we cannot determine with certainty whether we are infringing any existing third-party intellectual property rights, which may force us to alter our offerings. We may also be susceptible to claims from third parties asserting infringement and other related claims. If such claims are raised in the future, these claims could result in costly litigation, divert management's attention and resources, subject us to significant liabilities and require us to enter into potentially expensive royalty or licensing agreements or to cease certain offerings. Infringement and other intellectual property claims, regardless of their merit, can be expensive and time-consuming to litigate. If we are found to have infringed on the intellectual proprietary rights of others, we might be forced to do one or more of the following: (i) cease performing or selling the services that incorporate the challenged intellectual property; (ii) pay for and obtain licenses from the holder of the infringed intellectual property right; (iii) re-engineer our tests and services and develop non-infringing technology; (iv) restructure our business processes; (v) provide indemnification to patients for third-party breaches of intellectual property pursuant to our contracts with such parties; or (vi) pay damages, court costs and legal fees, including any increased damages for any infringement that is deemed to be willful. Any requirement to re-engineer our tests or change our business processes could substantially increase our costs, force us to interrupt product sales or delay new test releases. Infringement claims could also arise in the future as patents could be issued on tests or processes that we may be performing, particularly in such emerging areas as gene-based testing and other specialty testing. Any of the foregoing could have an adverse effect on our business, results of operations and financial condition.

30. We may become subject to professional malpractice liability, which could be costly and, therefore, could negatively affect our business, results of operations and financial condition.

Although we do not believe our operations or activities constitute the practice of medicine, nevertheless, claims, suits or complaints relating to services provided by our laboratories may be asserted against us in the future. In addition, we may be subject to professional liability claims, including, without limitation, for improper use or malfunction of our diagnostic imaging equipment or for accidental contamination or injury from exposure to radiation.

We may not be able to maintain and currently do not maintain liability insurance to protect us against such claims. Any claim made against our Company that is not fully covered by insurance could be costly to defend, result in a substantial damage award against us and divert the attention of our management from our operations, which could have an adverse effect on our business, results of operations and financial condition.

31. We are subject to risks associated with our overseas operations, which could adversely affect our business, results of operations and financial condition.

We conduct certain of our operations in foreign countries including Ghana, Nepal, Oman, Nigeria, UAE, Kenya, Mauritius, Sri Lanka and Zambia. Our revenue from operations outside India was ₹520.72 million, which accounted for 8.09% of our revenue from operations for the financial year 2018. Our international operations are subject to risks that are specific to each country and region in which we operate as well as risks associated with international operations in general. Any adverse weather conditions, social, economic and geopolitical conditions, such as natural disasters, civil disturbance, terrorist attacks, war or other military action in these regions could affect our business and operations. In addition, compliance with local laws, including legal constraints on ownership and corporate structure, environmental, health, safety, labour and accounting laws, may impose onerous and expensive obligations on us. If we are unable to comply with such laws, our business, results of operations and financial condition may be adversely affected.

32. Our insurance coverage may not be sufficient or may not adequately protect us against all material hazards, which may adversely affect our business, results of operations and financial condition.

The principal types of coverage under our insurance policies include directors' and officers' liability, fire and other allied perils and professional indemnity liability. As of March 31, 2018, our Company's total assets as per Restated Standalone Summary Statements was ₹ 4,232.47 million, and the insurance coverage on such assets was ₹ 1,272.91 million, or 30.07%.

The insurance coverage which we maintain is reasonably adequate to cover the normal risks associated with the operation of our businesses. Even if we have insurance for the incident giving rise to the loss, we may be required to pay a significant deductible on any claim for recovery of such a loss, or the amount of the loss may exceed our coverage for the loss. However, we cannot assure you that any claim under the insurance policies maintained by us will be honored fully, in part or on time, or that we have obtained sufficient insurance to cover all our losses. In addition, our insurance coverage expires from time to time. We apply for the renewal of our insurance coverage in the normal course of our business, and while we have no reason to believe that we will not be able to renew our existing insurance coverage as and when such policies expire, or obtain comparable coverage from similar institutions as may be necessary or appropriate to conduct our businesses as now conducted, we cannot assure you that such renewals will be granted in a timely manner, or at acceptable cost, or at all. To the extent that we suffer loss or damage, or successful assertion of one or more large claims against us for events for which we are not insured, or for which we did not obtain or maintain insurance, or which is not covered in full or part by insurance, exceeds our insurance coverage or where our insurance claims are rejected, the loss would have to be borne by us and our results of operations, financial condition and cash flows could be adversely affected. For further details on our insurance arrangements, see "*Our Business – Insurance*" on page 153.

33. We face foreign exchange risks that could adversely affect our results of operations.

We make payment for certain equipment in Euro and US dollars and as such, we are exposed to fluctuations in exchange rates between Euro, US Dollar and the Indian Rupee. Further, a small portion of our revenues, particularly relating to our overseas operations, is denominated in currencies other than Indian Rupees. We are exposed to the risk of incurring potential losses if currencies fluctuate significantly. Any such losses on account of foreign exchange fluctuations may adversely affect our results of operations.

34. ***We have had negative net cash flows in the past and may continue to have negative cash flows in the future.***

The following table sets forth our cash flows for the periods indicated:

(*₹ in million*)

	Financial Year		
	2018	2017	2016 (Proforma Ind AS)
Net cash generated from Operating Activities	1,039.31	1,017.53	914.16
Net cash generated from / (used in) Investing Activities	18.82	(857.85)	963.61
Net cash (used in) Financing Activities	(873.03)	(173.00)	(1,737.63)
Net increase/ (decrease) in Cash and Cash Equivalents	179.59	(13.23)	139.41

For further details, see "*Financial Statements*" and "*Management's Discussion and Analysis of Financial Condition and Results of Operations*" on pages 203 and 492, respectively. We cannot assure you that our net cash flows will be positive in the future.

35. ***Our Promoters and Promoter Group will continue to exert substantial voting control over our Company after completion of the Offer, which may limit your ability to influence the outcome of matters submitted for approval of our shareholders.***

As on the date of this Draft Red Herring Prospectus, our Promoters and Promoter Group together hold 67.80% (including nominee shareholding) of our pre-Offer Equity Share capital. For further details, see "*Capital Structure*" on page 90. Further, pursuant to the terms of an agreement entered into between our Company, our Promoters, Dr. Duru Sushil Shah, and CA Lotus Investments, our Promoter, Ameera Sushil Shah has the unconditional and irrevocable right to, purchase up to 1,061,095 Equity Shares, from CA Lotus Investments, which will further increase our Promoter's shareholding in our Company. For further details, see "*History and Certain Corporate Matters*" on page 158. Following the completion of the Offer, our Promoters and Promoter Group, may continue to hold a majority of our Company's post-Offer Equity Share capital. This concentration of ownership could limit your ability to influence corporate matters requiring shareholders' approval. Our Promoters and Promoter Group will have the ability to significantly influence matters requiring shareholders' approval, including the ability to appoint Directors on our Board and the right to approve significant actions at Board and at shareholders' meetings, including the issuance of Equity Shares and dividend payments, business plans, mergers and acquisitions, any consolidation or joint venture arrangements, any amendment to our Memorandum of Association and Articles of Association. In addition, if our shareholders do not act together, such matters requiring shareholders' approval may be delayed or may not occur at all, which could adversely affect our business. Moreover, these shareholders are not obligated to provide any business opportunities to us. If such other shareholders invest in another company in competition with us, we may lose the support provided to us by them, which could adversely affect our business, results of operations, financial condition and cash flows. We cannot assure you that our existing shareholders will not have conflicts of interest with other shareholders or with our Company. Any such conflict may adversely affect our ability to execute our business strategy or to operate our business.

36. ***We have in the past entered into related party transactions and may continue to do so in the future, which may potentially involve conflicts of interest with the equity shareholders.***

We have entered into various transactions with related parties, including for the purposes of, among other things, purchase of goods and services, purchase of fixed assets and repayment of loan. Further, our Company has entered into leave and license agreement with Dr. Sushil Kanubhai Shah in relation to leave and license of a property situated at Gamdevi, Mumbai. For further details of such interests, see "*Our Management*" and "*Related Party Transactions*" on pages 181 and 201, respectively.

While we believe that all such transactions have been conducted on an arm's length basis and contain commercially reasonable terms, we cannot assure you that we could not have achieved more favorable terms had such transactions been entered into with unrelated parties. It is likely that we may enter into related party transactions in the future. For details on our related party transactions, see "*Related Party Transactions*" on page 201. We cannot assure you that such transactions, individually or in the aggregate, even if entered into at arms-length terms, will always be in the best interests of our shareholders and will not have an adverse effect on our business, results of operations, cash flows and financial condition.

37. There are certain ongoing litigations pertaining to our Registered Office.

There are certain ongoing criminal and civil litigations in respect of our Registered Office, pertaining to, amongst other things, our Company's title to the property and our operations at our Registered Office. For details, see "*Outstanding Litigation and Material Developments"* on page 513. We cannot assure you that these legal proceedings will be decided in our favour, or that no further liability will arise out of these proceedings. In case these legal proceedings are decided against us, we may have to give up the possession of the Registered Office. We cannot assure that we will be able to find a similar office premises in and around the same location at acceptable terms and in a timely manner. This may lead to disruption of our business operations.

38. We have commissioned industry report from Frost & Sullivan India Private Limited, which have been used for industry related data in this Draft Red Herring Prospectus and such data has not been independently verified by us.

We have commissioned the Frost & Sullivan India Private Limited research report titled "Indian Diagnostic Industry Report" dated September 20, 2018. The report uses certain methodologies for market sizing and forecasting. Neither the Company, the Selling Shareholders nor any of the Book Running Lead Managers have independently verified such data and therefore, while we believe them to be true, we cannot assure you that they are complete or reliable. Accordingly, investors should read the industry related disclosure in this Draft Red Herring Prospectus in this context. Industry sources and publications are also prepared based on information as of specific dates and may no longer be current or reflect current trends. Industry sources and publications may also base their information on estimates, projections, forecasts and assumptions that may prove to be incorrect. While industry sources take due care and caution while preparing their reports, they do not guarantee the accuracy, adequacy or completeness of the data. Accordingly, investors should not place undue reliance on, or base their investment decision solely on this information.

Neither the Company, the Selling Shareholders, any of the Book Running Lead Managers nor any person related to this Offer have independently verified data obtained from industry publications and other industry sources referred to in this Draft Red Herring Prospectus and therefore, while we believe such data to be true, we cannot assure you that such data is complete or reliable. Such data may also be produced on different bases from those used in the industry publications we have referenced. Therefore, discussions of matters relating to India, its economy and the industries in which we currently operate are subject to the caveat that the statistical and other data upon which such discussions are based may be incomplete or unreliable and prospective investors are advised not to place undue reliance on such data. See "*Industry Overview*" on page 117.

39. Our Promoters and a member of our Promoter Group have encumbered their Equity Shares with certain non-banking financial institutions and have provided personal guarantees. Any exercise of such encumbrances by such non-banking financial institutions could dilute the shareholding of the Promoters and the Promoter Group, which may adversely affect our business and financial condition. Further, any exercise of the personal guarantees can have an adverse effect on the financial position of such individuals.

The 9,209,230 Equity Shares held by Dr. Duru Sushil Shah, representing 18.35% of the total outstanding paid-up capital of the Company will continue to remain encumbered post listing in favour of certain non-banking financial institutions. Any default under the agreements pursuant to which these Equity Shares have been pledged will entitle the pledgee to enforce the pledge over these Equity Shares. If this happens, the shareholding of the Promoters and Promoter Group may be diluted and we may face certain impediments in taking decisions on certain key, strategic matters involving the Company. As a result, we may not be able to conduct our business or implement our strategies as currently planned, which may adversely affect our business and financial condition. Further, any rapid sale of Equity Shares by such third parties may adversely affect the price of the Equity Shares.

Further, Ameera Sushil Shah, Dr. Sushil Kanubhai Shah and Dr. Duru Sushil Shah have provided personal guarantee in relation to a term loan availed by Metz Advisory LLP. If there is a default in repayment of the said term loan, the personal guarantees may be invoked, which will adversely affect the financial condition of Ameera Sushil Shah, Dr. Sushil Kanubhai Shah and Dr. Duru Sushil Shah.

40. We are unable to trace certain regulatory forms, which could subject us to liability.

We are unable to trace copies of certain forms filed by Pathnet India Private Limited (prior to acquisition by our Company) in the past under the foreign exchange laws with respect to investments made in Pathnet India Private Limited by persons resident outside India. While we believe that the forms were duly filed on a timely basis, we have not been able to obtain copies of the form filings including forms FC-TRS and FC-GPR in relation to certain of these past investments. We cannot assure you that these forms will be available in the future or that we will not be subject to any penalties imposed by the relevant regulatory authority in this respect.

41. One of our Group Companies have incurred losses in the financial years ending March 31, 2016, 2017 and 2018.

Metropolis Health Product Retail Private Limited ("**MHPRPL**"), one of our Group Companies, has incurred losses in the financial years ending March 21, 2016, 2017 and 2018. The profit / (loss) figures for the preceding three financial years of MHPRPL are as follows:

Name	Profit/(loss) for the Fiscal		
	2018	2017	2016
	(₹ *million*)	(₹ *million*)	(₹ *million*)
Metropolis Health Product Retail Private Limited	(0.19)	(1.20)	(2.75)

We cannot assure you that MHPRPL will not incur losses in the future. For further details regarding our Group Company, see "*Our Group Companies*" on page 198.

42. If we are unable to raise additional capital, our business, results of operations, financial condition and cash flows could be adversely affected

We will continue to incur significant expenditure in maintaining and growing our existing infrastructure. We cannot assure you that we will have sufficient capital resources for our current operations or any future expansion plans that we may have. While we expect our cash on hand and cash flow from operations to be adequate to fund our existing commitments, our ability to incur any future borrowings is dependent upon the success of our operations. Additionally, the inability to obtain sufficient financing could adversely affect our ability to complete expansion plans. Our ability to arrange financing and the costs of capital of such financing are dependent on numerous factors, including general economic and capital market conditions, credit availability from banks, investor confidence, the continued success of our operations and other laws that are conducive to our raising capital in this manner. Any unfavorable change to terms of borrowings may adversely affect our cash flows, results of operations and financial conditions. If we decide to meet our capital requirements through debt financing, we may be subject to certain restrictive covenants. If we are unable to raise adequate capital in a timely manner and on acceptable terms, or at all, our business, results of operations, financial condition and cash flows could be adversely affected.

43. We may be affected by strikes, work stoppages or increased wage demands by our employees that could interfere with our operations.

As of March 31, 2018, we have 4,585 employees and, we have been informed that certain employees are in the process of forming trade unions. We cannot assure you that our relations with our employees shall remain cordial at all times and that employees will not undertake or participate in strikes, work stoppages or other industrial actions in the future. Any labour disruptions may affect our operations, thereby adversely affecting our business, financial condition and results of operations.

44. ***Certain of our Promoters, Directors and key managerial personnel have interests in our Company in addition to their normal remuneration or benefits and reimbursement of expenses incurred.***

Certain of our Promoters, Directors and key managerial personnel have interests in our Company that are in addition to reimbursement of expenses and normal remuneration payable to them. Certain Promoters, Directors and key managerial personnel may be deemed to be interested to the extent of Equity Shares held by them, as well as to the extent of any dividends, bonuses or other distributions on such Equity Shares. Further, pursuant to the terms of an agreement entered into between our Company, our Promoters, Dr. Duru Sushil Shah and CA Lotus Investments, our Promoter, Ameera Sushil Shah has an unconditional and irrevocable right to purchase up to 1,061,095 Equity Shares, from CA Lotus Investments, which will further increase our Promoter's shareholding in our Company. We cannot assure you that our Promoters, Directors and our key management personnel will exercise their rights as shareholders to the benefit and best interest of our Company. Further, our Company has entered into leave and license agreement with our Promoter, Dr. Sushil Kanubhai Shah, in relation to leave and license of a property situated at Gamdevi, Mumbai. For further details of such interests, see "*Our Management*" and "*Related Party Transactions*" on pages 181 and 201, respectively.

45. ***We have certain contingent liabilities that have not been provided for in our financial statements, which, if they materialize, may adversely affect our results of operations, financial condition and cash flows.***

The following table sets forth certain information relating to our contingent liabilities, which have not been provided for, as of March 31, 2018:

Particulars	**Amount (₹ in million)**
Income tax liability disputed in appeals	13.99
Employee related dues	23.24
Claims against the Company not acknowledged as debt :	
- Claims pending in Consumer Dispute Redressal Forum	27.49
Contingent consideration on acquisition of remaining stake from Non-Controlling Interests*	75.94
Total	**140.66**

**Our Company has entered into a share purchase agreement to buy the remaining 30% stake of Golwilkar Metropolis Health Services (India) Private Limited. For the purchase of remaining stake, consideration to be paid as per valuation of Golwilkar Metropolis Health Services (India) Private Limited has been determined to be ₹ 303.75 million. However, on account of a breach of non-compete provision as per the terms of the shareholder's agreement dated October 14, 2005, our Company has filed an application before a sole arbitrator in Mumbai against Dr. Ajit S. Golwilkar, Dr. Awanti T. Mehendale and Dr. Vinanti N. Patankar claiming 25% of consideration determined i.e. ₹ 75.94 million as damages. This matter is currently pending before the arbitrator.*

If a significant portion of these liabilities materialize, it could have an adverse effect on our business, financial condition and results of operations. For further details, see "*Financial Statements*" on page 203.

46. ***Our ability to pay dividends in the future will depend on our earnings, financial condition, working capital requirements, capital expenditures and restrictive covenants of our financing arrangements.***

Our ability to pay dividends in the future will depend on our earnings, financial condition, cash flow, working capital requirements and capital expenditure. Any future determination as to the declaration and payment of dividends will be at the discretion of our Board and will depend on factors that our Board deems relevant, including among others, our future earnings, financial condition, cash requirements, business prospects and any other financing arrangements. Additionally, our ability to pay dividends may also be restricted by the terms of financing arrangements that we may enter into. Dividends distributed by us will attract dividend distribution tax at rates applicable from time to time. We cannot assure you that we will be able to pay dividends in the future. For further details, see "*Dividend Policy*" on page 202.

47. ***We have issued Equity Shares during the last one year at a price that would be below the Offer Price.***

We have allotted certain Equity Shares pursuant to the MESOS 2007 during the last one year. Further, our Company has issued and allotted certain Equity Shares pursuant to (i) the Scheme of Amalgamation 2018; (ii) conversion of outstanding warrants held by Metz Advisory LLP; (iii) Subsidiary Shareholding

Acquisitions; and (iv) Bonus Issue during the last one year. The consideration paid at the time of such allotments, if any, could be lower than the Offer Price. For further details, see "*Capital Structure*", "*History and Certain Corporate Matters*" and "*Our Subsidiaries*" on pages 90, 158 and 171.

48. Grant of stock options by our Company will result in a charge to our statement of profit and loss and will, to that extent, reduce our reported profits and lead to dilution in earnings per share in future periods.

Our Company has framed and implemented two employee stock option schemes – the Metropolis Employee Stock Option Scheme 2007 ("**MESOS 2007**") and the Metropolis Employee Stock Option Scheme 2015 ("**MESOS 2015**") (collectively, the "**ESOP Schemes**"). For further details, see "*Capital Structure – Employee Stock Option Plans*" on page 98 of this Draft Red Herring Prospectus.

As of the date of this Draft Red Herring Prospectus, there are no outstanding grants or vested options under the MESOS 2007 and no additional options will be granted by our Company under the MESOS 2007, and accordingly the MESOS 2007 has been considered closed. 23,200 vested options held by certain former employees of the Company under the MESOS 2007 were cancelled on account of misconduct, as defined in MESOS 2007. Upon communication of the said cancellation of vested options, our Company has received certain communication from the aforesaid former employees which could be contentious in future

Further, as of the date of this Draft Red Herring Prospectus, we have 1,080,400 outstanding stock options under the MESOS 2015. Grant of stock options by our Company will result in a charge to our statement of profit and loss and will, to that extent, reduce our reported profits in future periods. Any issuance of the equity or equity-linked securities by us, including through exercise of employee stock options pursuant to the ESOP Schemes may dilute your shareholding in our Company, adversely affect the trading price of the Equity Shares and our ability to raise capital through an issue of our securities. Although the pre-Offer shareholding of the shareholders (except Equity Shares allotted pursuant to exercise of employee stock options) is subject to lock-in as per applicable provisions of the SEBI ICDR Regulations, disposal of a large number of Equity Shares by any significant shareholder of our Company after the expiry of the lock-in periods could adversely affect the market price of the Equity Shares. Our employees may also choose to exercise the vested options and subsequently sell the Equity Shares upon listing. Any perception by investors that such issuances or sale might occur could also affect the trading price of the Equity Shares.

49. One of our Promoters, Metz Advisory LLP have availed unsecured debt facilities that can be recalled at any time by the lenders.

One of our Promoters, Metz Advisory LLP has availed an unsecured debt facility, the terms of which allows the lender to recall the loan at any point in time. If Metz Advisory LLP is unable to repay such loan at the time it is recalled for any reason whatsoever, an event of default could occur under the respective loan agreement. This could not only adversely affect the business, reputation, financial condition and results of operations of Metz Advisory LLP but also the business and reputation of our Company.

50. Our Company will not receive any proceeds from the Offer.

The Offer comprises of an offer for sale of up to 15,269,684 Equity Shares by the Selling Shareholders. The proceeds from the Offer (net of applicable expenses) will be paid to the Selling Shareholders, which includes our Promoter, Dr. Sushil Kanubhai Shah and the Investor Selling Shareholder, CA Lotus Investments, in proportion of the respective portion of the Offered Shares transferred pursuant to the Offer, and our Company will not receive any such proceeds.

External Risk Factors

Risks Related to India

51. Investors may not be able to enforce a judgment of a foreign court against our Company.

Our Company is incorporated under the laws of India. Our Company's assets are primarily located in India and substantially all of our Company's Directors and Key Managerial Personnel are residents of India. As a result, it may not be possible for investors to effect service of process upon our Company or such persons in jurisdictions outside India, or to enforce against them judgments obtained in courts outside India.

Recognition and enforcement of foreign judgments is provided for under Section 13 of Civil Code on a statutory basis. Section 13 of the Civil Code provides that foreign judgments shall be conclusive regarding any matter directly adjudicated upon, except: (i) where the judgment has not been pronounced by a court of competent jurisdiction; (ii) where the judgment has not been given on the merits of the case; (iii) where it appears on the face of the proceedings that the judgment is founded on an incorrect view of international law or a refusal to recognize the law of India in cases to which such law is applicable; (iv) where the proceedings in which the judgment was obtained were opposed to natural justice; (v) where the judgment has been obtained by fraud; and (vi) where the judgment sustains a claim founded on a breach of any law then in force in India. Under the Civil Code, a court in India shall, upon the production of any document purporting to be a certified copy of a foreign judgment, presume that the judgment was pronounced by a court of competent jurisdiction, unless the contrary appears on record. However, under the Civil Code, such presumption may be displaced by proving that the court did not have jurisdiction.

India is not a party to any international treaty in relation to the recognition or enforcement of foreign judgments. Section 44A of the Civil Code provides that where a foreign judgment has been rendered by a superior court, within the meaning of that Section, in any country or territory outside of India which the Central Government has by notification declared to be in a reciprocating territory, it may be enforced in India by proceedings in execution as if the judgment had been rendered by the relevant court in India. However, Section 44A of the Civil Code is applicable only to monetary decrees not being of the same nature as amounts payable in respect of taxes, other charges of a like nature or of a fine or other penalties.

We have been advised by our Indian counsel that the United States and India do not currently have a treaty providing for reciprocal recognition and enforcement of judgments, other than arbitration awards, in civil and commercial matters. Therefore, a final judgment for the payment of money rendered by any federal or state court in the United States on civil liability, whether or not predicated solely upon the federal securities laws of the United States, would not be enforceable in India. However, the party in whose favour such final judgment is rendered may bring a new suit in a competent court in India based on a final judgment that has been obtained in the United States. The suit must be brought in India within three years from the date of the judgment in the same manner as any other suit filed to enforce a civil liability in India.

It is unlikely that a court in India would award damages on the same basis as a foreign court if an action was brought in India. Furthermore, it is unlikely that an Indian court would enforce a foreign judgment if that court were of the view that the amount of damages awarded was excessive or inconsistent with public policy or Indian practice. It is uncertain as to whether an Indian court would enforce foreign judgments that would contravene or violate Indian law. However, a party seeking to enforce a foreign judgment in India is required to obtain approval from the RBI under the Foreign Exchange Management Act, 1999, to execute such a judgment or to repatriate any amount recovered.

52. Political, economic or other factors beyond our control may have an adverse impact on our business and results of operations.

The following external risks may have an adverse impact on our business and results of operations, should any of them materialize:

- increase in interest rates may adversely affect our access to capital and increase our borrowing costs, which may constrain our ability to grow our business and operate profitably;

- political instability, resulting from a change in governmental or economic and fiscal policies, may adversely affect economic conditions in India. In recent years, India has implemented various economic and political reforms. Reforms in relation to land acquisition policies and trade barriers have led to increased incidents of social unrest in India over which we have no control;

- strikes, lock-outs, work stoppages or increased wage demands by employees, suppliers or other service providers;

- civil unrest, acts of violence, terrorist attacks, regional conflicts or situations or war;

- India has experienced natural calamities such as earthquakes, tsunamis, floods and drought in recent years'

- instability in the financial markets and volatility in, and actual or perceived trends in trading activity on, India's principal stock exchanges;

- decline in India's foreign exchange reserves which may affect liquidity in the Indian economy;

- downgrading of India's sovereign debt rating by rating agencies; and

- international business practices that may conflict with other customs or legal requirements to which we are subject to, including anti-bribery and anti-corruption laws; being subject to the jurisdiction of foreign courts, including uncertainty of judicial processes and difficulty enforcing contractual agreements or judgments in foreign legal systems or incurring additional costs to do so.

If such events should impact the national or any regional economies, our business and results of operations may be adversely affected.

53. ***Global economic, political and social conditions may harm our ability to do business, negatively affect growth in the Indian economy or securities market, increase our costs and negatively affect the price of our Equity Shares.***

The Indian economy and its securities markets are influenced by economic developments and volatility in securities markets in other countries. Investors' reactions to developments in one country may have adverse effects on the market price of securities of companies located in other countries, including India.

For instance, the economic downturn in the U.S. and several European countries during a part of financial years 2008 and 2009 adversely affected market prices in the global securities markets, including India. Negative economic developments, such as rising fiscal or trade deficits, or a default on national debt, in other emerging market countries may also affect investor confidence and cause increased volatility in Indian securities markets and indirectly affect the Indian economy in general. Any worldwide financial instability could also have a negative impact on the Indian economy, including the movement of exchange rates and interest rates in India.

54. ***Various challenges currently faced by the healthcare industry in India may also adversely affect our business, results of operations and financial condition.***

Our business is affected by the various challenges currently faced by the Indian healthcare industry, including the provision of quality patient care in a competitive environment and managing costs. For example, healthcare costs in India have increased significantly over the past decade, and there have been and may continue to be proposals by legislators and regulators to limit the rate of increase, or lower, healthcare costs in India. Certain proposals by the Government of India, if passed, could impose, among other things, limitations on the prices we will be able to charge for our diagnostic healthcare services.

In addition, our business, results of operations and cash flows may be adversely affected by other factors that affect the broader Indian healthcare industry, such as:

- general economic conditions which adversely impact the quantum of disposable income that can be allocated for healthcare services;

- demographic changes, such as the increase in the percentage of elderly patients, which could result in increased government expenditures for healthcare services, in turn resulting in proposals to limit the rate of increase of healthcare costs in India;

- the rate of expansion of health insurance coverage in India, as well as the number of and healthcare costs associates with uninsured and underinsured patients;

- seasonal cycles of illness as a function of varying climate, weather conditions and disease outbreaks; and

- recruitment and retention of qualified healthcare professionals.

Any failure by us to effectively address these and other factors could have an adverse effect on our business, results of operations and financial condition.

55. ***Changing laws, rules and regulations and legal uncertainties, including adverse application of tax laws, may adversely affect our business, prospects and results of operations.***

The regulatory and policy environment in which we operate is evolving and subject to change. Such changes may adversely affect our business, results of operations and prospects, to the extent that we are unable to suitably respond to and comply with any such changes in applicable law and policy. For example, the Government of India implemented a comprehensive national goods and services tax ("**GST**") regime with effect from July 1, 2017, that combines multiple taxes and levies by the Central and State Governments into a unified tax structure. However, given the recent introduction of the GST in India, there is no established practice regarding the implementation of, and compliance with, GST. Our business and financial performance could be adversely affected by any unexpected or onerous requirements or regulations resulting from the introduction of GST or any changes in laws or interpretation of existing laws, or the promulgation of new laws, rules and regulations relating to GST, as it is implemented.

The Government has enacted the GAAR which have come into effect from April 1, 2017. The tax consequences of the GAAR provisions being applied to an arrangement could result in denial of tax benefit amongst other consequences. In the absence of any precedents on the subject, the application of these provisions is uncertain. If the GAAR provisions are made applicable to our Company, it may have an adverse tax impact on us. In addition, the implementation of Ind AS is recent and new pronouncements may have a material impact on our profitability going forward and our revenue may fluctuate significantly period over period.

Unfavorable changes in or interpretations of existing, or the promulgation of new, laws, rules and regulations including foreign investment and stamp duty laws governing our business and operations could result in us being deemed to be in contravention of such laws and may require us to apply for additional approvals. We may incur increased costs and other burdens relating to compliance with such new requirements, which may also require significant management time and other resources, and any failure to comply may adversely affect our business, results of operations and prospects. Uncertainty in the applicability, interpretation or implementation of any amendment to, or change in, governing law, regulation or policy, including by reason of an absence, or a limited body, of administrative or judicial precedent may be time consuming as well as costly for us to resolve and may impact the viability of our current businesses or restrict our ability to grow our businesses in the future.

56. ***Our business may be adversely affected by competition laws in India.***

The Competition Act, 2002, as amended ("**Competition Act**"), regulates practices having an appreciable adverse effect on competition in the relevant market in India. Under the Competition Act, any formal or informal arrangement, understanding or action in concert, which causes or is likely to cause an appreciable adverse effect on competition is considered void and results in the imposition of substantial monetary penalties. Further, any agreement among competitors which directly or indirectly involves the determination of purchase or sale prices, limits or controls production, supply, markets, technical development, investment or provision of services, shares the market or source of production or provision of services by way of allocation of geographical area, type of goods or services or number of customers in the relevant market or directly or indirectly results in bid-rigging or collusive bidding is presumed to have an appreciable adverse effect on competition. The Competition Act also prohibits abuse of a dominant position by any enterprise.

On March 4, 2011, the Government of India notified and brought into force the provisions under the Competition Act in relation to combinations (the "**Combination Regulation Provisions**") with effect from June 1, 2011. The Combination Regulation Provisions require that acquisition of shares, voting rights, assets or control or mergers or amalgamations, which cross the prescribed asset and turnover based thresholds, be mandatorily notified to and pre-approved by the Competition Commission of India ("**CCI**"). In addition, on May 11, 2011, the CCI issued the final Competition Commission of India (Procedure in regard to the transaction of business relating to combinations) Regulations, 2011, which sets out the mechanism for implementation of the Combination Regulation Provisions under the Competition Act. The manner in which the Competition Act and the CCI affect the business environment in India may adversely affect our business, financial condition and results of operations.

The applicability or interpretation of the Competition Act to any merger, amalgamation or acquisition proposed or undertaken by us, or any enforcement proceedings initiated by CCI for alleged violation of provisions of the Competition Act may adversely affect our business, results of operations and financial condition.

57. Rights of shareholders under Indian laws may be more limited than under the laws of other jurisdictions.

Indian legal principles related to corporate procedures, directors' fiduciary duties and liabilities, and shareholders' rights may differ from those that would apply to a company in another jurisdiction. Shareholders' rights including in relation to class actions, under Indian law may not be as extensive as shareholders' rights under the laws of other countries or jurisdictions. Investors may have more difficulty in asserting their rights as shareholder in an Indian company than as shareholder of a corporation in another jurisdiction.

58. Inflation in India could have an adverse effect on our profitability and if significant, on our financial condition.

In the recent past, India has experienced fluctuating wholesale price inflation as compared to historical levels due to the global economic downturn. The annual rate of inflation was at 5.77% (provisional) for the month of June 2018 (over June 2017) as compared to 4.43% (provisional) for the previous month and 0.90% during the corresponding month of 2017. (Source: *Index Numbers of Wholesale Price in India, Review for the month of June 2018, published on July 16, 2018 by Government of India, Ministry of Commerce and Industry*). Continued high rates of inflation may increase our expenses related to salaries or wages payable to our employees, prices of raw materials or any other expenses that we incur. We cannot assure you that we will be able to pass on any additional expenses to our patients or that our revenue will increase proportionately corresponding to such inflation. Accordingly, high rates of inflation in India could have an adverse effect on our profitability and, if significant, on our financial condition.

59. A slowdown in economic growth in India or political instability or changes in the Government in India could adversely affect our business

Our performance and the growth of our business are necessarily dependent on the health of the overall Indian economy. In the recent past, Indian economy has been affected by global economic uncertainties and liquidity crisis, domestic policy and political environment, volatility in interest rates, currency exchange rates, commodity and electricity prices, adverse conditions affecting agriculture, rising inflation rates and various other factors. Risk management initiatives by banks and lenders in such circumstances could affect the availability of funds in the future or the withdrawal of our existing credit facilities. The Indian economy is undergoing many changes and it is difficult to predict the impact of certain fundamental economic changes on our business. Conditions outside India, such as a slowdown or recession in the economic growth of other major countries, have an impact on the growth of the Indian economy. Additionally, an increase in trade deficit, a downgrading in India's sovereign debt rating or a decline in India's foreign exchange reserves could negatively affect interest rates and liquidity, which could adversely affect the Indian economy and our business. Any downturn in the macroeconomic environment in India could adversely affect our business, financial condition, results of operation and the trading price of our Equity Shares. Volatility, negativity, or uncertain economic conditions could undermine the business confidence and could have a significant impact on our results of operations. Changing demand patterns from economic volatility and uncertainty could have a significant negative impact on our results of operations.

60. ***Any adverse revision to India's debt rating by a domestic or international rating agency could adversely affect our business.***

India's sovereign debt rating could be adversely affected due to various factors, including changes in tax or fiscal policy or a decline in India's foreign exchange reserves, which are outside our control. Any adverse revisions to India's credit ratings for domestic and international debt by domestic or international rating agencies may adversely impact our ability to raise additional financing, and the interest rates and other commercial terms at which such additional financing is available. This could have an adverse effect on our business and financial performance, ability to obtain financing for capital expenditures and the price of the Equity Shares.

Risks Related to the Equity Shares and the Offer

61. ***The Equity Shares have never been publicly traded, and, after the Offer, the Equity Shares may experience price and volume fluctuations, and an active trading market for the Equity Shares may not develop. Further, the price of the Equity Shares may be volatile, and you may be unable to resell the Equity Shares at or above the Offer Price, or at all.***

Prior to the Offer, there has been no public market for the Equity Shares, and an active trading market on the Stock Exchanges may not develop or be sustained after the Offer. Listing and quotation does not guarantee that a market for the Equity Shares will develop, or if developed, the liquidity of such market for the Equity Shares. The Offer Price of the Equity Shares is proposed to be determined through a book-building process and may not be indicative of the market price of the Equity Shares at the time of commencement of trading of the Equity Shares or at any time thereafter. The market price of the Equity Shares may be subject to significant fluctuations in response to, among other factors, variations in our operating results of our Company, market conditions specific to the industry we operate in, developments relating to India, volatility in securities markets in jurisdictions other than India, variations in the growth rate of financial indicators, variations in revenue or earnings estimates by research publications, and changes in economic, legal and other regulatory factors.

62. ***There is no guarantee that the Equity Shares will be listed on the Stock Exchanges in a timely manner or at all, and any trading closures at the Stock Exchanges may affect a shareholders ability to sell any of the Equity Shares.***

In accordance with Indian law and practice, permission for listing of the Equity Shares will not be granted until after those Equity Shares have been issued and allotted. In addition, we are required to deliver the Red Herring Prospectus and the Prospectus for registration to the Registrar of Companies under the Companies Act, 2013. We cannot assure you that the Registrar of Companies will register such Red Herring Prospectus or Prospectus in a timely manner or at all. Approval requires all relevant documents authorizing the issue of Equity Shares to be submitted to Stock Exchanges. There could be a failure or delay in listing the Equity Shares on BSE and NSE. In accordance with applicable laws, in the event that the permission of listing the Equity Shares is denied by the stock exchanges, we are required to refund all monies collected to investors.

Further, pursuant to Indian regulations, certain actions must be completed before the Equity Shares can be listed and trading may commence. Trading in the Equity Shares is expected to commence within 12 Working Days from the Bid Closing Date. However, we cannot assure you that the trading in the Equity Shares will commence in a timely manner or at all. Any failure or delay in obtaining the approvals would restrict your ability to dispose of your Equity Shares.

63. ***There is no assurance that our Equity Shares will remain listed on the stock exchange.***

Although it is currently intended that the Equity Shares will remain listed on the Stock Exchanges, there is no guarantee of the continued listing of the Equity Shares. Among other factors, we may not continue to satisfy the listing requirements of the Stock Exchanges. Accordingly, Shareholders will not be able to sell their Equity Shares through trading on the Stock Exchanges if the Equity Shares are no longer listed on the Stock Exchange.

64. Fluctuation in the exchange rate between the Indian Rupee and foreign currencies may have an adverse effect on the value of our Equity Shares, independent of our operating results.

On listing, our Equity Shares will be quoted in Indian Rupees on the Stock Exchanges. Any dividends in respect of our Equity Shares will also be paid in Indian Rupees and subsequently converted into the relevant foreign currency for repatriation, if required. Any adverse movement in currency exchange rates during the time that it takes to undertake such conversion may reduce the net dividend to foreign investors. In addition, any adverse movement in currency exchange rates during a delay in repatriating outside India the proceeds from a sale of Equity Shares, for example, because of a delay in regulatory approvals that may be required for the sale of Equity Shares may reduce the proceeds received by Equity Shareholders. For example, the exchange rate between the Rupee and the U.S. dollar has fluctuated substantially in recent years and may continue to fluctuate substantially in the future, which may have an adverse effect on the trading price of our Equity Shares and returns on our Equity Shares, independent of our operating results.

65. The Offer Price of the Equity Shares may not be indicative of the market price of the Equity Shares after the Offer.

The Offer Price of the Equity Shares will be determined by our Company and the Selling Shareholders in consultation with the BRLMs, and through the Book Building Process. This price will be based on numerous factors, as described under "*Basis for Offer Price*" on page 110 and may not be indicative of the market price for the Equity Shares after the Offer. The market price of the Equity Shares could be subject to fluctuations after the Offer, and may decline below the Offer Price. We cannot assure you that you will be able to resell your Equity Shares at or above the Offer Price.

66. Any future issuance of Equity Shares by us or any sale, pledge, encumbrance of their Equity Shares by our Promoters in the future may affect your shareholding and adversely affect the trading price of the Equity Shares.

Any future issuance of the Equity Shares by us, including through exercise of employee stock options may dilute your shareholding in our Company, adversely affect the trading price of the Equity Shares and our ability to raise capital through an issue of our securities. In addition, any perception by investors that such issuances or sales might occur could also affect the trading price of the Equity Shares. We cannot assure you that we will not issue additional Equity Shares. The disposal of Equity Shares by any of our Promoters, or the perception that such sales may occur may significantly affect the trading price of the Equity Shares. Except as disclosed in "*Capital Structure*" beginning on page 90, we cannot assure you that our Promoters will not dispose of, pledge or encumber their Equity Shares in the future.

67. Holders of Equity Shares may be restricted in their ability to exercise pre-emptive rights under Indian law and thereby suffer future dilution of their ownership position.

Under the Companies Act, 2013 a company incorporated in India must offer its equity shareholders pre-emptive rights to subscribe and pay for a proportionate number of equity shares to maintain their existing ownership percentages prior to issuance of any new equity shares, unless the pre-emptive rights have been waived by the adoption of a special resolution by holders of three-fourths of the equity shares voting on such resolution. However, if the law of the jurisdiction that you are in does not permit the exercise of such pre-emptive rights without our filing an offering document or registration statement with the applicable authority in such jurisdiction, you will be unable to exercise such pre-emptive rights, unless we make such a filing. If we elect not to file a registration statement, the new securities may be issued to a custodian, who may sell the securities for your benefit. The value such custodian receives on the sale of any such securities and the related transaction costs cannot be predicted. To the extent that you are unable to exercise pre-emptive rights granted in respect of our Equity Shares, your proportional interests in our Company may be reduced.

68. QIBs and Non-Institutional Investors are not permitted to withdraw or lower their Bids (in terms of quantity of Equity Shares or the Bid Amount) at any stage after submitting a Bid.

Pursuant to the SEBI ICDR Regulations, QIBs and Non-Institutional Investors are not permitted to withdraw or lower their Bids (in terms of quantity of Equity Shares or the Bid Amount) at any stage after submitting a Bid. Retail Individual Investors can revise their Bids during the Bid/ Offer Period and withdraw their Bids until Bid/Offer Closing Date. While our Company is required to complete Allotment pursuant to the Offer within six Working Days from the Bid/Offer Closing Date, events affecting the Bidders' decision to invest in the Equity Shares, including material adverse changes in international or national monetary policy, financial, political or economic conditions, our business, results of operation or financial condition may arise between the date of submission of the Bid and Allotment. Our Company may complete the Allotment of the Equity Shares even if such events occur, and such events limit the Bidders' ability to sell the Equity Shares Allotted pursuant to the Offer or cause the trading price of the Equity Shares to decline on listing.

69. You may be subject to Indian taxes arising out of capital gains on the sale of our Equity Shares.

Under current Indian tax laws, unless specifically exempted, capital gains arising from the sale of equity shares is generally taxable in India. Any gain realized on the sale of listed equity shares on or before March 31, 2018, on a stock exchange held for more than 12 months will not be subject to long term capital gains tax in India if securities transaction tax, or STT, has been paid on the sale transaction and additionally, as stipulated by the Finance Act, 2017, STT had been paid at the time of acquisition of such equity shares on or before October 1, 2004, except in the case of such acquisitions of such equity shares which are not subject to STT, as notified by the Central Government under notification no. 43/2017/F. No. 370142/09/2017-TPL on June 5, 2017. However, the Finance Act, 2018, has now levied taxes on such long term capital gains arising from sale of equity shares on or after April 1, 2018. However, where specified conditions are met, such long term capital gains are only taxed to the extent they exceed ₹ 100,000 and unrealised capital gains earned up to January 31, 2018 continue to be exempt.

Further, any gain realized on the sale of our Equity Shares held for a period of 12 months or less will be subject to short term capital gains tax in India. Capital gains arising from the sale of the Equity Shares will be exempt from taxation in India in cases where the exemption from taxation in India is provided under a treaty between India and the country of which the seller is a resident. Generally, Indian tax treaties do not limit India's ability to impose tax on capital gains. As a result, residents of other countries may be liable for tax in India as well as in their own jurisdiction on a gain upon the sale of Equity Shares. Accordingly, you may be subject to payment of long term capital gains tax in India, in addition to the payment of STT, on the sale of Equity Shares held for more than 12 months. STT will be levied on and collected by a domestic stock exchange on which our Equity Shares are sold.

70. Government regulation of foreign ownership of Indian securities may have an adverse effect on the price of our Equity Shares.

Foreign ownership of Indian securities is subject to Government regulation. In accordance with foreign exchange regulations currently in effect in India, under certain circumstances the RBI must approve the sale of the Equity Shares from a non-resident of India to a resident of India or vice-versa if the sale does not meet certain requirements specified by the RBI. Additionally, any person who seeks to convert the Rupee proceeds from any such sale into foreign currency and repatriate that foreign currency from India is required to obtain a no-objection or a tax clearance certificate from the Indian income tax authorities. As provided in the foreign exchange controls currently in effect in India, the RBI has provided that the price at which the Equity Shares are transferred be calculated in accordance with internationally accepted pricing methodology for the valuation of shares at an arm's length basis, and a higher (or lower, as applicable) price per share may not be permitted. We cannot assure investors that any required approval from the RBI or any other government agency can be obtained on terms favorable to a non-resident investor in a timely manner or at all. Because of possible delays in obtaining requisite approvals, investors in the Equity Shares may be prevented from realizing gains during periods of price increase or limiting losses during periods of price decline.

71. You will not be able to immediately sell, on an Indian stock exchange, any of the Equity Shares you purchase in the Offer.

The Equity Shares will be listed on the Stock Exchanges. Pursuant to the applicable Indian laws, certain actions must be completed before the Equity Shares can be listed and trading in the Equity Shares may commence. Investors' book entry, or 'demat' accounts with depository participants in India, are expected to be credited within one working day of the date on which the Basis of Allotment is approved by the Stock Exchanges. The Allotment of Equity Shares in this Issue and the credit of such Equity Shares to the applicant's demat account with depository participant could take approximately six Working Days from the Bid Closing Date and trading in the Equity Shares upon receipt of final listing and trading approvals from the Stock Exchanges is expected to commence within six Working Days of the Bid Closing Date. There could be a failure or delay in listing of the Equity Shares on the Stock Exchanges. Any failure or delay in obtaining the approval or otherwise commence trading in the Equity Shares would restrict investors' ability to dispose of their Equity Shares. We cannot assure you that the Equity Shares will be credited to investors' demat accounts, or that trading in the Equity Shares will commence, within the time periods specified in this risk factor. We could also be required to pay interest at the applicable rates if allotment is not made, refund orders are not dispatched or demat credits are not made to investors within the prescribed time periods.

72. Our ability to raise foreign capital may be constrained by Indian Law.

As a company registered in India, we are subject to exchange controls that regulate borrowing in foreign currencies. Such regulatory restrictions limit our financing sources and could constrain our ability to obtain financings on competitive terms and refinance existing indebtedness. In addition, we cannot assure you that any required regulatory approvals for borrowing in foreign currencies will be granted to us without onerous conditions, or at all. Limitations on foreign debt may have an adverse effect on our business growth, results of operations and financial condition.

Prominent Notes

1. Initial public offering of up to 15,269,684 Equity Shares for cash at a price of ₹ [●] per Equity Share aggregating up to ₹ [●] million, consisting of an Offer for Sale of up to 5,017,868 Equity Shares by Dr. Sushil Kanubhai Shah aggregating up to ₹ [●] million and up to 10,251,816 Equity Shares by CA Lotus Investments aggregating up to [●] million. The Offer includes a reservation of up to 300,000 Equity Shares aggregating up to ₹ [●] million, for subscription by Eligible Employees. Accordingly, the Net Offer to the Public aggregates to up to 14,969,484 Equity Shares. The Offer and the Net Offer shall constitute [●]% and [●]%, respectively, of the post-Offer paid-up Equity Share capital of our Company.

2. Our Company's net worth* as on March 31, 2018 was ₹ 3,520.59 million and ₹ 4,147.68 million, as per our Restated Standalone Ind AS Financial Information and Restated Consolidated Ind AS Financial Information, respectively. Our Company's net asset value per Equity Share was ₹ 70.94 and ₹ 83.58 as at March 31, 2018, as per our Restated Standalone Summary Statements and Restated Consolidated Summary Statements, respectively, adjusted for Bonus Issue and Sub-Division. For details, see "*Financial Statements*" on page 203.
**Net worth = aggregate value of the paid-up share capital of the Company and all reserves created out of profits and securities premium account, excluding revaluation reserves, if any, as per Restated Summary Statements*

3. The average cost of acquisition per Equity Share by our Promoters, is as given below:

Name of the Promoter	Average cost of acquisition per Equity Share (in ₹)#*
Dr. Sushil Kanubhai Shah^	35.48
Ameera Sushil Shah	169.80
Metz Advisory LLP*	534.98

^Dr. Sushil Kanubhai Shah is also one of the Selling Shareholders in the Offer.
#As certified by M. C. Jain &Co, Chartered Accountants pursuant to their certificate dated September 24, 2018.
**In terms of the SPA, CA Lotus Investments shall sell 1,061,095 Equity Shares to Metz Advisory LLP or any other person nominated by Metz Advisory LLP, between Red Herring Prospectus and Prospectus, for a total consideration of ₹526.26 million, the payment of which is subject to certain adjustments. For further details, see "History and Certain Corporate Matters" on page 158. Accordingly, if such Equity Shares are transferred to Metz Advisory LLP, the average cost of acquisition of Equity Shares by Metz Advisory LLP shall be ₹532.34 per Equity Share.*

For further details, see "*Capital Structure*" on page 90.

4. For details of transactions entered into by our Company with our Group Companies and Subsidiaries in the last Fiscal, including nature and cumulative value of such transactions, see "*Related Party Transactions*" on page 201.

5. There has been no change in our Company's name in the last three years immediately preceding the date of

this Draft Red Herring Prospectus.

6. For information regarding business or other interests of our Group Companies in our Company, see "*Our Group Companies*" and "*Related Party Transactions*" on pages 198 and 201, respectively.

7. There have been no financing arrangements whereby the members of the Promoter Group, the partners of Metz Advisory LLP, our Directors and their relatives, have financed the purchase by any other person of securities of our Company other than in the normal course of business of the financing entity during the period of six months immediately preceding the date of this Draft Red Herring Prospectus.

8. For any complaints, information or clarifications pertaining to this Offer, Bidders may contact the BRLMs, the Registrar to the Offer and our Company.

9. All grievances, in relation to the ASBA process, may be addressed to the Registrar to the Offer, with a copy to the relevant Designated Intermediary, with whom the ASBA Form was submitted, quoting the full name of the sole or first Bidder, ASBA Form number, Bidders' DP ID, Client ID, PAN, address of the Bidder, number of Equity Shares applied for, date of submission of ASBA Form, name and address of the relevant Designated Intermediary, where the ASBA Form was submitted by the Bidder and ASBA Account number in which the amount equivalent to the Bid Amount was blocked. Further, the Bidder shall enclose the Acknowledgement Slip or provide the acknowledgement number received from the Designated Intermediary(ies) in addition to the documents/information mentioned hereinabove.

10. All grievances of the Anchor Investors may be addressed to the Registrar to the Offer, giving full details such as the name of the sole or first Bidder, Bid cum Application Form number, Bidders' DP ID, Client ID, PAN, date of the Bid cum Application Form, address of the Bidder, number of the Equity Shares applied for, Bid Amount paid on submission of the Bid cum Application Form and the name and address of the BRLM where the Bid cum Application Form was submitted by the Anchor Investor.

SECTION III – INTRODUCTION

SUMMARY OF INDUSTRY

The information contained in this section is derived from a research report titled "Indian Diagnostic Industry Report" dated September 20, 2018, prepared by Frost & Sullivan which has been commissioned by the Company in relation to the Offer. Neither we, nor any other person connected with the Offer has independently verified this information.

Industry sources and publications generally state that the information contained therein has been obtained from sources generally believed to be reliable, but their accuracy, completeness and underlying assumptions are not guaranteed and their reliability cannot be assured and accordingly, investment decisions should not be based on such information. Industry publications are also prepared based on information as of specific dates and may no longer be current or reflect current trends.

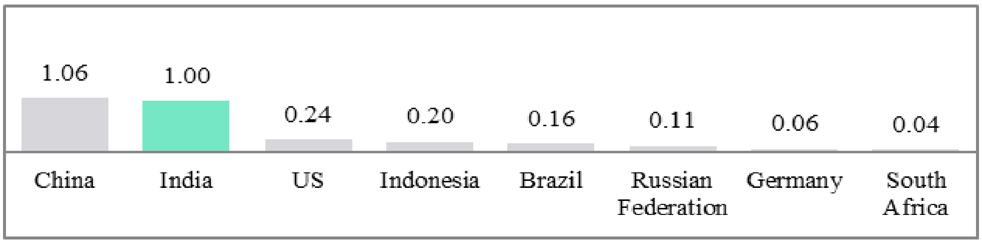
Introduction to the Indian Economy and Demographics

India's GDP at constant prices (in USD terms) grew at a CAGR of 4.0% from USD 1,620 billion in the financial year 2013 to USD 1,898 billion in the financial year 2017. Strong democracy, industrial growth and strategic relations (regional and global) are expected to drive India's future growth such that its GDP is expected to reach USD 2,483 billion by the financial year 2022 and is set to become one of the top three economic powers of the world over the next 10 to 15 years (*Source: IMF*).

India's GDP per capita income at constant prices (in USD terms) increased at a CAGR of 5.9% from USD 5,190 in the financial year 2013 to USD 6,538 in the financial year 2017 and is expected to further grow at a CAGR of 6.5% from USD 6,538 in the financial year 2017 to USD 8,945 in the financial year 2022.

India's population was estimated to be 1.32 billion in 2016 and is expected to grow at a CAGR of 1.2% between 2016 and 2022 to reach 1.42 billion by 2022. India's population grew at CAGR of 1.2% from 2010 to 2016, whereas it stood at 0.5% for China, 0.7% for the US, 1.3% for Indonesia, 0.8% for Brazil, 0.5% for Germany, 0.01% for Russia and 1.6% for South Africa during the same period. Approximately a fifth of the total world population resides in India.

The following chart sets forth a global comparison in population in 2016:



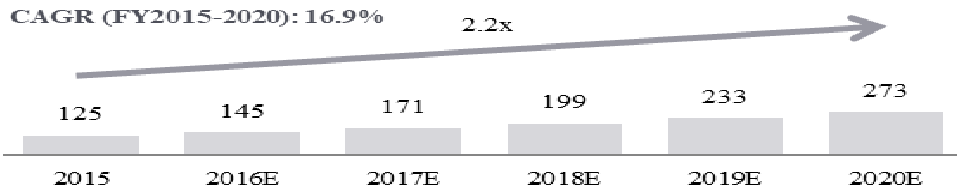
Source: World Population Prospects: The 2017 Revision
Note: Values denote the population of countries in multiples of population of India.

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

Overview of Indian Healthcare Market

The size of the Indian healthcare industry, in revenue terms, was USD 125 billion in the financial year 2015, which is estimated to have increased to USD 171 million by the financial year 2017. The healthcare industry is expected to grow at a CAGR of 16.9% from USD 125 billion in the financial year 2015 to USD 273 billion in the financial year 2020. India's healthcare market is expected to be among the top three healthcare markets globally, in terms of incremental growth, by the financial year 2020.

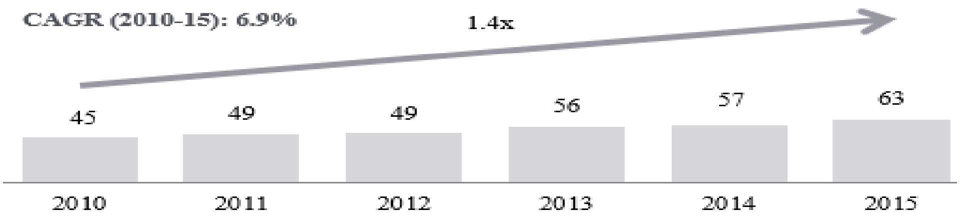
The following charts sets forth the historical and estimated trend in size of India's healthcare market, in USD billion:



Source: Frost & Sullivan analysis

Per Capita Healthcare Expenditure

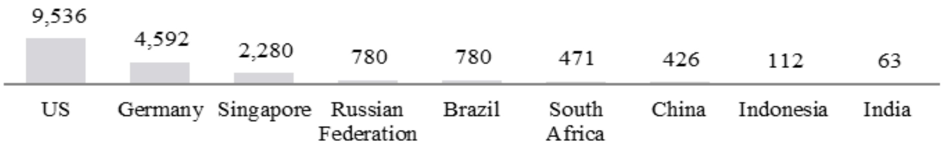
The following chart sets forth the trend in India's per capita healthcare expenditure (USD) and its growth from between the financial years 2010 and 2015:



Source: World Health Organization Global Health Expenditure database, October 2017
Note: For the financial year 2010 (1 US $ = ₹ 45.7). For the financial year 2015 (1 US $ = ₹ 64.2).

Despite this growth, India's per capita healthcare expenditure stands substantially lower than its South Asian peers such as Indonesia and China, which had per capita healthcare expenditures of USD 112 and USD 426 in 2015, respectively.

The following chart sets forth a global comparison of per capita healthcare expenditure (USD at current prices) in 2015:

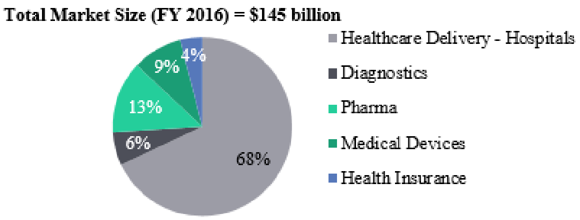


Source: World Health Organization Global Health Expenditure database, October 2017

Healthcare Industry Segments and Scale

The Indian healthcare industry has five key functional sub-sections: healthcare delivery is the largest segment, followed by the pharmaceutical, medical devices, diagnostics and healthcare insurance segments.

The following chart sets forth India's healthcare industry size by segment in the financial year 2016:

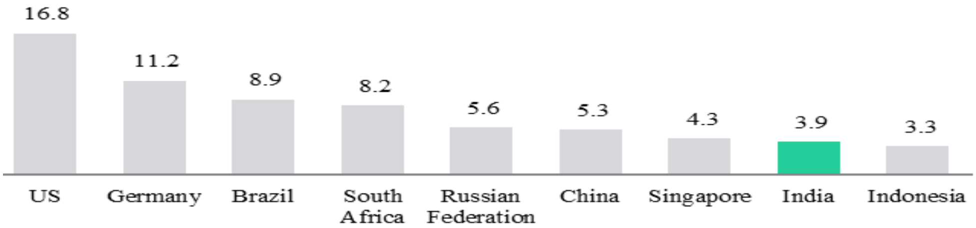


Source: Frost & Sullivan analysis

Between the financial years 2000 and 2015, the public expenditure contribution on healthcare in India remained at approximately 26%. This is significantly lower than India's Brazil, Russia, India and China ("**BRIC**") peers with Brazil (at approximately 43%), Russia (at approximately 60%) and China (at approximately 60%) and developed economies such as the U.S. (at approximately 50%) and Germany (at approximately 84%). This reflects the dependency of healthcare finances on private means (household spend) and out-of-pocket expenditures.

India's healthcare expenditure (as a % of GDP) increased from 3.3% in the financial year 2010 to 3.9% in the financial year 2015, yet it is lower than its BRIC peers and other South Asian countries such as Singapore.

The following chart sets forth a global comparison of healthcare expenditure as a percentage of GDP, in 2015:

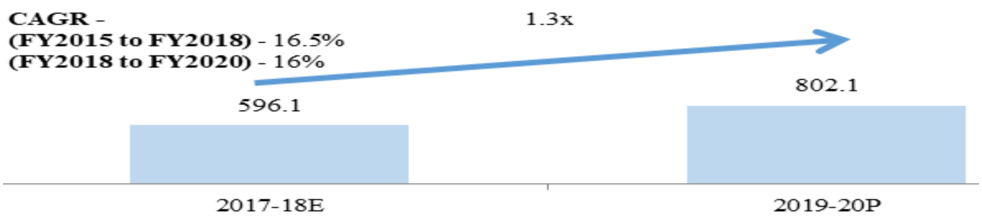


Source: World Health Organization Global Health Expenditure database, October 2017

Overview of India's Diagnostic Market

From the financial year 2015 to the financial year 2018, the Indian diagnostic industry is estimated to grow at a CAGR of approximately 16.5% to approximately ₹ 596 billion (USD 9.1 billion) in the financial year 2018. For the next two years, India's diagnostic industry is expected to grow at a CAGR of approximately 16% to reach approximately ₹ 802 billion (USD 12.3 billion) in the financial year 2020. Within the diagnostics market, the pathology segment is estimated to contribute approximately 58% of total market, by revenue, in the financial year 2018, while the remaining 42% is estimated to be contributed by the radiology segment.

The following chart sets forth the estimated and projected growth in India's diagnostic industry from the financial year 2018 to the financial year 2022, in ₹ billion:



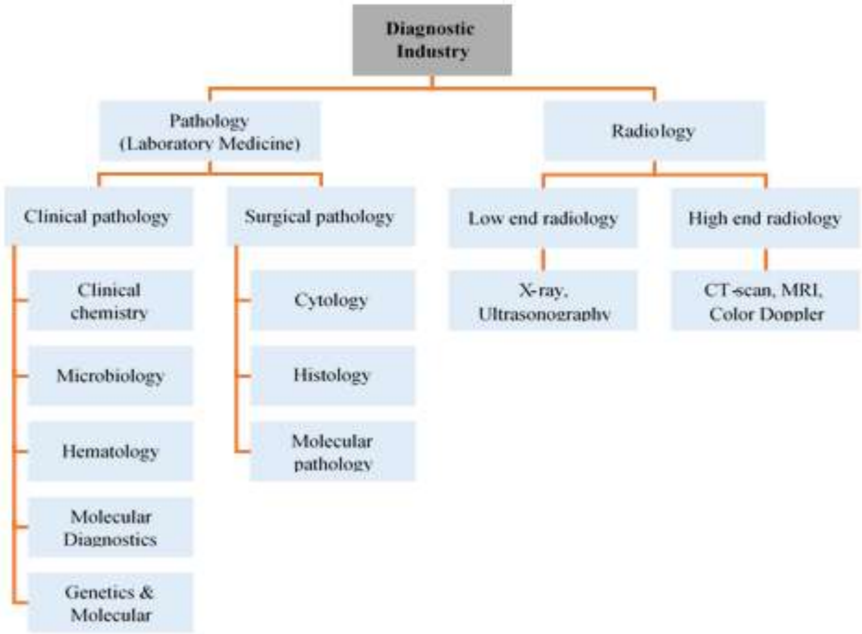
Notes: Source: Frost & Sullivan analysisE –Estimated, P –Projected. Conversion rate: financial year 2018: 1 US $ = ₹ 65.1; the financial year 2020: 1 US $ = ₹ 65.1.

India's Diagnostic Industry Segments

The diagnostic industry in India can be classified into pathology testing services and imaging diagnostic services. Pathology testing or in-vitro diagnosis involves the collection of samples, in the form of blood, urine and stool and analyzing them using laboratory equipment and technology to arrive at useful clinical information, in order to assist with the treatment of patients' diseases. The pathology testing segment includes biochemistry, immunology, hematology, urine analysis, molecular diagnosis and microbiology. Imaging diagnosis or radiology involves imaging procedures such as x-rays and ultrasounds, which help mark anatomical or physiological changes inside a patient's body, in order to assist doctors to diagnose a patient's disease. The imaging diagnostic segment also includes more complex tests, such as computed tomography ("**CT**") scans and magnetic resonance imaging ("**MRI**s") and highly specialized tests, such as positron emission tomography ("**PET**")-CT scans.

Pathology testing is often the preferred first line of diagnosis for a majority of diseases and thus contributes to a major portion of the diagnostic industry. Given the high volumes of pathology testing conducted in India, it accounts for more than half of the revenue of the Indian diagnostic industry. The pathology business is highly scalable as blood samples can be shipped to a remote, centralized location to achieve economies of scale. In contrast, imaging business operators have to install diagnostic equipment close to the patient. Imaging services cannot be centralized and, as a result, are difficult to scale up.

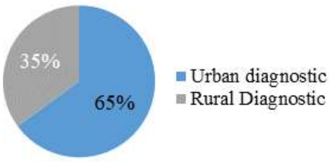
The following chart sets forth segments of the diagnostic industry:



Major Contributor of Revenue in the Diagnostic Industry

The urban population of India (approximately 28% of India's total population) contributes up to 65% of the total revenues of the diagnostics industry.

The following chart sets forth the geographic break-up of the diagnostic industry in the financial year 2018:



Source: Frost & Sullivan analysis

Urban areas typically have better healthcare infrastructure in form of hospitals, clinics and diagnostic centers, along with greater penetration of the private sector in the healthcare space. Also, higher disposable incomes have made diagnostic tests more affordable along with increasing literacy rates which have resulted in the urban population availing better facilities.

The Preventive and Wellness Segment

The overall market for wellness and preventive diagnostics was 7 to 9% in the financial year 2018. It is expected that this segment will grow at a CAGR of approximately 20% over the next three financial years. Higher literacy levels are expected to increase awareness of preventive and curative healthcare and in turn boost the demand for diagnostic services. Also, the corporate sector is focusing more on the well-being of their employees, promoting them to undergo preventive and wellness tests. This will further support the growth of the preventive and wellness segment and the diagnostic sector as a whole.

Outlook on the Diagnostic Industry

Diagnostics industry remains highly fragmented

Standalone centers dominate the diagnostic market with a 47% share, while hospital-based laboratories have a 37% market share. Diagnostic chains have a 16% market share and are further split into pan-India chains and regional chains. There are very few pan-India chains, which together have a share of approximately 35 to 40% of the organized diagnostic market. Regional chains constitute the rest of the market.

Intense competition in the industry

The diagnostics industry is highly competitive with the presence of standalone centers, hospital-based laboratories and diagnostic chains. Hospital based laboratories have the advantage of a captive patient base (inpatient and outpatient). They also offer various wellness packages and home sample collection services. Regional chains and standalone centers have a strong local brand name and hence offer competition to diagnostic chains. However, with inherent cost efficiencies in their business model, diagnostic chains are able to offer competitive prices as compared with other service providers. Also, standalone centers may have limited test offerings and the perceived quality of testing may not be as good as that of an established chain.

Diagnostic chains to continue to acquire market share of standalone centers

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

SUMMARY OF BUSINESS

Unless otherwise stated, references in this section to "we", "us", or "our" (including in the context of any financial or operational information) are to our Company, along with our Subsidiaries and our Joint Ventures, on a consolidated basis.

Unless otherwise stated, the financial information in this section has been derived from our Restated Consolidated Summary Statements.

The industry-related information contained in this section is derived from the Frost & Sullivan Report. We commissioned the Frost & Sullivan Report for the purposes of confirming our understanding of the industry in connection with the Offer. Neither our Company, nor any other person connected with the Offer, including the BRLMs, has independently verified the information in the Frost & Sullivan Report or other publicly available information cited in this section.

Investors should note that this is only a summary description of our business and does not contain all information that should be considered before investing in the Equity Shares. In order to obtain a complete understanding of our business, prospective investors should read this section in conjunction with "Forward Looking Statements", "Risk Factors", "Industry Overview", "Our Business" and "Management's Discussion and Analysis of Financial Condition and Results of Operations" on pages 16, 18, 117, 135 and 492, respectively, as well as the financial, statistical and other information contained in this Draft Red Herring Prospectus.

Overview

We are one of the leading diagnostics companies in India, by revenue, as of March 31, 2018 *(Source: Frost & Sullivan)*. We have widespread presence across 18 states in India, as of March 31, 2018, with leadership position in west and south India *(Source: Frost & Sullivan)*. Through our widespread operational network, we offer a comprehensive range of clinical laboratory tests and profiles, which are used for prediction, early detection, diagnostic screening, confirmation and/or monitoring of the disease. We also offer analytical and support services to clinical research organizations for their clinical research projects. During the financial year 2018, we conducted approximately 16.0 million tests from approximately 7.7 million patient visits.

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

We offer a broad range of approximately 3,480 clinical laboratory tests and 524 profiles, as of March 31, 2018. The profile comprises of a variety of test combinations which are specific to a disease or disorder as well as wellness profiles that are used for health and fitness screening. We classify our tests into (i) 'routine' tests such as blood chemistry analyses, blood cell counts and urine examination; (ii) 'semi-specialized' tests such as thyroid function tests, viral and bacterial cultures, histology, cytology and infectious disease tests; and (iii) 'specialized' tests such as tests for coagulation studies, autoimmunity tests, cytogenetics and molecular diagnostics. We are focused on providing reliable test results as well as value-added services such as home collection of specimens and online access to test reports. We also offer customized wellness packages to our institutional customers as per their requirement. We believe, our patient centric approach is a critical differentiator and results in several individuals and healthcare providers choosing us as their diagnostic healthcare service provider.

We conduct our operations through our laboratory and service network. We have implemented a 'hub and spoke' model for quick and efficient delivery of services through our widespread laboratory and service network, which covers 173 cities in India, as of March 31, 2018. As of March 31, 2018, our laboratory network consists of 106 clinical laboratories, comprising (i) a global reference laboratory ("GRL") located in Mumbai, which is our main 'hub' and equipped to conduct majority of the tests offered by us; (ii) 12 regional reference laboratories ("RRLs") (out of which two are located outside India), which are equipped to conduct routine, semi-specialized and few specialized tests; (iii) 50 satellite laboratories (out of which four are located outside India), which are equipped to conduct routine and semi-specialized tests; and (iv) 43 express laboratories (out of which 11 are located outside India), which are equipped to conduct routine tests.

Our service network caters to individual patients as well as institutional customers. We service individual patients through 1,130 patient touch points (out of which 28 are located outside India), as of March 31, 2018, including 251 patient service centers owned by us ("**Owned PSCs**") and 879 third party patient service centers ("**Third Party PSCs**"). We service our institutional customers through approximately 9,020 institutional touch points, as of March 31, 2018, including (i) approximately 8,500 pick-up points; and (ii) 520 assisted referral centers ("**ARCs**") (out of which seven are located outside India), which are our exclusive third party referral centers.

We have been awarded the tender by the National Aids Control Organization ("**NACO**") to collect specimens from 525 government-owned antiretroviral therapy (ART) centers and conduct HIV-1-Viral load tests. We also offer analytical services and support services such as logistics and electronic data interchange (**"EDI"**) to contract research organizations for their clinical research projects.

Our revenue from operations outside India was ₹520.72 million, which accounted for 8.09% of our revenue from operations for the financial year 2018. Outside India, we have laboratory operations in Ghana, Kenya, Zambia, Mauritius and Sri Lanka. In addition, we have also entered into agreements with third parties for collection and processing of specimens in Nepal, Nigeria, UAE and Oman. As of March 31, 2018, we have an operational network of 17 clinical laboratories, 28 patient touch points and seven ARCs, outside India.

We believe that we have established a well-recognized brand by delivering quality diagnostic and related healthcare tests and services. We were recognized for "excellence in customer service and delivery" by Biotrains in 2018, and also received special jury mention for "service excellence (diagnostic center)" by FICCI at the Healthcare Excellence Awards 2018. In addition, our health campaign was recognized as "best in health and fitness" in the Digital Campaign Awards 2018 by LH Insights.

From financial year 2016 to financial year 2018, (i) our revenue from operations grew from ₹ 4,754.69 million to ₹ 6,435.67 million, representing a CAGR of 16.3%; (ii) our Adjusted EBITDA grew from ₹ 1,297.96 million to ₹ 1,773.83 million, representing a CAGR of 16.9%; and (iii) our profit for the year grew from ₹ 819.55 million to ₹ 1,097.47 million, representing a CAGR of 15.7%. Adjusted EBITDA is a supplemental measure of performance and is not prepared under or required by Ind-AS. For a reconciliation of Adjusted EBITDA to net income, see "*Summary Financial Information*" on page 61.

The table below shows our key financial and operational metrics:

Particulars	As of and for the year ended March 31, 2018	As of and the for the year ended March 31, 2017	As of and for the year ended March 31, 2016
Clinical laboratories	106	95	89
Number of patient visits (in million)	7.7	7.0	6.9
Total number of patient touch points:	1,130	579	277
• Number of Owned PSCs	251	223	160
• Number of Third Party PSCs	879	356	117
Total number of institutional touch points (approximately):	9,020	7,308	6,651
• Number of pick-up points (approximately)	8,500	7,000	6,500
• Number of ARCs	520	308	151
Number of tests performed (in million) (approximately)	16.0	14.3	13.4
Number of tests per patient visit	2.08	2.04	1.94
Revenue per test/profiles[1] (in ₹)	402.2	380.9	354.8
Revenue per patient visit[2] (in ₹)	835.8	778.2	689.0

Note:
[1]This figure is derived by dividing revenue from operations, as per Restated Consolidated Summary Statements as of March 31, 2018, by the number of tests/profiles.

[2]*This figure is derived by dividing revenue from operations as per Restated Consolidated Summary Statements as of March 31, 2018, by the number of patient visits.*

Our Competitive Strengths

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

One of the leading diagnostics companies in India which is well positioned to leverage the expected growth in the Indian diagnostics industry

We are one of the leading diagnostics companies in India, by revenue, as of March 31, 2018 *(Source: Frost & Sullivan)*. We have widespread presence across 18 states in India, as of March 31, 2018, with leadership position in west and south India *(Source: Frost & Sullivan)*. As of March 31, 2018, we have an operational network of 69 clinical laboratories, 967 patient touch points and 314 ARCs in west and south India. We are growing our presence in north and east India, and our clinical laboratories, patient touch points and ARCs have increased from 15, 25 and 59 as of March 31, 2016 to 20, 135 and 199, as of March 31, 2018, respectively. As of March 31, 2018, our operational network is spread across 173 cities in India. Our widespread presence provides a hedge against the risks associated with any particular geography while benefitting from the competitive advantages of each location.

The diagnostics market in India is highly fragmented and largely unorganized. We are the third largest diagnostics service provider in India, by revenue, as of March 31, 2018 *(Source: Frost & Sullivan)*. Frost & Sullivan estimates that there will be a shift from the unorganized providers to organized providers in the diagnostics market due to increasing trend of patients' reliance on organized diagnostic providers for quality services and unavailability of complex tests with standalone centers (*Source: Frost & Sullivan*). We believe that it is difficult for competitors and new entrants to attain the brand and reputation, economies of scale and wide geographic coverage that we enjoy, which positions us to leverage upon the underlying opportunities in the Indian diagnostics space.

Further, the overall growth in the Indian diagnostics market is expected to be led by eight major cities which have the highest GDP (on purchasing power parity basis) in India *(Source: Frost & Sullivan).* We believe that we have significant presence in five of these eight major cities, namely Mumbai, Chennai, Surat, Pune and Bengaluru, with an operational network of 27 clinical laboratories, 770 patient touch points and 65 ARCs, as of March 31, 2018. During the financial year 2018, we derived 62.75% of our revenue from operations from these five cities, and we believe that we are well-positioned to grow the scale of our business and operations. We have also grown our presence in the remaining three cities, Delhi, Hyderabad and Kolkata, from five clinical laboratories, 16 patient touch points and 31 ARCs as of March 31, 2016 to eight clinical laboratories, 77 patient touch points and 84 ARCs, as of March 31, 2018.

Widespread operational network, young patient touch point network and asset light growth of service network

Our operations are supported by a laboratory network comprising of 106 clinical laboratories, including our GRL and a service network comprising of (i) 1,130 patient touch points, including 251 Owned PSCs and 879 Third Party PSCs, which service our individual patients; and (ii) approximately 8,500 pick-up points and 520 ARCs, which service our institutional customers, as of March 31, 2018. We believe our 'hub and spoke' model, whereby specimens are collected across multiple locations within a region for delivery to our clinical laboratories for diagnostic testing, provides greater economies of scale and enhances consistency of our testing procedures. In addition, we are able to leverage our widespread network of clinical laboratories to compete effectively with local diagnostic providers in each of the markets in which we operate.

Our operations are supported by a young patient touch point network, with 70.56% being less than two years old, as of March 31, 2018. As of March 31, 2018, our operational network is spread across 173 cities in India, of which we commenced operations in 52 cities after April 1, 2016. Also, during the financial years 2017 and 2018, we added 91 Owned PSCs to our service network. As our patient touch point network matures, we expect it to collectively contribute to our short to mid-term future growth.

We have implemented an asset-light model for growing our service network. In addition to setting up Owned PSCs, we have significantly expanded our service network by contracting with Third Party PSCs, to service our individual patients, with limited capital expenditure incurred by us. In addition, we also provide home collection service to our patients, which allows us to collect specimens at the patient's house. For catering to the requirements of our institutional customers, we have set up pick-up points and ARCs.

Comprehensive test menu with wide range of clinical laboratory tests and profiles

We offer a comprehensive range of approximately 3,480 clinical laboratory tests and 524 profiles to our patients, as of March 31, 2018. Our test menu includes pathology tests ranging from basic biochemistry and surgical pathology to cytogenetics and high-end molecular diagnostic tests. Besides pathology tests, some of our centers also offer non-pathology tests such as ECG, X-ray, ultrasound and stress tests. According to Frost & Sullivan, there has been a significant growth in demand of preventive health checkup in India, and to cater to this demand, we have developed a wide range of wellness profiles for our diverse patient base. We also offer customized wellness packages to our institutional customers as per their requirement. We believe, our comprehensive test menu is an important factor in patients choosing us as their diagnostic healthcare service provider, and also helps us in retaining our patients.

We have invested in a wide range of specialized tests and have adopted several advanced tests and technologies introduced in the global market, particularly in case of specialized tests. We offer 2,794 specialized tests, as of March 31, 2018. We believe that our track record of introducing specialized tests has been critical to our becoming one of the leading diagnostics companies in India.

Strong and established brand with a focus on quality and customer service

We believe that we have established a well-recognized brand by delivering quality and reliable diagnostic services since 1980. Over the years, we have received several awards that recognize the strength of our brand and our focus on offering superior diagnostic tests and services. We were recognized for "excellence in customer service and delivery" by Biotrains in 2018, and also received special jury mention for "service excellence (diagnostic center)" by FICCI at the Healthcare Excellence Awards 2018. In addition, our health campaign was recognized as "best in health and fitness" in the Digital Campaign Awards 2018 by LH Insights. For further details, see "*History and Certain Corporate Matters*" on page 158.

We believe that our focus on quality has resulted in greater number of individuals and healthcare providers choosing us as their diagnostic healthcare service provider. Our GRL holds accreditation from the College of American Pathologists ("**CAP**") Laboratory Accreditation Program, which is one of the main accreditations in our industry. As of March 31, 2018, 25 of our clinical laboratories hold one or more of CAP, Kenya Accreditation Service, International Laboratory Accreditation Cooperation, Asia Pacific Laboratory Accreditation Cooperation or National Accreditation Board for Testing and Calibration Laboratories ("**NABL**") accreditations. Majority of the machines used in our clinical laboratories are approved by the US FDA and/or CE. All our laboratories follow standard operating procedures to ensure standardization and quality compliance, which results in a consistent and efficient process.

Customer service is a critical differentiator across all stages of our operations. For instance, we have increased scope of our home collection service to 173 cities in India, as of March 31, 2018. For the convenience of our patients, we have developed a mobile application for scheduling house calls, accessing test reports, receiving test reminders as well as making online requests for billing information. We offer our patients a detailed test report which covers result trend analysis and patient specific interpretations and comments by our doctors in some cases. We also have a policy of ensuring conclusive diagnosis to our patients, even if it involves incurring additional costs for us, by way of re-checks and repeat specimen analysis.

Robust Information Technology Infrastructure with Focus on Improving Efficiency

Our laboratory operations are supported by a cloud-based information technology platform, while rest of our operations are managed using a centralized SAP platform. Our 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. We believe that our information technology system enables us to (i) achieve standardization across our operations; (ii) reduce incidence of errors due to human intervention; (iii) monitor technical operations; (iv) closely track our key performance metrics; and (v) provide convenience to our patients and customers, by allowing them to book appointments, complete registration and access test reports online. Our information technology infrastructure is scalable and has been designed to support the growth of our business and help ensure reliability of our operations as well as the security of customer information.

Established track record of successful acquisition and integration in India and overseas

We have a track record of acquiring and successfully integrating companies to grow our portfolio of laboratory and service network. We have acquired several companies since 2002, which includes established local chains such as Sudharma Metropolis Health Services Private Limited in Kerala and Golwilkar Metropolis Health Services (India) Private Limited in Pune as well as companies outside India.

The table below sets forth an indicative list of some of our key acquisitions and their performance:

Acquired Companies	**Year of Acquisition**	**Revenue for the Financial Year 2014[1] or at the time of acquisition (whichever is later) (₹ *in million*)**	**Revenue for the Financial Year 2018[2] (₹ *in million*)**
Sudharma Metropolis Health Services Private Limited	2002	310.58	475.04
Golwilkar Metropolis Health Services (India) Private Limited	2005	299.69	446.99
Desai Metropolis Health Services Private Limited	2007	128.19	253.39
R.V. Metropolis Diagnostics & Healthcare Centre Private Limited	2008	148.17	345.30
Dr. Patel Metropolis Healthcare Private Limited	2012	45.12	103.04

Note: [1]Revenue for the financial year 2014 has been determined under Indian GAAP.
[2] Revenue for the financial year 2018 has been determined under Ind- AS.

We believe that, using our expertise and brand equity, we were able to successfully integrate these acquired businesses in our portfolio by (i) bringing in industry best practices to these acquired businesses including standardized machines and standard operating procedures, in a phased manner, resulting in efficiency and quality enhancement; (ii) providing them access to our sales and marketing network; (iii) providing them access to a more comprehensive test menu by leveraging our capabilities; and (iv) using our brand strength to strengthen their positioning in the local market. We believe that using our experience we were able to improve the performance of majority of these acquired companies as well as grow our scale of business and operations, achieve economies of scale and increase our operating efficiency, thereby further improving our market position.

Experienced Senior Management Team and Qualified Operational Personnel

We are a promoter led, professionally managed company. Our Promoter and Chairman, Dr. Sushil Shah, has more than three decades of experience in pathology business, and his vision is critical to 'Metropolis' becoming one of the leading healthcare brands in India. Our Promoter and Managing Director, Ms. Ameera Shah, has more than two decades of experience in pathology business in a variety of roles including finance, strategy, innovation and investor relations. Ms. Ameera Shah has been instrumental in the growth of our business to one of India's leading diagnostics companies.

We have a strong management team led by our Chief Executive Officer, Mr. Vijender Singh, who has significant industry experience. Our senior management team also includes our Group President, Science & Innovation, Dr. Nilesh Shah and our Chief Financial Officer, Mr. Tushar Karnik. For details, see "*Our Management*" on page 181. Additionally, we have a team of approximately 183 doctors and pathologists and 2,022 scientific officers and phlebotomists, as of March 31, 2018. We believe that the knowledge and experience of our team members provides us with a significant competitive advantage as we seek to grow our business.

Our Board of Directors, includes a combination of management executives and independent members who bring in significant business expertise. We believe that the combination of our experienced Board of Directors and our dynamic management team positions us well to capitalize on future growth opportunities.

Our Strategy

The key elements of our business strategy are as follows:

Continue to Focus on Organic Growth Initiatives to Expand Our Reach

We have developed a highly differentiated and focused growth strategy of dividing the key target cities in which we operate into focus cities, seeding cities and other key cities, on the basis of our market share, the strength of our brand, operational history, experience and the quality of our team. We channel resources in growing our market share within these geographies in order of their importance in our growth strategy.

- ***Focus cities*****:** We have identified five focus cities, for the financial year 2019 - Mumbai, Bengaluru, Chennai, Surat and Pune ("**Focus Cities**"). We have significant presence and operational experience in these five Focus Cities, and derived 62.75% of our revenue from operations from these cities for the financial year 2018. We intend to deepen our penetration in Focus Cities by (i) increasing the number of Third Party PSCs; (ii) enhancing our laboratory capacity and test menu by adding latest machines and technology; (iii) expanding business derived from individual patients; (iv) employing focused sales and marketing teams to generate walk-ins through targeted marketing strategies and use of the customer relationship management ("**CRM**") marketing tool; (v) doctor engagement through medical awareness initiatives and meetings with medical practitioners; and (vi) increased focus on home collection service and wellness offerings. We intend to evaluate the list of Focus Cities on a yearly basis to ensure that our resources are deployed in line with our growth strategy.

- ***Seeding cities*****:** We have identified eight seeding cities and regions which we believe have strong growth potential, comprising Rajkot, Nashik, Nagpur, Kochi, Raipur, National Capital Region ("NCR"), Kolkata and Guwahati ("**Seeding Cities**"). Seeding Cities constituted 19.14% of our revenue from operations for the financial year 2018. Given the expected increase in demand for diagnostic services in Seeding Cities, we believe that Seeding Cities will be the core focus of our medium to long term growth. We intend to expand our network in Seeding Cities by (i) increasing the number of patient touch points; (ii) expanding our test offerings; and (iii) employing targeted marketing strategies to grow our business. We intend to convert some of these Seeding Cities into Focus Cities, in a phased manner, after these cities meet our internal benchmarks.

- ***Other key cities*****:** We have identified 160 other key cities ("**Other Key Cities**") in which we either have our satellite or express laboratories or ARCs. In our view, some of these Other Key Cities have the potential of becoming Seeding Cities in the medium term. Other Key Cities constituted 18.11% of our revenue from operations for the financial year 2018. We intend to use the asset-light model for expanding our service network in Other Key Cities, with primary focus on growth of our ARC network to service institutional customers.

Continue Our Focus on Providing Quality Tests and Services

The quality and reliability of our tests and services are critical to our success. Our vision is to help doctors treat their patients better and our strategy is to take the following steps in this regard:

- upgrading our technology for better quality, efficiency and reliability;

- consistent value addition to tests being offered; and

- promoting disease and disorder specific profiles, to allow doctors to receive comprehensive view of the patient's disease status.

Further, our value added services, such as house calls, e-services, longer operating hours for patient touch points and call centers, and home delivery of test reports, make our services easier to use. We intend to continue to improve our value added services to make them more attractive for our existing as well as prospective patients. We are also actively involved in campaigns focused on creating awareness of particular conditions such as cancer, lifestyle diseases, monsoon diseases, and the importance of periodic testing.

Focus on the Expansion of Our Service Network

Going forward, we are particularly focused on using the Third Party PSC model for expanding the geographical reach of our service network, due to its high scalability and limited capital expenditure involved. Our Third Party PSCs include associate patient service centers ("**APSCs**") and standalone independent laboratories converted into Metropolis-branded patient service centers ("**D-APSCs**"). In recent years, we have successfully used the Third Party PSC model to grow our business and the total number of our APSCs and D-APSCs have grown from 41 as of March 31, 2016 to 295 as of March 31, 2018. These models enable us to grow our revenue by providing management and branding to Third Party PSCs, while benefitting from the extension of our network and brand presence in key geographies.

- Under the APSC model, APSCs act as our exclusive service providers, and are required to establish patient service centers in accordance with our standards and specifications, procure basic diagnostic equipment, and recruit adequate number of qualified phlebotomists and other experienced administrative staff. We provide technical, personnel and marketing support to our APSCs, and in certain cases, also provide the requisite consumables and collection materials. The number of our APSCs have grown from 41 as of March 31, 2016 to 259 as of March 31, 2018.

- Under the D-APSC model, the small stand-alone private laboratories are converted into Metropolis branded patient service centers which are operated by the D-APSC owners in accordance with our quality standards. We provide technical, personnel and marketing support to our D-APSCs, and in certain cases, also provide the requisite consumables and collection materials. The number of our D-APSCs have grown from nil as of March 31, 2016 to 36 as of March 31, 2018.

We also intend to grow our Owned PSCs in Focus and Seeding Cities. We expect that a wider geographic reach will expand our customer base as well as improve our profitability by allowing us to better leverage our infrastructure. We will also continue to seek strategic partnerships with key third-party patient service centers in India, Africa and the Middle East to expand our geographic reach.

Focus on Increasing our Business from Individual Patients

Across our Focus Cities, we derived 47.8% of our revenue from operations from individual patients in the Financial Year 2018 as compared to 41.9% of our revenue from operations in the Financial Year 2016, representing a CAGR of 20.72%.

We believe our business derived from individual patients provides better economies of scale, and to leverage this opportunity, we intend to:

- *Focus on Metropolis-branded Third Party PSCs*: We will continue to expand our service network by contracting with Third Party PSCs. Third Party PSCs act as our exclusive service providers, and operate in accordance with our standards and specifications. We incur limited capital expenditure in case of Third Party PSCs and intend to continue to set up Metropolis-branded Third Party PSCs to create visibility and increase our presence in the market.

- *Employ focused sales and support team*: As part of our "Direct to Doctors" approach, we intend to employ focused sales and support team, whose primary focus is to emphasize on our widespread service network, accuracy of our test results and the scale of our test menu, to increase our business derived from individual patients. Our focused sales team will be supported by a technical team to ensure compliance with our quality standards at our patient touch points.

- *Undertake targeted marketing initiatives*: As part of our "Direct to Patients" approach, we undertake targeted marketing initiatives to create strong brand equity and awareness towards our brand. We intend to continue to promote our business by customizing our marketing initiates based on the market dynamics, including conducting digital engagement activities on social media platform, organizing health camps in the catchment areas of our patient touch points and developing disease awareness programs.

Pursue New Avenues of Growth

We intend to pursue several new avenues of growth, including:

- *Growing our offering of test packages:* We intend to increase the scope of test packages offered by us by offering (i) personalized packages to our individual patients, based on patient's age, sex and medical history; and (ii) customized packages to our institutional customers, based on their requirements. We expect that these packages will increase revenue per patient visit as well as revenue per test. We have a dedicated sales and marketing team, which engages with senior medical consultants and key opinion leaders, to promote our specialty tests and disease specific profiles.

- *Pursuing scientific upselling of tests*: In line with scientific advancements in molecular diagnostics, oncology and cytogenetics, we have, over the time, made investments in these fields and are well positioned to improve the test menu and our technology capability in these areas. For instance, we have a comprehensive test menu of approximately 700 molecular diagnostic tests, as of March 31, 2018. We also intend to pursue scientific upselling of tests, primarily to clinicians, to increase the scope of our test menu. We are also focused on growing our portfolio of tests, with special focus on specialized tests which have less competition and higher margins due to advanced technology, skilled manpower and complex processes involved.

- *Participating in select Public-Private Partnership tenders*: We intend to selectively participate in certain Public-Private Partnership ("**PPP**") tenders in India by leveraging on our experience as the current provider of HIV-1-Viral load tests under our contract with NACO. We believe that our work with NACO would provide us with significant experience, and benefit us in obtaining additional PPP tenders in the future. Similar opportunities for PPP tenders also arise in the African markets in which we operate, and we intend to participate in these tenders on a selective basis.

- *Increase focus on contract research*: We will place an increased focus on laboratory testing for clinical research processes with contract research organizations and pharmaceutical manufacturers. We believe that our experience in conducting approximately 439 clinical research assignments, as of March 31, 2018, for contract research organizations and pharmaceutical manufacturers would benefit us in obtaining additional clinical research assignments in the future.

Focus on Consolidation Opportunities in a Largely Unorganized Diagnostic Sector

According to Frost & Sullivan, while the diagnostics industry is largely unorganized, increased brand awareness among patients and costumers, increased penetration of specialized tests, and a diverse and large test menu at organized providers provides opportunity for faster consolidation in the diagnostics industry. Given our track record of successful consolidations, we believe that we are well positioned to take advantage of the expected consolidation and shift towards organized providers in the Indian diagnostics market.

We will continue to selectively evaluate opportunities to increase our shareholding in our Subsidiaries and expansion opportunities in India, including through acquisitions of regional diagnostic healthcare service providers to, among others:

- grow in newer markets;
- increase our customer base to consolidate our position in markets in which we currently operate;
- strengthen or expand our technological capabilities; and
- enable us to achieve operating leverage by unlocking potential efficiency and synergy benefits.

We are evaluating acquisition opportunities at this time, however the discussions are in preliminary stage and we have not signed any definitive agreement as of the date of this Draft Red Herring Prospectus.

In the past, we have integrated technology infrastructure, standard operating processes and logistics network of majority of the acquired businesses with our own systems in the past. Through our expertise and demonstrated track record of identifying appropriate targets, successfully integrating them and helping them grow, we believe that we are well positioned to drive growth of our business though inorganic route.

SUMMARY FINANCIAL INFORMATION

The following tables set forth summary financial information derived from the Restated Summary Statements of our Company. The Restated Summary Statements for (a) Fiscals 2018, 2017 and 2016 have been prepared in accordance with Ind AS notified under the Companies (Indian Accounting Standards) Rules, 2015, as amended, read with Section 133 of the Companies Act, 2013 and other relevant provisions of the Companies Act, 2013, to the extent applicable and (b) Fiscals 2015 and 2014 have been prepared in accordance with Indian GAAP and Companies Act, 1956, and each have been restated in accordance with the SEBI ICDR Regulations. The summary financial information presented below should be read in conjunction with the Restated Summary Statements, the notes thereto included in "Financial Statements" on page 203.

RESTATED CONSOLIDATED SUMMARY STATEMENTS ON ASSETS AND LIABILITIES AS PER IND AS

(in ₹ million)

Particulars	As at March 31, 2018	As at March 31, 2017	As at March 31, 2016
Assets			
Non current assets			
Property, Plant and Equipment	1,122.96	1,051.58	1,055.95
Capital work-in-progress	-	9.53	5.58
Goodwill	783.69	824.61	351.04
Other intangible assets	167.74	147.36	9.57
Equity accounted investees	0.07	60.30	53.88
Financial Assets			
i) Investments	17.56	17.56	17.56
ii) Loans	33.21	37.23	83.02
iii) Other non current Financial Assets	83.34	22.36	0.42
Deferred tax assets (net)	52.97	34.31	52.49
Other non current assets	19.60	85.76	58.42
Non-current tax assets (net)	16.66	9.80	18.05
Total non current assets	**2,297.80**	**2,300.40**	**1,705.98**
Current assets			
Inventories	211.87	141.30	155.71
Financial assets			
i) Investments	1,004.23	1,340.52	942.42
ii) Trade receivables	1,006.84	802.88	702.00
iii) Cash and Cash equivalents	434.68	255.09	268.32
iv) Bank Balances other than cash and cash equivalents	166.68	150.03	67.64
v) Loans	108.21	96.07	72.54
vi) Other current financial asset	13.52	5.46	5.49
Other current assets	57.05	58.85	36.41
Current tax assets (net)	2.51	0.98	2.64
Total current assets	**3,005.59**	**2,851.18**	**2,253.17**
Total Assets	**5,303.39**	**5,151.58**	**3,959.15**
Equity and Liabilities			
Equity			
Equity Share Capital	95.44	95.44	95.44
Other Equity	4,052.24	3,136.29	2,691.75
Equity attributable to equity holders of the Company	**4,147.68**	**3,231.73**	**2,787.19**
Non Controlling Interest	143.64	209.82	151.61
Total Equity	**4,291.32**	**3,441.55**	**2,938.80**

Particulars	As at March 31, 2018	As at March 31, 2017	As at March 31, 2016
Liabilities			
Non-Current Liabilities			
Financial liabilities			
i) Borrowings	2.01	3.64	4.59
ii) Others non-current financial liabilities	24.31	86.62	2.91
Provisions	35.19	31.52	24.42
Deferred tax liabilities (net)	44.44	69.71	78.86
Total non current liabilities	**105.95**	**191.49**	**110.78**
Current liabilities			
Financial liabilities			
i) Borrowings	3.70	4.01	4.41
ii) Trade Payables	353.38	359.06	328.05
iii)Other current financial liabilities	347.06	883.46	229.20
Other current liabilities	77.21	140.95	210.94
Provisions	43.72	36.79	36.65
Current tax liabilities (net)	81.05	94.27	100.32
Total current liabilities	**906.12**	**1,518.54**	**909.57**
Total liabilities	**1,012.07**	**1,710.03**	**1,020.35**
Total Equity and Liabilities	**5,303.39**	**5,151.58**	**3,959.15**

RESTATED CONSOLIDATED SUMMARY STATEMENTS ON PROFITS AND LOSSES AS PER IND AS

(in ₹ million)

	Particulars	For the year ended		
		March 31, 2018	**March 31, 2017**	**March 31, 2016**
	Revenue from operations	6,435.67	5,447.24	4,754.69
	Other Income	79.88	229.35	151.65
	Total Income	**6,515.55**	**5,676.59**	**4,906.34**
	EXPENSES			
	Cost of material consumed	1,458.98	1,351.04	1,245.93
	Laboratory testing charges	56.75	24.70	31.46
	Employee benefits expense	1,473.68	1,276.95	1,081.77
	Finance costs	12.08	3.87	7.98
	Depreciation and amortisation expense	190.17	172.27	166.41
	Other expenses	1,720.88	1,275.08	1,130.67
	Total Expense	**4,912.54**	**4,103.91**	**3,664.22**
	Profit before share of profit for equity accounted investees and income tax	**1,603.01**	**1,572.68**	**1,242.12**
	Share of profit for equity accounted investees (net of tax)	-	26.53	33.10
	Profit before tax	**1,603.01**	**1,599.21**	**1,275.22**
	Tax expense:			
	(i) Current tax	553.16	516.53	484.21
	(ii) Deferred tax (income) /expense	(47.62)	10.11	(28.54)
	Total Tax Expense	**505.54**	**526.64**	**455.67**
	Profit for the year	**1,097.47**	**1,072.57**	**819.55**
	Other comprehensive income			
	(i) Items that will not be reclassified subsequently to profit and loss			
	- Remeasurement of defined benefit plan	(3.01)	(1.22)	(3.49)
	-Income tax on above	0.70	0.51	1.32
	-Share of OCI for equity accounted investees, net of tax	-	(0.76)	0.06
	(ii) Items that will be subsequently reclassified to profit and loss			
	-Exchange differences in translating financial statements of foreign operations	10.21	7.62	(13.58)
	-Debt instruments through Other Comprehensive Income (OCI)- net change in fair value	0.04	-	-
	-Income tax on above	(0.01)	-	-
	-Share of OCI for equity accounted investees, net of tax	-	(3.56)	(3.56)
	Other comprehensive income for the year (net of tax)	**7.93**	**2.59**	**(19.25)**
	Total comprehensive income for the year	**1,105.40**	**1,075.16**	**800.30**
	Profit attributable to:			
	Owners of the Company	1,022.67	1,016.57	767.96
	Non-controlling Interest	74.80	56.00	51.59
	Other comprehensive income attributable to:			
	Owners of the Company	7.98	2.75	(17.48)

	Particulars	For the year ended		
		March 31, 2018	March 31, 2017	March 31, 2016
	Non-controlling Interest	(0.05)	(0.16)	(1.77)
	Total comprehensive income attributable to :			
	Owners of the Company	1,030.65	1,019.32	750.48
	Non-controlling Interest	74.75	55.84	49.82
	Earnings per Equity Share			
	Basic earnings per share (Rs.)	20.61	20.48	15.25
	Diluted earnings per share (Rs.)	**20.49**	**20.35**	**15.14**

RECONCILIATION OF ADJUSTED EBITDA

The table below reconciles profit for the year to Adjusted EBITDA.

EBITDA is defined as net income before interest expense, other non-operating income or losses, taxes, and depreciation and amortization. Adjusted EBITDA represents EBITDA adjusted for non-operating items.

Although, EBITDA and Adjusted EBITDA are not measures of performance calculated in accordance with applicable accounting standards, management believes that it is useful to an investor in evaluating us because they are widely used measures to evaluate a company's operating performance. EBITDA or Adjusted EBITDA should not be considered in isolation or construed as an alternative to cash flows, profit after tax or any other measure of financial performance or as an indicator of our operating performance, liquidity, profitability or cash flows generated by operating, investing or financing activities.

(in ₹ million)

Particulars	For the year ended		
	March 31, 2018	March 31, 2017	March 31, 2016
Profit for the year	1,097.47	1,072.57	819.55
Add: Total tax expense	505.54	526.64	455.67
Add: Finance costs	12.08	3.87	7.98
Add: Depreciation and amortisation expense	190.17	172.27	166.41
Less: Other Income *	(71.48)	(137.29)	(139.97)
EBITDA	**1,733.78**	**1,638.06**	**1,309.64**
Add: Other non-operating expenses			
- Loss on sale of Non-current investments (Note 46 of Restated Summary Consolidated Statements)	18.41	-	-
- Loss on fair value of equity accounted investment	2.54	-	-
- Loss on impairment of Goodwill (Note 4 of Restated Summary Consolidated Statements)	27.50	-	-
Less: Other Income (Provision for doubtful advances written back (net))	-	(9.41)	-
Less: Other Income (Profit on sale of property, plant and equipment)	(2.72)	(1.42)	-
Less: Other Income (Profit on sale of joint venture) (Note 46 of Restated Summary Consolidated Statements)	-	(70.58)	-
Less: Other Income (Profit on sale of subsidiary) (Note 46 of Restated Summary Consolidated Statements)	-	-	(6.02)

Particulars	For the year ended		
	March 31, 2018	March 31, 2017	March 31, 2016
Less: Other Income (Miscellaneous income)	(5.68)	(10.65)	(5.66)
ADJUSTED EBITDA	**1,773.83**	**1,546.00**	**(1,297.96)**

*Includes Interest, Dividend, Net gain on fair valuation of mutual fund investments. For further details, please see "*Financial Statements - Annexure VI- Notes to Restated Consolidated Financial Information - Note 30*" on page 253

RESTATED CONSOLIDATED SUMMARY STATEMENTS ON CASH FLOWS AS PER IND AS

(in ₹ million)

Particulars	For the year ended		
	March 31, 2018	**March 31, 2017**	**March 31, 2016**
A. Cash flow from operating activities:			
Profit Before Tax	**1,603.01**	**1,599.21**	**1,275.22**
Adjustments for:			
Depreciation and amortization expense	190.17	172.27	166.41
(Profit)/ Loss on sale of property plant and equipments (net)	(2.72)	(1.42)	5.18
Gain on redemption of mutual fund investments	(67.33)	(135.87)	(170.82)
Loss / ((Profit) on sale of subsidiary	18.41	-	(6.02)
Profit on sale of Joint Venture	-	(70.58)	-
Provision for doubtful advances written back	-	(9.41)	-
Provision for bad and doubtful debts	34.66	23.49	23.80
Provision for bad and doubtful advances	0.34	-	5.86
Foreign exchange loss (net)	3.76	10.80	8.14
Employee share based payment expense	16.60	0.43	-
Bad debts written off	11.60	4.36	7.58
Interest Income	(23.69)	(50.14)	(16.00)
Loss on impairment of Goodwill	27.50	-	-
Changes in fair value of current investments	35.89	74.90	61.80
Dividend income from mutual fund	(16.35)	(26.18)	(14.95)
Fair value of equity accounted investment	2.54	-	-
Share of profit of equity accounted investment	-	(26.53)	(33.10)
Interest expense	12.08	3.86	7.98
Operating Profit Before Working Capital Changes	**1,846.47**	**1,569.19**	**1,321.08**
Working capital adjustments :			
(Increase) / Decrease in loans	(5.43)	19.34	(7.53)
(Increase) / Decrease in inventories	(54.05)	11.00	3.54
(Increase) in trade receivables	(203.96)	(82.48)	(108.06)
Decrease/(Increase) in other assets	2.63	(11.12)	(2.38)
Increase in provisions	0.57	2.07	4.99
(Decrease) / Increase in trade payables	(17.93)	44.13	49.76
Increase in other financial liabilities	24.71	2.28	41.70
Increase/(Decrease) in other liabilities	22.03	(24.21)	13.81
Cash generated from operating activities	**1,615.04**	**1,530.20**	**1,316.91**
Income Taxes (paid)	(575.73)	(512.67)	(402.75)
Net cash generated from operating activities (A)	**1,039.31**	**1,017.53**	**914.16**
B. Cash flow from investing activities:			
Purchase of Property plant & Equipment and capital work-in-progress(Including capital advances)	(156.64)	(165.63)	(164.25)
Proceeds from sale of property, plant and equipment	16.89	8.11	60.27
Purchase consideration paid towards acquisition of business	(124.27)	(410.13)	(17.47)
Purchase of other intangible assets	(42.31)	(0.33)	(2.94)
Proceeds from sale of other intangible assets	-	-	0.01
Proceeds from sale of joint venture	0.04	68.50	-
Proceeds from sale of Subsidiary	6.22	-	0.10
Proceeds from sale of current investments	4,602.39	1,259.82	2,038.53
Purchase of current investments	(4,234.98)	(1,596.99)	(988.55)
Purchase of stake in joint venture	(0.10)	-	-

Particulars	For the year ended		
	March 31, 2018	March 31, 2017	March 31, 2016
Interest Received	12.86	47.39	15.16
Dividend Received	16.35	35.75	36.05
Net investments in bank deposits (having original maturity of more than three months)	(77.63)	(104.34)	(13.30)
Net cash generated from/ (used in) investing activities (B)	**18.82**	**(857.85)**	**963.61**
C. Cash flow from financing activities:			
Repayment of long-term borrowings	(2.69)	(37.34)	(56.67)
Repayment of short-term borrowings	-	(0.25)	
Payment of dividend	(527.48)	(2.99)	(828.94)
Payment of dividend tax	(111.64)	(130.61)	(59.45)
Payments for shares bought back	-	-	(603.20)
Tax on buy back of shares	-	(0.15)	(135.08)
Acquisition of non-controlling Interest	(229.62)	(0.03)	(46.31)
Interest expense	(0.50)	(1.63)	(7.98)
Payment towards buy back of shares by group company	(1.10)	-	-
Net cash (used in) Financing activities (C)	**(873.03)**	**(173.00)**	**(1,737.63)**
Net Increase/(decrease) in cash and cash equivalents (A) + (B) + (C)	**185.10**	**(13.32)**	**140.14**
Effect of exchange rate changes on cash and cash equivalents	2.34	(0.10)	0.10
Cash and cash equivalents taken over on acquisition of subsidiary	1.86	0.19	-
Less: cash and cash equivalents held on sale of subsidiary	(9.71)	-	(0.83)
Net Increase/(decrease) in cash and cash equivalents	**179.59**	**(13.23)**	**139.41**
Cash and cash equivalents at the beginning of the year	255.09	268.32	128.91
Cash and Cash Equivalents at the end of the year	**434.68**	**255.09**	**268.32**

RESTATED CONSOLIDATED STATEMENTS ON ASSETS AND LIABILTIES AS PER INDIAN GAAP

(in ₹million)

Particulars	As at	
	March 31, 2015	**March 31, 2014**
Equity and Liabilities		
Shareholders' Funds		
Share Capital	98.64	98.64
Reserves and Surplus	3,519.71	2,924.36
Minority Interest	224.70	154.98
Non-Current Liabilities		
Long Term Borrowings	72.29	134.50
Deferred tax liabilities (Net)	12.84	16.53
Long-term provisions	30.30	18.99
Long-term liabilities	7.83	6.25
Current Liabilities		
Short term borrowings	1.94	1.95
Trade payables		
Total outstanding dues to micro and small enterprises	-	-
Total outstanding dues to others	323.63	229.37
Other current liabilities	302.14	306.44
Short-term provisions	41.02	33.53
Total	**4,635.04**	**3,925.54**
Assets		
Non-Current Assets		
Property, Plant and Equipment	1,183.81	1,120.63
Intangible assets	129.25	152.79
Capital work-in -progress	3.64	12.87
Non-current investments	17.56	17.57
Deferred tax assets (net)	24.96	15.70
Long-term loans and advances	102.69	98.41
Other non-current assets	1.20	8.21
Goodwill on consolidation	213.83	213.83
Current assets		
Current investments	1,665.95	1,305.61
Inventories	183.32	144.27
Trade receivables	707.63	495.89
Cash and Bank Balances	290.59	234.50
Short-term loans and advances	106.56	102.01
Other current assets	4.05	3.25
Total	**4,635.04**	**3,925.54**

RESTATED CONSOLIDATED STATEMENTS ON PROFITS AND LOSSES AS PER INDIAN GAAP

(in ₹ million)

Particulars	For the year ended	
	March 31, 2015	**March 31, 2014**
Revenue		
Revenue from operations	4,554.97	3,882.53
Other Income	51.34	67.66
Total revenue	**4,606.31**	**3,950.19**
Expenses		
Cost of materials consumed	1,289.77	1,112.30
Laboratory testing charges	37.43	35.40
Employee benefits expenses	980.68	751.95
Finance Costs	16.41	23.80
Depreciation and Amortisation Expenses	205.15	160.46
Other Expenses	1,066.16	916.88
Total Expenses	**3,595.60**	**3,000.79**
Profit before tax	**1,010.71**	**949.40**
Tax Expenses		
Current Tax	(342.24)	(307.46)
Deferred Tax	11.00	(15.93)
MAT Credit Entitlement	-	0.23
Profit after tax before minority interest	**679.47**	**626.24**
Minority Interest	69.72	60.66
Profit for the year after tax and minority interest	609.75	565.58

RESTATED CONSOLIDATED STATEMENTS ON CASH FLOWS AS PER INDIAN GAAP

(in ₹ million)

Particulars	For the year ended	
	March 31, 2015	**March 31, 2014**
A. Cash Flow From Operating Activities:		
Profit before tax, as restated	**1,010.71**	**949.40**
Adjustments for non-cash transactions and items considered separately		
Depreciation and amortisation expense	205.16	160.45
Loss on sale of fixed assets (net)	0.11	1.07
Net gain on redemption of mutual fund investments	(18.13)	(35.01)
Provision for doubtful advances (net)	0.92	7.23
Provision for bad and doubtful debts(net)	3.88	19.18
Foreign currency translation account	(6.62)	1.51
Bad debts written off	7.49	31.54
Interest Income	(19.64)	(17.59)
Dividend Income	(8.46)	(2.44)
Interest Expenses	16.41	23.80
Other non-cash items	(0.53)	2.72
Sundry balances written back (net)	0.95	(14.04)
Operating Profit Before Working Capital Changes	**1,192.25**	**1,127.82**
Adjustments for :		
Decrease/(Increase) in Inventory	(41.33)	(14.02)
Decrease/(Increase) in Trade Receivable	(221.66)	(185.99)
Decrease/(Increase) in loans and advances and other assets	(26.73)	60.66
(Decrease)/Increase in long-term and short-term liabilities and provisions	112.12	77.21
Decrease/ (Increase) in other current and non current assets		4.01
Cash generated from operating activities	**1,014.65**	**1,069.69**
Income taxes paid	(319.74)	(300.47)
Net Cash generated from/ (used in) Operating Activities	**694.91**	**769.22**
B. Cash Flow From Investing Activities		
Purchase of Property, Plant and Equipment including capital work-in-progress and capital advance	(230.96)	(203.04)
Property, Plant and Equipment acquired through business takeovers	(7.91)	(36.19)
Proceeds from sale of Property, Plant and Equipment	3.45	0.07
Payment for acquisition of business, net of cash acquired	(0.66)	(3.64)
Purchase of investments	(466.47)	(834.61)
Proceeds from sale of investments	124.27	447.88
Interest Received	18.83	17.63
Dividend Received	8.46	2.44
Net investments in bank deposits (having original maturity of more than three months)	(9.10)	1.55
Net Cash generated from/ (used in) Investing Activities	**(560.09)**	**(607.91)**
C. Cash Flow from Financing Activities:		

Particulars	For the year ended	
	March 31, 2015	March 31, 2014
Repayment of long-term borrowings	(62.39)	-
Proceeds from short-term borrowings	-	0.01
Repayment of short-term borrowings	(0.01)	(71.42)
Net assets acquired of subsidiary	1.81	
Dividend paid (including dividend tax)	(14.99)	(47.18)
Interest Paid	(19.25)	(23.32)
Net Cash generated from/ (used in) Financing Activities (C)	**(94.83)**	**(141.91)**
Net increase/(decrease) in cash and cash equivalents (A+B+C)	39.99	19.40
Cash and cash equivalents as at the beginning of the year	197.05	177.65
Cash and cash equivalents as at the end of the year	**237.04**	**197.05**

RESTATED STANDALONE SUMMARY STATEMENTS ON ASSETS AND LIABILTIES AS PER IND AS

(in ₹ million)

Particulars	As At		
	March 31, 2018	**March 31, 2017**	**March 31, 2016**
Assets			
Non current Assets			
Property, Plant and Equipment	859.78	808.99	815.51
Goodwill	459.39	459.39	-
Other Intangible assets	168.80	148.93	7.88
Financial Assets			
i) Investments	578.31	391.16	440.68
ii) Loans	16.99	34.29	56.67
iii) Derivatives	161.21	161.22	149.10
iv) Other non current financial assets	82.03	0.33	-
e) Other non current assets	16.84	82.86	49.84
Total non current assets	**2343.35**	**2087.17**	**1519.68**
Current Assets			
Inventories	133.21	90.11	95.11
Financial assets			
i) Investments	461.32	998.64	766.58
ii) Trade receivables	800.21	631.76	481.74
iii) Cash and Cash equivalents	165.92	44.77	106.17
iv) Bank balances other than cash and cash equivalents	89.26	12.46	4.21
v) Loans	189.39	211.80	220.48
vi) Other current financial asset	15.99	6.89	9.54
Other current assets	33.82	32.46	21.96
Total current assets	**1889.12**	**2028.89**	**1705.79**
Total Assets	**4,232.47**	**4,116.06**	**3,225.47**
Equity and Liabilities			
Equity			
Equity Share Capital	95.44	95.44	95.44
Other Equity	3,425.15	2,572.06	2,405.45
Total Equity	**3,520.59**	**2,667.50**	**2,500.89**
Non-Current Liabilities			
Financial liabilities			
i) Other non-current liabilities	24.31	86.62	-
Provisions	26.99	25.43	24.09
Deferred tax liabilities (net)	33.83	91.95	73.87
Total non- current liabilities	**85.13**	**204.00**	**97.96**
Current Liabilities			
Financial liabilities			
i) Trade Payables	254.98	210.76	166.64
ii) Other current financial liabilities	243.07	802.30	159.99
Other current liabilities	53.30	126.25	195.22
Provisions	28.13	25.60	22.21
Current Tax Liabilities (net)	47.27	79.65	82.56
Total Current liabilities	**626.75**	**1244.56**	**626.62**
Total Equity and Liabilities	**4,232.47**	**4,116.06**	**3,225.47**

RESTATED STANDALONE SUMMARY STATEMENTS ON PROFITS AND LOSSES AS PER IND AS

(in ₹ million)

Particulars	For the year ended		
	March 31, 2018	**March 31, 2017**	**March 31, 2016**
Revenue from operations	4,376.74	3,559.50	3,047.78
Other Income	142.44	216.73	356.74
Total Income	**4,519.18**	**3,776.23**	**3,404.52**
EXPENSES			
Cost of material consumed	1,020.08	914.09	821.52
Laboratory testing charges	35.15	16.30	27.04
Employee benefits expense	982.85	841.64	710.17
Finance costs	11.56	3.46	7.72
Depreciation and amortisation expense	128.96	108.36	103.94
Other expenses	1,162.03	708.00	642.86
Total Expense	**3,340.63**	**2,591.85**	**2,313.25**
Profit before tax	**1,178.55**	**1,184.38**	**1,091.27**
Income Tax expense:			
(i) Current tax	400.00	370.00	348.00
(ii) Deferred tax	(58.06)	21.49	(29.57)
Total tax expense	**341.94**	**391.49**	**318.43**
Profit for the year	**836.61**	**792.89**	**772.84**
Other comprehensive income			
(i) Items that will not be reclassified subsequently to profit and loss			
- Remeasurement of defined benefit plan	(0.23)	(1.12)	(2.41)
-Income tax on above	0.08	0.39	0.83
(ii) items that will subsequently be reclassified to profit and loss			
-'Debt instruments through Other Comprehensive Income- net change in fair value	0.04	-	
-Income tax on above	(0.01)		
Other Comprehensive Income (Net of tax)	(0.12)	(0.73)	(1.58)
Total Comprehensive Income for the Year	**836.49**	**792.16**	**771.26**
Earning per Equity Share			
Basic earnings per share(Rs.)	16.86	15.98	15.35
Diluted earnings per share (Rs.)	16.76	15.87	15.24

RESTATED STANDALONE SUMMARY STATEMENTS ON CASH FLOWS AS PER IND AS

(in ₹ million)

Particulars	For the year ended		
	March 31, 2018	**March 31, 2017**	**March 31, 2016**
A. Cash flow from operating activities:			
Profit before tax	**1,178.55**	**1,184.38**	**1,091.27**
Adjustments for:			
Depreciation and amortisation expense	128.96	108.36	103.94
(Profit) on sale of property plant and equipments (net)	-	(0.21)	(0.03)
(Gain) on redemption of mutual fund investment	(59.81)	(132.13)	(150.55)
Provision for diminution in value of investment	28.69	0.10	-
Loss on sale of non-current investments	7.33	-	-
Provision for doubtful advances written back	29.87	(1.78)	5.59
Provision for bad and doubtful debts	51.15	9.13	16.13
Bad debts written off	0.76	-	-
Employee share based payment expense	16.60	0.43	-
Interest expense	11.56	3.46	7.72
Foreign exchange loss (net)	0.47	6.45	4.84
Changes in fair value of derivate assets	0.01	(12.12)	23.59
Sundry balance written (back)/ off	-	-	0.02
Interest Income	(18.89)	(43.39)	(10.83)
Dividend income from mutual funds and related parties	(102.77)	(106.61)	(248.83)
Changes in fair value of current investments	39.03	86.00	56.72
Operating profit before working capital changes	**1,311.51**	**1,102.07**	**899.58**
Adjustments for changes in working capital:			
Increase in other assets	(1.97)	(21.95)	(4.31)
(Increase) / Decrease in inventories	(43.10)	5.01	1.52
(Increase) in trade receivables	(220.89)	(160.35)	(76.09)
(Increase) in loans	(15.59)	(8.09)	(35.26)
Increase in provisions	3.84	3.61	13.75
Increase in trade payables	43.87	31.73	28.70
Increase /(Decrease) in other financials liabilities	6.43	693.54	(8.05)
Increase /(Decrease) in other liabilities	19.67	(665.19)	17.87
Cash generated from operating activities	**1,103.77**	**980.38**	**837.71**
Income tax (paid)	(432.38)	(364.95)	(260.98)
Net cash generated from operating activities (A)	**671.39**	**615.43**	**576.73**
B. Cash flow from investing activities:			
Purchase of property, plant and equipment and capital work-in-progress (including capital advances)	(105.32)	(115.69)	(85.86)
Proceeds from sale of property, plant and equipment	-	0.37	0.27
Purchase consideration paid towards acquisition of business	(131.87)	(410.13)	-
Purchase of other intangible assets	(41.12)	(0.19)	(2.79)
Purchase of current investments	(3972.77)	(1429.77)	(879.30)
Proceeds from sale of current investments	4530.93	1243.82	1798.72
Proceeds from sale of joint venture	0.04	-	-
Purchase of stake in Joint venture	(0.10)	-	-
Purchase of additional stake in subsidiary	(229.31)	(0.03)	(46.31)
Proceeds from sale of non - current investments	6.22	-	0.10
Loan (paid) / repaid by related parties	24.16	57.60	33.35
Interest received	11.05	44.61	9.68
Dividend received	102.77	106.61	248.83

Particulars	For the year ended		
	March 31, 2018	**March 31, 2017**	**March 31, 2016**
Proceeds from investments in bank deposits (having original maturity of more than three months)	(158.49)	(8.58)	(0.91)
Net cash generated from /(used in) investing activities (B)	**36.19**	**(511.38)**	**1,075.78**
C. Cash flow from financing activities:			
Payments for shares bought back	-	-	(603.20)
Payment of tax on shares bought back	-	(0.15)	(135.08)
Repayment of long-term borrowing	-	(36.46)	(36.46)
Interest paid on term loan	-	(1.22)	(7.72)
Payment of dividend tax	(86.43)	(127.62)	-
Payment of dividend	(500.00)	-	(767.43)
Net cash (used in) financing activities (C)	**(586.43)**	**(165.45)**	**(1,549.89)**
Net Increase/(Decrease) in cash and cash equivalents	**121.15**	**(61.40)**	**102.62**
Cash and cash equivalents at the beginning of the year	44.77	106.17	3.55
Cash and cash equivalents as at the end of the year	**165.92**	**44.77**	**106.17**

RESTATED STANDALONE STATEMENTS ON ASSETS AND LIABILITIES AS PER INDIAN GAAP

(in ₹ million)

Particulars	As at	
	March 31, 2015	March 31, 2014
Equity and Liabilities		
Shareholders' Funds		
Share Capital	98.64	98.64
Reserves and Surplus	2,963.40	2,541.95
Non-Current Liabilities		
Long Term Borrowings	36.46	98.96
Deferred tax liabilities (net)	-	4.45
Long-term provisions	19.23	12.09
Long-term liabilities	5.25	3.66
Current Liabilities		
Trade payables		
Total outstanding dues to micro and small enterprises	-	-
Total outstanding dues to others	138.00	110.44
Other current liabilities	228.73	230.50
Short term provisions	18.68	31.16
Total	**3,508.39**	**3,131.85**
Assets		
Non-Current Assets		
Property, plant and equipment	830.41	823.31
Intangible assets	8.53	6.00
Non-current investments	345.91	343.57
Deferred tax assets (net)	5.44	-
Long term loans and advances	88.90	80.14
Other non-current assets	0.47	-
Current assets		
Current investments	1,402.44	1,135.82
Inventories	96.63	83.56
Trade receivables	417.26	304.07
Cash and bank balances	36.93	67.43
Short-term loans and advances	275.41	287.86
Other current assets	0.06	0.09
Total	**3,508.39**	**3,131.85**

RESTATED STANDALONE STATEMENTS ON PROFITS AND LOSSES AS PER INDIAN GAAP

(in ₹ million)

Particulars	For the year ended	
	March 31, 2015	**March 31, 2014**
Revenue		
Revenue from operations	2,544.90	2,232.50
Other Income	39.28	120.79
Total revenue	**2,584.18**	**2,353.29**
Expenses		
Cost of materials consumed	707.05	627.57
Laboratory testing charge	19.53	20.38
Employee benefits expenses	578.34	444.68
Finance Costs	15.37	22.30
Depreciation and amortisation expense	102.99	81.94
Other Expenses	514.46	465.39
Total expenses	**1,937.74**	**1,662.26**
Profit before tax	**646.44**	**691.03**
Tax Expenses		
Current Tax	(225.00)	(213.00)
Deferred Tax	9.09	(13.26)
	(215.91)	**(226.26)**
Profit after tax	**430.53**	**464.77**

RESTATED STANDALONE STATEMENTS ON CASH FLOWS AS PER INDIAN GAAP

(in ₹ million)

Particulars	For the year ended	
	March 31, 2015	March 31, 2014
A. Cash flows from operating activities		
Net Profit Before Tax, as restated	**646.44**	**691.03**
Adjustments for non-cash transactions		
Depreciation and amortisation expense	102.99	81.94
(Profit)/loss on sale of Property, plant and equipment (net)	(0.29)	0.05
Net gain on redemption of mutual fund investments	(17.41)	(32.31)
Provision for doubtful advances	1.31	3.87
Provision for bad and doubtful debts (net)	1.57	27.82
Sundry balance written back (net)	(11.22)	(15.79)
Bad debts written off	5.47	20.10
Sundry balance written off (net)	0.51	0.12
Interest Income	(6.84)	(5.21)
Interest Expenses	15.37	22.30
Dividend Income	(6.16)	(51.03)
Operating Profit Before Working Capital Changes	**731.74**	**742.89**
Changes in working capital		
Decrease/ (Increase) in inventories	(13.06)	(4.03)
Decrease/(Increase) in trade receivables	(106.11)	(146.92)
Decrease/(Increase) in loans and advances, other assets	(20.60)	97.89
(Decrease)/ Increase in liabilities and provision	53.86	29.24
Cash generated from operating activities	**645.83**	**719.07**
Income taxes paid	(219.82)	(201.02)
Net cash generated from/(used in) operating activities	**426.01**	**518.05**
B. Cash flows from investing activities		
Purchase of Property, plant and equipment including capital work-in-progress and capital advances	(114.95)	(98.77)
Purchase of intangible assets	(8.12)	(0.40)
Proceeds from sale of Property, plant and equipment	1.30	1.24
Purchase of non-current investments	(2.35)	(1.00)
Purchase of current investments	(360.14)	(1,135.80)
Proceeds from sale of current investments	110.89	785.78
Interest Received	6.84	5.19
Dividend Received	6.16	51.03
Net investments in bank deposits (having original maturity of more than three months)	(2.13)	(0.60)
Net cash generated from/(used in) investing activities	**(362.50)**	**(393.33)**
C. Cash flows from financing activities		
Repayment of long-term borrowings (net)	(62.50)	(62.50)
Dividend paid (including dividend tax)	(16.16)	(12.92)
Interest paid	(17.01)	(22.87)
Net cash generated from/(used in) financing activities	**(95.67)**	**(98.29)**
Net increase/(decrease) in cash and cash equivalents (A +B + C)	**(32.16)**	**26.43**
Cash and cash equivalents as at the beginning of the year	65.79	39.36
Cash and cash equivalents as at the end of the year	**33.63**	**65.79**

THE OFFER

The following table summarises the details of the Offer:

Offer[(1)(2)]	Up to 15,269,684 Equity Shares, aggregating up to ₹ [●] million
Of which	
Employee Reservation Portion[(5)]	Up to 300,000 Equity Shares
Accordingly,	
Net Offer	Up to 14,969,684 Equity Shares, aggregating up to ₹ [●] million
A) QIB Portion [(3)(4)]	At least 11,227,264 Equity Shares
of which:	
(i) Anchor Investor Portion	Up to 6,736,358 Equity Shares
(ii) Balance available for allocation to QIBs other than Anchor Investors (assuming Anchor Investor Portion is fully subscribed)	4,490,906 Equity Shares
of which:	
(a) Available for allocation to Mutual Funds only (5% of the Net QIB Portion)	224,546 Equity Shares
(b) Balance for all QIBs including Mutual Funds	4,266,360 Equity Shares
B) Non-Institutional Portion [(4)]	Not more than 2,245,452 Equity Shares
C) Retail Portion [(4)]	Not more than 1,496,968 Equity Shares
Pre and post Offer Equity Shares	
Equity Shares outstanding prior to the Offer	50,178,680 Equity Shares
Equity Shares outstanding after the Offer^	50,178,680 Equity Shares
Use of Net Proceeds	Our Company will not receive any proceeds from the Offer since the Offer is being made through an Offer for Sale by the Selling Shareholders. See "*Objects of the Offer*" on page 108.

^*Our Company may issue and allot Equity Shares to eligible employees pursuant to MESOS 2015, between the date of this Draft Red Herring Prospectus and the Prospectus.*

Notes:

(1) *The Offer has been authorized by our Board pursuant to resolutions dated September 24, 2018 and September 27, 2018.*

(2) *The Selling Shareholders, severally and not jointly, confirm that their respective portion of the Offered Shares are eligible for Offer in accordance with Regulation 26(6) of the SEBI ICDR Regulations. For details on the authorisations of the Selling Shareholders in relation to their respective portion of the Offered Shares, see "Other Regulatory and Statutory Disclosures" on page 525.*

(3) *In terms of Rule 19(2)(b) of the SCRR read with Regulation 41 of the SEBI ICDR Regulations, the Offer is being made for at least 10% of the post-Offer paid up Equity Share capital of our Company. Further, the Offer is being made through the Book Building Process, in compliance with Regulation 26(2) of the SEBI ICDR Regulations. Our Company and the Selling Shareholders, in consultation with the BRLMs, may allocate up to 60% of the QIB Portion to Anchor Investors, on a discretionary basis, of which one-third shall be reserved for domestic Mutual Funds, subject to valid Bids being received from domestic Mutual Funds at or above the Anchor Investor Allocation Price. In the event of undersubscription, or non-allocation in the Anchor Investor Portion, the balance Equity Shares shall be added to the QIB Portion. Further, 5% of the QIB Portion (excluding the Anchor Investor Portion) shall be available for allocation on a proportionate*

basis to Mutual Funds only. The remainder of the QIB Portion shall be available for allocation on a proportionate basis to QIBs, subject to valid Bids being received from them at or above the Offer Price. If at least 75% of the Net Offer cannot be Allotted to QIBs, the entire application money shall be refunded forthwith. Further, not more than 15% of the Net Offer will be available for allocation on a proportionate basis to Non-Institutional Investors and not more than 10% of the Net Offer will be available for allocation to Retail Individual Investors, in accordance with the SEBI ICDR Regulations, subject to valid Bids being received at or above the Offer Price. All Bidders (except Anchor Investors) shall mandatorily participate in this Offer only through the ASBA process and shall provide details of their respective bank account in which the Bid amount will be blocked by the SCSBs. Anchor Investors are not permitted to participate in the Anchor Investor Portion through the ASBA process. For details, see "Offer Procedure" on page 551.

(4) *Subject to valid Bids being received at or above the Offer Price, undersubscription, if any, in any category except the QIB Portion, would be allowed to be met with spill over from any other category or combination of categories at the discretion of our Company and the Selling Shareholders, in consultation with the BRLMs and the Designated Stock Exchange. However, undersubscription, if any, in the QIB Portion will not be allowed to be met with spill-over from other categories or a combination of other categories.*

(5) *Unless the Employee Reservation Portion is undersubscribed, the value of allocation to an Eligible Employee shall not exceed ₹200,000. In the event of undersubscription in the Employee Reservation Portion, the unsubscribed portion may be allocated, on a proportionate basis, to Eligible Employees for value exceeding ₹ 200,000 up to ₹ 500,000. Any unsubscribed portion remaining in the Employee Reservation Portion shall be added to the Net Offer to the public.*

Allocation to all categories, except the Anchor Investor Portion and the Retail Portion, if any, shall be made on a proportionate basis, subject to valid Bids received at or above the Offer Price. The allocation to each Retail Individual Investor shall not be less than the minimum Bid Lot, subject to availability of Equity Shares in Retail Portion, and the remaining available Equity Shares, if any, shall be Allocated on a proportionate basis. For further details, see "*Offer Procedure – Allotment Procedure and Basis of Allotment*" on page 586. Further, for details in relation to the terms of the Offer, see section titled "*Terms of the Offer*" on page 546. For details, including in relation to grounds for rejection of Bids, refer to "*Offer Structure*" and "*Offer Procedure*" on pages 543 and 551, respectively.

GENERAL INFORMATION

Dr. Sushil Kanubhai Shah, one of our Promoters, commenced a pathology business in January 1980 as a partnership firm under the Dr. V. K. Desai's Hospital, which was subsequently converted into a private limited company, namely, MHSIPL in 2003 under the Companies Act, 1956. The name of MHSIPL was changed to Metropolis Health Services (India) Limited ("**MHSIL**") pursuant to a 'Fresh Certificate of Incorporation Consequent upon Change of Name on Conversion to Public Limited Company' granted by the RoC on March 1, 2006. In 2009, MHSIL amalgamated into Pathnet India Private Limited, which was wholly owned subsidiary of MHSIL. Pathnet India Private Limited subsequently changed its name to Metropolis Healthcare Limited. Pathnet India Private Limited was incorporated at New Delhi as a private limited company under the Companies Act, 1956 pursuant to the 'Certificate of Incorporation' granted by the Registrar of Companies, N. C. T. of Delhi and Haryana on November 10, 2000. The name of our Company was changed to Pathnet India Limited pursuant to a 'Fresh Certificate of Incorporation Consequent upon Change of Name on Conversion to Public Limited Company' granted by the RoC on July 1, 2009. The name of our Company was changed to Metropolis Healthcare Limited pursuant to a 'Fresh Certificate of Incorporation Consequent upon Change of Name' granted by the RoC on September 23, 2009. For further details, see "*History and Certain Corporate Matters*" on page 158.

Registered and Corporate Office of our Company

Metropolis Healthcare Limited
250 D Udyog Bhavan
Hind Cycle Marg, Worli
Mumbai 400 030
Telephone: (91 22) 6258 2810
Facsimile: Not available
E-mail: investor.relations@metropolisindia.com
Website: www.metropolisindia.com

Company Registration Number and Corporate Identity Number

The registration number and corporate identity number of our Company are as follows:

(a) Registration number: 192798
(b) Corporate identity number: U73100MH2000PLC192798

Registrar of Companies

Our Company is registered with the Registrar of Companies, Maharashtra at Mumbai, which is situated at the following address:

100, Everest, Marine Drive
Mumbai 400 002
Maharashtra, India

Board of Directors

The following table sets out the brief details of our Board as on the date of this Draft Red Herring Prospectus:

Name	Designation	DIN	Address
Dr. Sushil Kanubhai Shah	Chairman and Executive Director	00179918	71, Apurva Apartment, 5 Napeansea Road, Mumbai 400 036
Ameera Sushil Shah	Managing Director	00208095	71, Apurva Apartment, 5 Napeansea Road, Mumbai 400 036
Mihir Jagdish Doshi	Non-Executive and Non-Independent Director	01283331	4th Floor, Flat 41, Meher Apartments, 6/8 Anstey Road, 26WB, Mumbai 400 026
Vivek Gambhir	Independent Director	06527810	D-84, Malcha Marg, Ground Floor, Chanakyapuri, New Delhi 110 021

Name	Designation	DIN	Address
Sanjay Bhatnagar	Independent Director	00867848	3407 Williams Glen Drive, Sugar Land, Texas 774 79
Milind Shripad Sarwate	Independent Director	00109854	E/ 201-202, Sita Vihar, Near Damani Estate, LBS Marg, Naupada, Thane (West), Maharashtra – 400 602

For further details of our Board of Directors, see "*Our Management*" on page 181.

Company Secretary and Compliance Officer

Jayant Prakash is the Head Legal, Company Secretary and Compliance Officer of our Company. His contact details are as follows:

Jayant Prakash
250 D Udyog Bhavan
Hind Cycle Marg, Worli
Mumbai 400 030
Telephone: (91 22) 6258 2810
Facsimile: Not available
E-mail: investor.relations@metropolisindia.com
Website: www.metropolisindia.com

Investor Grievances

Bidders can contact the Company Secretary and Compliance Officer and/or the Registrar to the Offer in case of any pre- Offer or post- Offer related problems such as non-receipt of letters of Allotment, non-credit of Allotted Equity Shares in the respective beneficiary account, non-receipt of refund orders or non-receipt of funds by electronic mode, etc. For all Offer related queries and for redressal of complaints, Bidders may also write to the BRLMs, in the manner provided below.

All Offer related grievances, other than by Anchor Investors, may be addressed to the Registrar to the Offer, with a copy to the relevant Designated Intermediary, with whom the ASBA Form was submitted, quoting the full name of the sole or first Bidder, ASBA Form number, Bidders' DP ID, Client ID, PAN, address of the Bidder, number of Equity Shares applied for, date of ASBA Form, name and address of the relevant Designated Intermediary, where the Bid was submitted and ASBA Account number in which the amount equivalent to the Bid Amount was blocked. Further, the Bidder shall enclose the Acknowledgement Slip or provide the acknowledgement number received from the Designated Intermediaries in addition to the documents/information mentioned hereinabove.

In terms of SEBI circular no. SEBI/HO/CFD/DIL2/CIR/P/2018/22, dated February 15, 2018, any ASBA Bidder whose Bid has not been considered for Allotment, due to failure on the part of any SCSB, shall have the option to seek redressal of the same by the concerned SCSB within three months of the date of listing of the Equity Shares. SCSBs are required to resolve these complaints within 15 days, failing which the concerned SCSB would have to pay interest at the rate of 15% per annum for any delay beyond this period of 15 days.

All grievances of the Anchor Investors may be addressed to the Registrar to the Offer, giving full details such as the name of the sole or first Bidder, Bid cum Application Form number, Bidders' DP ID, Client ID, PAN, date of the Bid cum Application Form, address of the Bidder, number of the Equity Shares applied for, name and address of the relevant Designated Intermediary, unique transaction reference number, the name of the relevant bank, Bid Amount paid on submission of the Bid cum Application Form and the name and address of the BRLM where the Bid cum Application Form was submitted by the Anchor Investor.

All grievances relating to Bids submitted with Registered Brokers, may be addressed to the Stock Exchanges, with a copy to the Registrar to the Offer.

Further, Bidders shall also enclose a copy of the Acknowledgment Slip received from the Designated Intermediaries in addition to the information mentioned hereinabove.

Book Running Lead Managers

JM Financial Limited
7th Floor, Cnergy
Appasaheb Marathe Marg, Prabhadevi
Mumbai 400 025
Tel: (91 22) 6630 3030
Facsimile: (91 22) 6630 3330
Email: metropolis.ipo@jmfl.com
Investor Grievance Email: grievance.ibd@jmfl.com
Website: www.jmfl.com
Contact Person: Prachee Dhuri
SEBI Registration Number: INM000010361

Credit Suisse Securities (India) Private Limited^
9th Floor, Ceejay House
Dr. Annie Besant Road, Worli
Mumbai 400 018
Tel: (91 22) 6777 3885
Facsimile: (91 22) 6777 3820
Email: list.metropolisipo@credit-suisse.com
Investor Grievance Email: list.metropolisipo@credit-suisse.com
Website: www.credit-suisse.com
Contact Person: Akshay Lulla
SEBI Registration Number: INM000011161

Goldman Sachs (India) Securities Private Limited
Rational House
951-A, Appasaheb Marathe Marg, Prabhadevi
Mumbai 400 025
Tel: (91 22) 6616 9000
Facsimile: (91 22) 6616 9001
Email: gs-metropolis-ipo@gs.com
Investor Grievance Email: india-client-support@gs.com
Website: www.goldmansachs.com
Contact Person: Sonam Chopra
SEBI Registration Number: INM000011054

Kotak Mahindra Capital Company Limited
1st Floor, 27 BKC, Plot No. 27, G Block
Bandra Kurla Complex, Bandra (East)
Mumbai 400 051
Tel: (91 22) 4336 0000
Facsimile: (91 22) 6713 2447
Email: metropolis.ipo@kotak.com
Investor Grievance Email: kmccredressal@kotak.com
Website: www.investmentbank.kotak.com
Contact Person: Ganesh Rane
SEBI Registration Number: INM000008704

HDFC Bank Limited
Investment Banking Group
Unit No 401 & 402, 4th Floor
Tower B Peninsula Business Park
Lower Parel
Mumbai 400 013
Tel: (91 22) 3395 8233
Facsimile: (91 22) 3078 8584
Email: metropolis.ipo@hdfcbank.com
Investor Grievance Email: investor.redressal@hdfcbank.com
Website: www.hdfcbank.com
Contact Person: Rakesh Bhunatar/Ravi Sharma
SEBI Registration Number.: INM000011252

^ In compliance with the proviso to Regulation 21A(1) of the Securities and Exchange Board of India (Merchant Bankers) Regulations, 1992, as amended, read with proviso to Regulation 5(3) of the SEBI ICDR Regulations, Credit Suisse Securities (India) Private Limited is involved as a merchant banker only in marketing of the Offer.

Statement of inter-se allocation of responsibilities among the Book Running Lead Managers

The following table sets forth the inter-se allocation of responsibilities for various activities among the BRLMs for the Offer:

Sr. No.	Activity	Responsibility	Co-ordinator
1.	Capital Structuring with relative components and formalities such as type of instruments, etc.	JM Financial, Kotak, Goldman Sachs, HDFC	JM Financial
2.	Due diligence of Company's operations / management / business plans / legal etc. Drafting and design of Draft Red Herring Prospectus, Red Herring Prospectus including memorandum containing salient features of the Prospectus. The BRLMs shall ensure compliance with	JM Financial, Kotak, Goldman Sachs, HDFC	JM Financial

Sr. No.	Activity	Responsibility	Co-ordinator
	stipulated requirements and completion of prescribed formalities with the Stock Exchanges, RoC and SEBI including finalization of Prospectus and RoC filing, follow up and coordination till final approval from all regulatory authorities. Coordination for all agreements.		
3.	Drafting and approval of all statutory advertisement	JM Financial, Kotak, Goldman Sachs, HDFC	JM Financial
4.	Drafting and approval of all publicity material other than statutory advertisement including media monitoring, corporate advertisement, brochure etc. and coordination for media compliance report	JM Financial, Kotak, Goldman Sachs, HDFC	Goldman Sachs
5.	Appointment of other intermediaries viz., Registrar's, Printers, Advertising Agency and Bankers to the Issue	JM Financial, Kotak, Goldman Sachs, HDFC	Kotak
6.	Preparation of road show presentation and FAQs	JM Financial, Kotak, Credit Suisse, Goldman Sachs, HDFC	Credit Suisse
7.	International institutional marketing strategy • Finalize the list and division of investors for one to one meetings, in consultation with the Company, and • Finalizing the International road show schedule and investor meeting schedules	JM Financial, Kotak, Credit Suisse, Goldman Sachs, HDFC	Credit Suisse/ Goldman Sachs
8.	Domestic institutions / banks / mutual funds marketing strategy • Finalize the list and division of investors for one to one meetings, institutional allocation in consultation with the Company. • Finalizing the list and division of investors for one to one meetings, and • Finalizing investor meeting schedules	JM Financial, Kotak, Credit Suisse, Goldman Sachs, HDFC	JM Financial
9.	• Non-Institutional and Retail marketing of the Issue, which will cover, inter alia, • Formulating marketing strategies, preparation of publicity budget • Finalize Media and PR strategy • Finalizing centers for holding conferences for press and brokers • Finalising collection centres; • Follow-up on distribution of publicity and Issuer material including form, prospectus and deciding on the quantum of the Issue material	JM Financial, Kotak, Credit Suisse, Goldman Sachs, HDFC	Kotak
10.	Co-ordination with Stock Exchanges for Book Building software, bidding terminals and mock trading	JM Financial, Kotak, Goldman Sachs, HDFC	Kotak
11.	Finalization of pricing, in consultation with the Company	JM Financial, Kotak, Goldman Sachs, HDFC	JM Financial
12.	Post-issue activities, which shall involve managing Anchor book related activities and submission of letters to regulators post completion of Anchor issue, management of escrow accounts, coordination for basis of allotment based on technical rejections, essential follow-up steps including follow-up with bankers to the issue and Self Certified Syndicate Banks. Coordination with various agencies connected with the post-issue activity such as registrars to the issue, bankers to the issue, Self-Certified Syndicate Banks etc. listing of instruments, demat credit and refunds/ unblocking of funds announcement of allocation and dispatch of refunds to Bidders, etc, payment of the applicable STT. Coordination with SEBI and Stock Exchanges for refund of 1% security deposit.	JM Financial, Kotak, Goldman Sachs, HDFC	Kotak

^*In compliance with the proviso to Regulation 21A(1) of the Securities and Exchange Board of India (Merchant Bankers)*

Regulations, 1992, as amended, read with proviso to Regulation 5(3) of the SEBI ICDR Regulations, Credit Suisse Securities (India) Private Limited is involved as a merchant banker only in marketing of the Offer.

Syndicate Members

[●]

Legal Counsel to the Company as to Indian Law

Khaitan & Co
One Indiabulls Centre
13th Floor, Tower 1
841 Senapati Bapat Marg
Mumbai 400 013
Telephone: (91 22) 6636 5000
Facsimile: (91 22) 6636 5050

Legal Counsel to the BRLMs as to Indian Law

AZB & Partners
AZB House
Peninsula Corporate Park
Ganpatrao Kadam Marg, Lower Parel
Mumbai 400 013
Telephone: (91 22) 6639 6880
Facsimile: (91 22) 6639 6888

International Legal Counsel to the BRLMs

Sidley Austin LLP
Level 31, Six Battery Road
Singapore 049909
Telephone: (65) 6230 3900
Facsimile: (65) 6230 3939

Legal Counsel to the Investor Selling Shareholder as to Indian Law

L&L Partners*
20th Floor, Tower 2, Unit A2
Indiabulls Finance Centre
Elphinstone Road, Senapati Bapat Marg
Mumbai 400 013
Telephone: (91 22) 6630 3600
Facsimile: (91 22) 6630 3700
**Formerly known as Luthra & Luthra Law Offices*

International Legal Counsel to the Investor Selling Shareholder

Clifford Chance
Clifford Chance Pte Ltd
Marina Bay Financial Centre
25th Floor, Tower 3
Singapore 018 982
Telephone: (65) 6410 2200
Facsimile: (65) 6410 2288

Registrar to the Offer

Link Intime India Private Limited
C-101, 1st floor, 247 Park

L B S Marg
Vikhroli West
Mumbai 400 083
Telephone: (91 22) 4918 6200
Facsimile: (91 22) 4918 6195
E-mail: metropolis.ipo@linkintime.co.in
Investor grievance e-mail: metropolis.ipo@linkintime.co.in
Website: www.linkintime.co.in
Contact Person: Shanti Gopalkrishnan
SEBI Registration No.: INR000004058

Escrow Bank

[●]

Public Offer Account Bank

[●]

Refund Bank

[●]

Designated Intermediaries

Self –Certified Syndicate Banks

The list of banks that have been notified by SEBI to act as the SCSBs for the ASBA process is provided on the website of SEBI at http://www.sebi.gov.in/sebiweb/other/OtherAction.do?doRecognised=yes, or at such other website as may be prescribed by SEBI from time to time. A list of the Designated Branches of the SCSBs, with which a Bidder (other than an Anchor Investor), not bidding through the Syndicate/sub-syndicate or through a Registered Broker, CRTA or CDP may submit the Bid cum Application Forms, is available at http://www.sebi.gov.in/sebiweb/other/OtherAction.do?doRecognised=yes, or at such other website as may be prescribed by SEBI from time to time.

Syndicate SCSB Branches

In relation to Bids (other than Bids by Anchor Investor) submitted to a member of the Syndicate, the list of branches of the SCSBs at the Specified Locations named by the respective SCSBs to receive deposits of Bid cum Application Forms from the members of the Syndicate is available on the website of the SEBI (http://www.sebi.gov.in/sebiweb/other/OtherAction.do?doRecognised=yes), or at such other website as may be prescribed by SEBI from time to time. For more information on such branches collecting Bid cum Application Forms from the Syndicate at Specified Locations, see the website of the SEBI (http://www.sebi.gov.in/ sebiweb/other/OtherAction.do?doRecognised=yes).

Registered Brokers

Bidders can submit Bid cum Application Forms in the Offer using the stock broker network of the Stock Exchanges, *i.e.* through the Registered Brokers at the Broker Centres. The list of the Registered Brokers, including details such as postal address, telephone number and e-mail address, is provided on the websites of BSE and NSE at www.bseindia.com and www.nseindia.com, respectively, as may be updated from time to time. In relation to ASBA Bids submitted to the Registered Brokers at the Broker Centres, the list of branches of the SCSBs at the Broker Centres named by the respective SCSBs to receive deposits of the ASBA Forms from the Registered Brokers will be available on the website of the SEBI (www.sebi.gov.in) or at such other website as may be prescribed by SEBI from time to time.

Collecting Registrar and Share Transfer Agents

The list of the CRTAs eligible to accept Bid cum Application Forms at the Bidding Centres, including details such as address, telephone number and e-mail address, are provided on the websites of BSE and NSE at www.bseindia.com and www.nseindia.com, respectively, as may be updated from time to time.

Collecting Depository Participants

The list of the CDPs eligible to accept ASBA Forms at the Bidding Centres, including details such as name and contact details, are provided on the websites of BSE and NSE at www.bseindia.com and www.nseindia.com, respectively, as may be updated from time to time.

Statutory Auditors to our Company

B S R & Co. LLP, Chartered Accountants
Lodha Excelus, 5th Floor, Apollo Mills Compound
N. M. Joshi Marg, Mahalaxmi
Mumbai 400 011
Telephone: (91 22) 4345 5300
Facsimile: (91 22) 4345 5399
E-mail: amaster@bsraffiliates.com
ICAI Firm Registration No.: 101248W/W-100022
Peer review certificate No.: 009060

Bankers to our Company

Axis Bank Limited
Ground Floor, Bengal Chemical Bhavan
Veer Savarkar Marg, Prabhadevi
Mumbai 400 025
Telephone: (91 22) 6158 6969
Facsimile: Not available
Website: www.axisbank.com
Email: worli.operationshead@axisbank.com
Contact Person: Santosh Yadav

HDFC Bank Limited
Kamala Mills compound
Lower Parel
Mumbai 400 013
Telephone: (91 22) 2498 8484
Facsimile: Not available
Website: www.hdfcbank.com
Email: Not available
Contact Person: Akshat Tandon

ICICI Bank Limited
ICICI Centre
163, H.T. Parekh Marg , Churchgate
Mumbai 400 020
Telephone: (91 22) 6653 8700
Facsimile: (91 22) 6653 8888/ (91 22) 6653 8855
Website: www.icicibank.com
Email: cibdmum@icicibank.com
Contact Person: Areesh Kharas

YES Bank Limited
Ground Floor, Tower 2
Indiabulls Finance Centre
Senapati Bapat Marg, Lower Parel
Mumbai 400 013
Telephone: (91 22) 3366 9000
Facsimile: (91 22) 2421 4500
Website: www.yesbank.in
Email: communications@yesbank.in
Contact Person: Renu Balwada

Credit Rating

As the Offer comprises of Equity Shares, there is no credit rating for the Offer.

Grading of the Offer

No credit agency registered with SEBI has been appointed in respect of obtaining grading for the Offer.

Appraising Entity

No appraising agency has been appointed in respect of any of the Objects of the Offer.

Monitoring Agency

The Offer being made by way of an Offer for Sale by the Selling Shareholders, there is no requirement to appoint a monitoring agency to the Offer.

Experts

Except as stated below, our Company has not obtained any expert opinions:

Consent dated September 24, 2018 from the Statutory Auditors namely, B S R & Co. LLP, Chartered Accountants to include its name in this Draft Red Herring Prospectus and as an "expert" as defined under Section 2(38) of the Companies Act, 2013, in respect of the examination reports of the Statutory Auditors on the Restated Consolidated Summary Statements and Restated Standalone Summary Statements, each dated September 24, 2018, and the statement of tax benefits dated September 24, 2018, included in this Draft Red Herring Prospectus. However, the term "expert" shall not be construed to mean an "expert" as defined under the U.S. Securities Act. The consent of the Statutory Auditors has not been withdrawn as on the date of this Draft Red Herring Prospectus.

Trustees

As the Offer comprises of Equity Shares, there are no trustees appointed for the Offer.

Book Building Process

Book building, in the context of the Offer, refers to the process of collection of Bids from investors on the basis of the Red Herring Prospectus and the Bid cum Application Forms. The Price Band and the Minimum Bid Lot size will be decided by our Company and the Selling Shareholders, in consultation with the BRLMS, and will be advertised in all editions of [●] (a widely circulated English national daily newspaper), all editions of [●] (a Hindi national daily newspaper) and the [●] edition of [●] (a widely circulated Marathi newspaper, Marathi being the regional language of Maharashtra where our Registered Office is located), at least five Working Days prior to the Bid/Offer Opening Date and shall be made available to the Stock Exchanges for the purposes of uploading on their respective websites. The Offer Price will be decided by our Company and the Selling Shareholders, in consultation with the BRLMs, after the Bid/Offer Closing Date.

All Bidders (except Anchor Investors) can participate in this Offer only through the ASBA process. Anchor Investors are not permitted to participate in the Offer through the ASBA process.

In terms of the SEBI ICDR Regulations, QIBs and Non-Institutional Investors are not permitted to withdraw their Bid(s) or lower the size of their Bid(s) (in terms of quantity of Equity Shares or the Bid Amount) at any stage. Retail Individual Investors and Eligible Employees Bidding in the Employee Reservation Portion can revise their Bid(s) during the Bid/Offer Period and withdraw their Bid(s) until Bid/Offer Closing Date. Anchor Investors are not allowed to withdraw their Bids after the Anchor Investor Bidding Date. Except Allocation to Retail Individual Investors, Eligible Employees Bidding in the Employee Reservation Portion and the Anchor Investors, Allocation in the Offer will be on a proportionate basis. Allocation to the Anchor Investors will be on a discretionary basis.

Each Bidder by submitting a Bid in the Offer, will be deemed to have acknowledged the above restrictions and the terms of the Offer.

For further details on method and process of Bidding, see "*Offer Structure*" and "*Offer Procedure*" on pages 543 and 551, respectively.

Bidders should note the Offer is also subject to obtaining (i) final listing and trading approvals of the Stock Exchanges, which our Company shall apply for after Allotment; and (ii) the final approval of the RoC after the Prospectus is filed with the RoC.

Illustration of Book Building Process and the Price Discovery Process

For an illustration of the Book Building Process and the price discovery process, see "*Offer Procedure – Part B*

– *Basis of Allocation – Illustration of the Book Building and Price Discovery Process*" on page 585.

Offer Programme

For details on the Offer Programme, see "*Terms of the Offer*" on page 546.

Underwriting Agreement

After the determination of the Offer Price and allocation of Equity Shares but prior to the filing of the Prospectus with the RoC, our Company and the Selling Shareholders shall enter into an Underwriting Agreement with the Underwriters for the Equity Shares proposed to be offered through the Offer. Pursuant to the terms of the Underwriting Agreement, the obligations of the Underwriters will be several and will be subject to certain conditions to closing, as specified therein.

The Underwriting Agreement is dated [●]. The Underwriters have indicated their intention to underwrite the following number of Equity Shares:

(This portion has been intentionally left blank and will be filled in before filing of the Prospectus with the RoC)

Name, address, telephone, facsimile and e-mail of the Underwriters	Indicative number of Equity Shares to be underwritten	Amount underwritten (₹ in million)
[●]	[●]	[●]
[●]	[●]	[●]

The abovementioned amounts are provided for indicative purposes only and would be finalised after the determination of the Offer Price and finalisation of the Basis of Allotment, subject to the provisions of the SEBI ICDR Regulations.

In the opinion of our Board of Directors (based on representations made to our Company by the Underwriters), the resources of the Underwriters are sufficient to enable them to discharge their respective underwriting obligations in full. The Underwriters are registered with the SEBI under Section 12(1) of the SEBI Act or registered as brokers with the Stock Exchange(s). Our Board/IPO Committee, at its meeting held on [●], has accepted and entered into the Underwriting Agreement mentioned above on behalf of our Company.

Allocation among the Underwriters may not necessarily be in proportion to their underwriting commitments set forth in the table above. Notwithstanding the above table, the Underwriters shall be severally responsible for ensuring payment with respect to Equity Shares allocated to Bidders procured by them in accordance with the Underwriting Agreement.

The extent of underwriting obligations, and the Bids to be underwritten in the Offer shall be as per the Underwriting Agreement.

In the event of any default in payment, the respective Underwriter, in addition to other obligations defined in the Underwriting Agreement, will also be required to procure subscriptions for/subscribe to Equity Shares to the extent of the defaulted amount in accordance with the Underwriting Agreement.

CAPITAL STRUCTURE

The Equity Share capital of our Company as on the date of this Draft Red Herring Prospectus is set forth below

(In ₹ except share data)

Sr. No.	Particulars	Aggregate value at nominal value	Aggregate value at Offer Price^
A.	**AUTHORIZED SHARE CAPITAL**		
	295,754,015 Equity Shares	591,508,030	
B.	**ISSUED, SUBSCRIBED AND PAID-UP CAPITAL BEFORE THE OFFER**		
	50,178,680 Equity Shares	100,357,360	
C.	**PRESENT OFFER IN TERMS OF THIS DRAFT RED HERRING PROSPECTUS**		
	Offer for sale of up to 15,269,684 Equity Shares aggregating up to ₹ [●] million (1)(2)	30,539,368	[●]
	Of which		
	Employee Reservation Portion of up to 300,000 Equity Shares	600,000	[●]
D.	**ISSUED, SUBSCRIBED AND PAID-UP CAPITAL AFTER THE OFFER(3)**		
	50,178,680 Equity Shares	100,357,360	[●]
E.	**SECURITIES PREMIUM ACCOUNT**		
	Before the Offer	870,072,805	
	After the Offer	870,072,805	

^ *To be updated upon finalisation of the Offer Price.*

(1) The Offer has been authorized by our Board pursuant to resolutions dated September 24, 2018 and September 27, 2018.

(2) The Offered Shares are in compliance with Regulation 26(6) of the SEBI ICDR Regulations and accordingly, are eligible for sale in the Offer. For details of authorisations of each of the Selling Shareholders in relation to their respective portion of the Offered Shares, see "Other Regulatory and Statutory Disclosures" on page 525.

(3) Subject to Equity Shares that may be issued and allotted to eligible employees pursuant to MESOS 2015, between the date of this Draft Red Herring Prospectus and the Prospectus.

Changes in authorised share capital of our Company

For changes in relation to the authorised share capital of our Company since its incorporation, see "*History and Certain Corporate Matters*" on page 158.

Notes to the capital structure

1. **Equity Share capital history of our Company**

The history of the Equity Share capital of our Company is set forth in the table below:

Date of allotment/ buy-back/ sub-division	Number of equity shares allotted/ bought back	Face value (₹)	Issue price / buy-back per Equity Share (₹)	Nature of consideration	Reason for allotment/ buy-back	Cumulative number of Equity Shares	Cumulative paid-up Equity Share capital (in ₹)
November 7, 2000	2	10	10	Cash	Subscription to the Memorandum of Association(1)	2	20

Date of allotment/ buy-back/ sub-division	Number of equity shares allotted/ bought back	Face value (₹)	Issue price / buy-back per Equity Share (₹)	Nature of consideration	Reason for allotment/ buy-back	Cumulative number of Equity Shares	Cumulative paid-up Equity Share capital (in ₹)
June 29, 2001	4,224,500	10	10	Cash	Preferential allotment(2)	4,224,502	42,245,020
July 11, 2002	5,775,498	10	10	Cash	Preferential allotment(3)	10,000,000	100,000,000
May 31, 2005	33,937,807	10	10	Cash	Preferential allotment(4)	43,937,807	439,378,070
June 29, 2005	1,165,850	10	10	Cash	Preferential allotment(5)	45,103,657	451,036,570
August 17, 2005	1,220,960	10	10	Cash	Preferential allotment(6)	46,324,617	463,246,170
February 6, 2009	(46,324,617)	10	-	-	Cancellation of Equity Shares held by erstwhile Metropolis Health Services (India) Limited in Pathnet India Private Limited pursuant to the Scheme of Amalgamation 2009	-	-
February 6, 2009	9,375,000	10	-	Other than cash	Allotment pursuant to the Scheme of Amalgamation 2009(7)	9,375,000	93,750,000
July 2, 2010	489,130	10	613.33	Cash	Preferential allotment(8)	9,864,130	98,641,300
September 15, 2015	(320,484)	10	1,872.16	Cash	Buy-back of Equity Shares(9)	9,543,646	95,436,460
September 8, 2018	(2,657,730)	10	-	-	Cancellation of Equity Shares held by erstwhile Bacchus Hospitality Services and Real Estate Private Limited held in our Company pursuant to the Scheme of Amalgamation 2018	6,885,916	68,859,160
September 8, 2018	2,657,731	10	-	Other than cash	Allotment pursuant to the Scheme of Amalgamation 2018(10)	9,543,647	95,436,470
September 11, 2018	8,703	10	2,579	Cash	Conversion of warrant(11)	9,552,350	95,523,500
September 11, 2018	32,800	10	100	Cash	Allotment pursuant to MESOS 2007(12)	9,585,150	95,851,500
September 13, 2018	64,596	10	4,078	Other than cash	Preferential allotment(13)	9,649,746	96,497,460
September 15, 2018	385,990	10	-	Other than cash	Bonus issue(14)	10,035,736	100,357,360
September 20, 2018	-	2	-	-	Sub-division of Equity Shares(15)	5,01,78,680	100,357,360

Note:

(1) Our Company may issue and allot Equity Shares to eligible employees pursuant to MESOS 2015, between the date of this Draft Red Herring Prospectus and the Prospectus.

(2) *Allotment of one Equity Share each to Sunil Seth and Kamal Shahani pursuant to subscription to the Memorandum of Association.*

(3) *Allotment of 2,154,500 Equity Shares to Gribbles Group (Mauritius) Ltd and allotment of 2,070,000 Equity Shares to Dr. Reddy's Laboratories Limited.*

(4) *Allotment of 2,745,503 Equity Shares to Gribbles Group (Mauritius) Ltd; allotment of 2,829,995 Equity Shares to Dr. Reddy's Laboratories Limited and allotment of 200,000 Equity Shares to EC Medical Investment NV, Belgium.*

(5) *Allotment of 32,406,801 Equity Shares to Gribbles Group (Mauritius) Ltd and allotment of 1,531,006 Equity Shares to Dr. Reddy's Laboratories Limited.*

(6) *Allotment of 1,165,850 Equity Shares to Gribbles Group (Mauritius) Ltd.*

(7) *Allotment of 12,20,960 Equity Shares to Gribbles Group (Mauritius) Ltd.*

(8) *Allotment of 3,412,500 Equity Shares to Dr. Sushil Kanubhai Shah; allotment of 287,500 Equity Shares to Dr. Duru Sushil Shah; allotment of 25,000 Equity Shares to Ameera Sushil Shah; allotment of 25,000 Equity Shares to Jaswanti K. Shah; allotment of 3,412,500 Equity Shares to Dr. G. S. K. Velu; allotment of 287,500 Equity Shares to Subbulakshmi K. Velu; allotment of 50,000 Equity Shares to Gomathybabu Gomathy and allotment of 1,875,000 Equity Shares to IDBI Trusteeship Services Limited (India Advantage Fund – I). For further details in relation to the Scheme of Amalgamation 2009, see "History and Certain Corporate Matters" on page 158.*

(9) *Allotment of 489,130 Equity Shares to Foxcreek Investment Ltd.*

(10) *Buy-back of 320,484 Equity Shares from Dr. G. S. K. Velu by the Company.*

(11) *Allotment of 2,532,342 Equity Shares to Metz Advisory LLP; allotment of 110,540 Equity Shares to Dr. Sushil Kanubhai Shah; allotment of 9,970 Equity Shares to Ameera Sushil Shah (one Equity Share held as nominee of Metz Advisory LLP) and allotment of 4,879 Equity Shares to Dr. Duru Sushil Shah. For further details in relation to the Scheme of Amalgamation 2018, see "History and Certain Corporate Matters" on page 158.*

(12) *Allotment of 8,703 Equity Shares to Metz Advisory LLP pursuant to conversion of one warrant.*

(13) *Allotment of 21,250 Equity Shares to Dr. Nilesh Shah; allotment of 4,000 Equity Shares to Pramod Iyer and allotment of 7,550 Equity Shares to Mangesh Kulkarni.*

(14) *Allotment of 15,043 Equity Shares to Dr. Pranav Desai; allotment of 6,925 Equity Shares to Dr. Shefali Desai; allotment of 9,119 Equity Shares to Dr. Ravi Kumar H. N.; allotment of 11,102 Equity Shares to Dr. Vani Ravi Kumar; allotment of 4,777 Equity Shares to Vinod Lath; allotment of 4,777 Equity Shares to Dr. Bharat Gupta and allotment of 12,853 Equity Shares to Dr. K. Ramesh Kumar, pursuant to the Subsidiary Shareholding Acquisitions.*

(15) *Allotment of 385,990 Equity Shares to the Shareholders pursuant to a bonus issue in the ratio of 1:25.*

(16) *Our Company has, pursuant to a Shareholders' resolution dated September 14, 2018 (with effect from September 20, 2018), sub-divided its share capital by sub-dividing the face value of Equity Shares from ₹ 10 to ₹ 2 each Equity Share. Accordingly, the issued and paid-up capital of our Company was sub-divided from 10,035,736 Equity* Shares of *₹ 10 each to 50,178,680 Equity Shares of ₹ 2 each.*

2. **Equity Shares issued for consideration other than cash**

Except as set forth below, our Company has not issued any Equity Shares for consideration other than cash or though bonus issue:

Date of allotment	Name of allottees	Number of equity shares allotted	Face value (₹)	Issue price (₹)	Reason for allotment	Benefits accrued to our Company
February 6, 2009	Dr. Sushil Kanubhai Shah	3,412,500	10	-	Allotment pursuant to the Scheme of Amalgamation 2009	Greater synergy in operations, more efficient capital utilisation, stronger base for future business growth, administrative and operational rationalisation, organisational efficiencies, reduction in overheads and other expenses and optimal utilisation of various resources
	Dr. Duru Sushil Shah	287,500				
	Ameera Sushil Shah	25,000				
	Jaswanti K. Shah	25,000				
	Dr. G.S.K Velu	3,412,500				
	Subbulakshmi K. Velu	287,500				
	Gomathybabu Gomathy	50,000				
	IDBI Trusteeship Services Limited (India Advantage Fund – I)	1,875,000				
	Total	9,375,000				
September 8, 2018	Metz Advisory LLP	2,532,342	10	-	Allotment pursuant to the Scheme of Amalgamation 2018	
	Dr. Sushil Kanubhai Shah	110,540				
	Ameera Sushil Shah	9,970*				
	Dr. Duru Sushil Shah	4,879				
	Total	**2,657,731**				
September 13, 2018	Dr. Pranav Desai	15,043	10	4,078	Preferential allotment	Acquisition of shareholding in (i) R.V. Metropolis Diagnostic & Health Care Center Private Limited; (ii) Desai Metropolis Health Services Private Limited; (iii) Lab One Metropolis Healthcare Services Private Limited; and (iv) Sudharma Metropolis Health Services Private Limited, to make these entities wholly owned subsidiaries of the Company. For details, see "*Our Subsidiaries*" on page 171.
	Dr. Shefali Desai	6,925				
	Dr. Ravi Kumar H. N	9,119				
	Dr. Vani Ravi Kumar	11,102				
	Vinod Lath	4,777				
	Dr. Bharat Gupta	4,777				
	Dr. K. Ramesh Kumar	12,853				
	Total	**64,596**				
September 15, 2018	Shareholders of our Company as on September 14, 2018	385,990	10	-	Bonus Issue	-

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

3. **Issue of Equity Shares at a price lower than the Offer Price in the last year**

Except for Equity Shares allotted pursuant to (i) the MESOS 2007; (ii) the Scheme of Amalgamation 2018; (iii) conversion of one warrant held by Metz Advisory LLP; (iv) Bonus Issue; and (v) Subsidiary Shareholding

Acquisitions, our Company has not issued any Equity Shares at a price which may be lower than the Offer Price during a period of one year preceding the date of this Draft Red Herring Prospectus.

4. Other than as disclosed in " – *Equity Share capital history of our Company*" on page 90, our Company has not issued any Equity Shares in the last one year immediately preceding the date of this Draft Red Herring Prospectus.

5. Our Company has not allotted any Equity Shares out of revaluation reserves since its incorporation.

6. **Build-up of Promoters' shareholding, Minimum Promoters' Contribution and lock-in**

As on the date of this Draft Red Herring Prospectus, our Promoters (including through their nominees) collectively hold 2,48,09,555*^# Equity Shares in aggregate, equivalent to 49.44% of the pre-Offer issued, subscribed and paid-up Equity Share capital of our Company.

**In terms of the SPA, CA Lotus Investments shall sell 1,061,095 Equity Shares to Metz Advisory LLP or any other person nominated by Metz Advisory LLP, between the Red Herring Prospectus and the Prospectus, for a total consideration of ₹ 526.26 million, payment of which is subject to certain adjustments. For further details, see "History and Certain Corporate Matters" on page 169. Accordingly, if such Equity Shares are transferred to Metz Advisory LLP, the shareholding of Metz Advisory LLP shall increase from 1,46,30,120 Equity Shares (as of the date of this Draft Red Herring Prospectus) to 1,56,91,215 Equity Shares.*
^Includes five Equity Shares (post Sub-Division) held by Ameera Sushil Shah as nominee of Metz Advisory LLP
#Includes five Equity Shares (post Sub-Division) each held by Mayur Shah (jointly with Meera Shah) and Dr. Nilesh Shah as nominees of Dr. Sushil Kanubhai Shah

Build-up of the shareholding of our Promoters in our Company

The details regarding the build-up of shareholding of our Promoters since incorporation of our Company is set forth in the table below:

Date of allotment/ transfer	Nature of transaction	Number of Equity Shares	Nature of consideration	Face value per Equity Share (₹)	Issue price/ transfer price per Equity Share (₹)	Percentage of the pre- Offer capital (%)^	Percentage of the post-Offer capital (%)
Dr. Sushil Kanubhai Shah							
February 6, 2009	Allotment of Equity Shares pursuant to Scheme of Amalgamation 2009	3,412,500	Other than cash	10	-	34.00	[●]
July 2, 2010	Transfer (1)	(8,400)	Cash	10	613.33	(0.08)	[●]
September 21, 2010	Transfer by way of gift (2)	(113,410)	Other than Cash	10	-	(1.13)	[●]
September 21, 2010	Transfer by way of gift (3)	(24,990)	Other than Cash	10	-	(0.25)	[●]
March 26, 2014	Transfer (4)	25,000	Other than Cash	10	-	0.25	[●]
May 5, 2015	Transfer (5)	(1)	Other than Cash	10	-	(0.00)	[●]
September 4, 2015	Transfer (6)	(1)	Other than Cash	10	-	(0.00)	[●]
September 8, 2018	Allotment of Equity Shares pursuant to Scheme of Amalgamation 2018	110,540	Other than cash	10	-	1.10	[●]
September 15, 2018	Bonus Issue	136,050	Other than cash	10	-	1.36	[●]
September 17, 2018	Transfer by way of gift(7)	(15,37,772)	Other than cash	10	-	(15.32)	[●]
September 20, 2018	Sub-Division	9,997,580	-	2	-	19.92	[●]

Date of allotment/ transfer	Nature of transaction	Number of Equity Shares	Nature of consideration	Face value per Equity Share (₹)	Issue price/ transfer price per Equity Share (₹)	Percentage of the pre- Offer capital (%)^	Percentage of the post-Offer capital (%)
Total		**9,997,580****				**19.92**	**[●]**
Ameera Sushil Shah							
February 6, 2009	Allotment of Equity Shares pursuant to Scheme of Amalgamation 2009	25,000	Other than cash	10	-	0.25	[●]
July 2, 2010	Transfer [(8)]	(24,990)	Cash	10	613.33	(0.25)	[●]
September 21, 2010	Transfer by way of gift [(9)]	24,990	Other than Cash	10	-	0.25	[●]
September 8, 2018	Allotment of Equity Shares pursuant to Scheme of Amalgamation 2018	9,970*	Other than Cash	10	-	0.10	
September 15, 2018	Bonus Issue	1,399	Other than cash	10	-	0.01	[●]
September 20, 2018	Sub-Division	181,845	-	2	-	0.36	[●]
Total		**181,845***				**0.36**	**[●]**
Metz Advisory LLP							
February 16, 2016	Transfer [(10)]	272,440	Other than Cash	10	-	2.71	[●]
September 8, 2018	Allotment of Equity Shares pursuant to Scheme of Amalgamation 2018	2,532,342	Other than Cash	10	-	25.23	[●]
September 11, 2018	Conversion of warrants[(11)]	8,703	Cash	10	2,579	0.09	**[●]**
September 15, 2018	Bonus Issue	112,539	Other than cash	10	-	1.12	[●]
September 20, 2018	Sub-Division	14,630,120	-	2	-	29.16	[●]
Total		**14,630,120#**				**29.16**	**[●]**

Note: In terms of the SPA, CA Lotus Investments shall sell 1,061,095 Equity Shares to Metz Advisory LLP or any other person nominated by Metz Advisory LLP, between the Red Herring Prospectus and the Prospectus, for a total consideration of ₹526.26 million, payment of which is subject to certain adjustments. For further details, see "History and Certain Corporate Matters" on page 169. Accordingly, if such Equity Shares are transferred to Metz Advisory LLP, the shareholding of Metz Advisory LLP shall increase from 14,630,120 Equity Shares (as of the date of this Draft Red Herring Prospectus) to 15,691,215 Equity Shares.

^For allotments/ transfers/ gifts prior to the Sub-Division, issued and paid-up capital of the Company of 10,035,736 Equity Shares has been considered. For allotments/ transfers/ gifts after the Sub-Division, issued and paid-up capital of the Company of 50,178,680 Equity Shares, which is post Sub-Division has been considered.

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

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

(1) 8,400 Equity Shares transferred from Dr. Sushil Kanubhai Shah to Foxcreek Investment Limited.

(2) 113,410 Equity Shares transferred from Dr. Sushil Kanubhai Shah to Dr. Duru Sushil Shah.

(3) 24,990 Equity Shares transferred from Dr. Sushil Kanubhai Shah to Ameera Sushil Shah.

(4) 25,000 Equity Shares transferred from Jaswanti Shah to Dr. Sushil Kanubhai Shah (upon death of Jaswanti Shah).

(5) One Equity Share transferred from Dr. Sushil Kanubhai Shah to Mayur Shah (jointly with Meera Shah) as a nominee of Dr. Sushil Kanubhai Shah.

(6) One Equity Share transferred from Dr. Sushil Kanubhai Shah to Dr. Nilesh Shah as a nominee of Dr. Sushil Kanubhai Shah.

(7) 15,37,772 Equity Shares transferred from Dr. Sushil Kanubhai Shah to Dr. Duru Sushil Shah.

(8) 24,990 Equity Shares transferred from Ameera Sushil Shah to Foxcreek Investment Limited.

(9) 24,990 Equity Shares transferred from Dr. Sushil Kanubhai Shah to Ameera Sushil Shah.

(10) 272,440 Equity Shares transferred from CA Lotus Investments to Metz Advisory LLP in accordance with an agreement dated September 8, 2015 executed between our Company, Ameera Sushil Shah, Dr. Sushil Kanubhai Shah, Dr. Duru Sushil Shah, Bacchus Hospitality Services and Real Estate Private Limited (which has subsequently merged with our Company pursuant to the Scheme of Amalgamation 2018), Metz Advisory LLP and CA Lotus Investments, which was subsequently amended on October 21, 2015.

(11) Allotment of 8,703 Equity Shares to Metz Advisory LLP pursuant to conversion of one warrant.

All the Equity Shares held by the Promoters were fully paid-up on the respective dates of allotment of such Equity Shares.

Details of Equity Shares pledged by our Promoters

As on date of this Draft Red Herring Prospectus, details of Equity Shares held by Dr. Sushil Kanubhai Shah, Ameera Sushil Shah and Metz Advisory LLP, our Promoters that have been pledged for securing a term loan availed by Metz Advisory LLP in ordinary course of business from Credit Suisse Finance (India) Private Limited, Hero Fincorp Limited and Kotak Mahindra Prime Limited (collectively, the "**Lenders**"), are set forth below:

Name of Promoter	**Pledgee**	**Number of Equity Shares held**	**Number of Equity Shares pledged#**	**% of the pre-Offer Equity Share capital**
Dr. Sushil Kanubhai Shah	In favour of security trustee – Vistra ITCL (India) Limited	9,997,580$	9,997,580^	19.92
Ameera Sushil Shah	In favour of security trustee – Vistra ITCL (India) Limited	181,845*	181,845#	0.36
Metz Advisory LLP	In favour of security trustee – Vistra ITCL (India) Limited	14,630,120	4,378,304#	9.16
Total		**24,809,545**	**14,557,729**	**29.01**

*^Pledge on 5,017,868 Equity Shares, which are being offered for sale in the Offer, shall be released prior to the filing of the Red Herring Prospectus with the RoC, in accordance with terms of the consent letter dated September 27,2018 issued by the Lenders (the "**Lenders' Consent**"). Pledge on balance Equity Shares shall also be released on or prior to filing of the Red Herring Prospectus with the RoC in accordance with the terms of the Lenders' Consent.*
#Pledge on these Equity Shares shall be released on or prior to filing of the Red Herring Prospectus with the RoC in accordance with the terms of the Lenders' Consent.
**Includes five Equity Shares (post Sub-Division) held by Ameera Sushil Shah as nominee of Metz Advisory LLP*
$Excludes five Equity Shares (post Sub-Division) each held by Mayur Shah (jointly with Meera Shah) and Dr. Nilesh Shah as nominees of Dr. Sushil Kanubhai Shah

Shareholding of our Promoters and Promoter Group

For details of Equity Shares held by our Promoters, see *"- Build-up of the shareholding of our Promoters in our Company*" on page 94.

Other than Dr. Duru Sushil Shah, one of the members of the Promoter Group, who holds 9,209,230 Equity Shares, none of the other members of the Promoter Group hold any Equity Shares in our Company as on the date of this Draft Red Herring Prospectus.

Details of Promoters' contribution and lock-in

Pursuant to Regulations 32 and 36 of the SEBI ICDR Regulations, an aggregate of 20% of the fully diluted post-Offer paid-up Equity Share capital of our Company held by our Promoters shall be provided towards minimum promoters' contribution and locked-in for a period of three years from the date of Allotment ("Minimum Promoters' Contribution") and our Promoters' shareholding in excess of 20% shall be locked in for a period of one year from the Allotment. The Equity Shares forming a part of the Minimum Promoters' Contribution are eligible in terms of Regulation 33 of the SEBI ICDR Regulations.

Details of the Equity Shares (calculated on a fully diluted basis) to be locked-in for three years from the date of Allotment as Minimum Promoters' Contribution are set forth in the table below:

Name of Promoter	**Date of allotment of the Equity Shares***	**Date of transaction and when made fully paid-up**	**Nature of transaction**	**Face Value (₹)**	**Issue/ acquisition price per Equity Share (₹)**	**Number of Equity Shares locked-in**	**Percentage of the post-Offer paid-up capital (%)**
[●]	[●]	[●]	[●]	[●]	[●]	[●]	[●]

Note: The above table will be updated at the time of filing the Red Herring Prospectus with the RoC.

Our Promoters have consented to the inclusion of such number of Equity Shares held by them, in aggregate, that constitutes 20% of the post-Offer Equity Share capital of our Company on a fully diluted basis as Minimum Promoters' Contribution and have agreed not to sell, transfer, charge, pledge or otherwise encumber in any manner the Minimum Promoters' Contribution from the date of filing of this Draft Red Herring Prospectus until the commencement of the lock-in period specified above, or for such other time as required under the SEBI ICDR Regulations.

For details on the build-up of the Equity Share capital held by our Promoters, see "- *Build-up of Equity Shares held by our Promoters*" on page 94.

The Minimum Promoters' Contribution has been brought in to the extent of not less than the specified minimum lot and from the persons defined as 'promoter' under the SEBI ICDR Regulations. Our Company undertakes that the Equity Shares that are being locked-in are not ineligible for computation of Promoters' contribution in terms of Regulation 33 of the SEBI ICDR Regulations. In this connection, we confirm that:

(a) Except for Equity Shares which were acquired by the Promoters pursuant to the Scheme of Amalgamation 2018 in lieu of business and invested capital that has been in existence for a period of more than one year prior to the approval of the Scheme of Amalgamation 2018, which are eligible for Minimum Promoters' Contribution (the "**Scheme Shares**"), the Equity Shares offered for Minimum Promoters' Contribution do not include Equity Shares acquired in the three immediately preceding years for consideration other than cash, and revaluation of assets or capitalisation of intangible assets, or resulting from a bonus issue by utilisation of revaluation reserves or unrealised profits of our Company or bonus issue against Equity Shares, which are otherwise ineligible for computation of Promoters' contribution;

(b) Except for the Scheme Shares, the Minimum Promoters' Contribution does not include any Equity Shares acquired during the immediately preceding one year at a price lower than the price at which the Equity Shares are being offered to the public in the Offer;

(c) Our Company has not been formed by the conversion of a partnership firm into a company. For details see "*History and Certain Corporate Matters*" on page 158;

(d) The Equity Shares forming part of the minimum Promoters' contribution are not subject to any pledge; and

(e) All the Equity Shares held by the Promoters are in dematerialised form.

Other lock-in requirements:

Unless provided otherwise under applicable law, the entire pre-Offer capital of our Company shall be locked in for a period of one year from the date of Allotment, except for (a) the Minimum Promoters' Contribution which shall be locked in for three years, as set out above; (b) the Equity Shares which will be transferred by way of the Offer for Sale; (c) the Equity Shares held by the eligible employees of our Company, which were allotted to, and are currently held by, such employees (who continue to be such employees as on the date of Allotment) pursuant to exercise of options under the MESOS 2007; and (d) the Equity Shares which may be allotted, pursuant to exercise of options under the MESOS 2015, to the eligible employees of our Company prior to completion of the Offer, who continue to be such employees as on the date of Allotment.

Any unsubscribed portion of the Offered Shares would also be locked in for a period of one year from the date of Allotment in accordance with the SEBI ICDR Regulations.

Pursuant to Regulation 39 of the SEBI ICDR Regulations, Equity Shares held by our Promoters which are locked-in for a period of one year from the date of Allotment may be pledged only with scheduled commercial banks or public financial institutions as collateral security for loans granted by such banks or public financial institutions, provided that the pledge of such Equity Shares is one of the terms of the sanction of such loans. Equity Shares locked-in as Minimum Promoters' Contribution for three years can be pledged only if in addition to fulfilling the aforementioned requirements, such loans have been granted by scheduled commercial banks or public financial institutions for the purpose of financing one or more objects of the Offer.

In terms of Regulation 40 of the SEBI ICDR Regulations, Equity Shares held by our Promoters may be transferred to a member of the Promoter Group or a new promoter or persons in control of our Company, subject to continuation of lock-in applicable to the transferee for the remaining period and compliance with provisions of the Takeover Regulations as applicable and such transferee shall not be eligible to transfer them till the lock-in period stipulated in SEBI ICDR Regulations has expired.

Further, in terms of Regulation 40 of the SEBI ICDR Regulations, Equity Shares held by persons other than our Promoters prior to the Offer and locked-in for a period of one year, may be transferred to any other person holding Equity Shares which are locked in along with the Equity Shares proposed to be transferred, subject to the continuance of the lock-in at the hands of the transferee and compliance with the provisions of the Takeover Regulations and such transferee shall not be eligible to transfer them till the lock-in period stipulated in SEBI ICDR Regulations has expired..

Any Equity Shares Allotted to Anchor Investors under the Anchor Investor Portion shall be locked-in for a period of 30 days from the date of Allotment.

7. **Employee Stock Option Plan**

Metropolis Employee Stock Option Scheme 2007

Metropolis Health Services (India) Private Limited had instituted the Metropolis Employee Stock Option Scheme 2007, which had been approved by our Board on September 29, 2007 pursuant to the authority vested in it by its shareholders pursuant to a special resolution passed in the annual general meeting dated September 29, 2007. Upon the Scheme of Amalgamation 2009 coming into effect, MESOS 2007 was taken over and implemented by our Company. The MESOS 2007 was amended pursuant to a special resolution passed in the extra-ordinary general meeting dated March 28, 2015 and February 28, 2018, respectively.

The Company had granted an aggregate of 150,900 options under the MESOS 2007 to eligible employees, of which 32,800 options were vested and exercised. As on the date of this Draft Red Herring Prospectus, there are no outstanding grants or vested options under the MESOS 2007 and no additional options will be granted by the Company under the MESOS 2007. Accordingly, the MESOS 2007 has been considered closed.

As on date of this Draft Red Herring Prospectus, 110,500 (adjusted for Bonus Issue and Sub-Division) Equity Shares issued pursuant to MESOS 2007 are held by existing employees of the Company and 110,500 (adjusted for Bonus Issue and Sub-Division) Equity Shares may be sold by the employees within three months from the date on which the Equity Shares will be listed on the Stock Exchanges.

Set forth below are details of grants, exercise and lapsed options under MESOS 2007 as on the date of this Draft Red Herring Prospectus:

Particulars	Details*
Total options granted	150,900
Options forfeited/ lapsed/ cancelled^	118,100
Options exercised	32,800
Total number of Equity Shares arising as a result of exercise of options	32,800
Options vested (including options that have been exercised)	127,315
Total number of vested options in force	-
Total number of options in force	-

**Adjusted for the Bonus Issue and Sub-Division*

^23,200 vested options held by certain former employees of the Company under the MESOS 2007 have been cancelled on account of misconduct, as defined in MESOS 2007.

Metropolis Employee Stock Option Scheme 2015

The Company has instituted an employee stock option plan, the Metropolis Employee Stock Option Scheme 2015, which has been approved by the Board on March 27, 2015, and approved by the Shareholders at the extra-ordinary general meeting held on March 28, 2015. The purpose of MESOS 2015 is to promote the success of the Company and the interest of its shareholders by rewarding, attracting, motivating, and retaining Employees for high levels of individual performance, for efforts to improve the financial performance of the Company.

The MESOS 2015 is administered by the Nomination and Remuneration Committee of our Company. The MESOS 2015 has been implemented in accordance with, and is in compliance with, the Securities and Exchange Board of India (Share Based Employee Benefits) Regulations, 2015.

Set forth below are details under the MESOS 2015 for the last three Fiscals and as on date of this Draft Red Herring Prospectus:

Particulars	Fiscal 2016	Fiscal 2017	Fiscal 2018	As on date of the Draft Red Herring Prospectus*
Total Options granted	Nil	27,800	213,350	1,109,420
Pricing formula	-	Intrinsic value method	Intrinsic value method	Intrinsic value method
Exercise price of options in `	Nil	₹ 3,670 per option	₹ 3,670 per option	₹ 705.77 per option
Total options vested (excluding forfeited/ lapsed/ cancelled options and including exercised options)	Nil	Nil	65,695	444,000
Options exercised	Nil	Nil	Nil	Nil
Total number of Equity Shares arising as a result of full exercise of options already granted (net of cancelled options)	Nil	27,800	2,07,770	1,080,400
Options forfeited/ lapsed/ cancelled	Nil	Nil	5,580	29,020
Variation in terms of options	-	-	On September 19, 2017, consent was given by the Nomination and Remuneration Committee, wherein the vesting schedule	-

Particulars	Fiscal 2016	Fiscal 2017	Fiscal 2018	As on date of the Draft Red Herring Prospectus*
			was modified to grant options under MESOS 2015. As per modified terms, option to - existing employees (person who is in continuous employment with the Company since January 1, 2016 or prior thereto) shall vest at the rate of 50% of grant on January 1, 2018, 25% of grant on January 1, 2019 and 25% of grant on January 1, 2020. New employees (person who is in continuous employment with the Company after January 1, 2016) shall vest at the rate of 50% of grant on completion of two years from date of joining, 25% of grant on completion of three years from date of joining and 25% of grant on completion of four years from date of joining.	
Money realised by exercise of options (in `)	-	Nil	Nil	Nil
Total number of Options outstanding (in force)	-	27,800	207,770	1,080,400
Employee wise details of options granted to:				
(i) Senior managerial personnel, i.e. Directors and Key Management Personnel	-	(i) Vijender Singh (ii) Tushar Karnik (iii) Dr. Nilesh Shah (*Refer note 1*)	(i) Vijender Singh (ii) Tushar Karnik (iii) Dr. Nilesh Shah (*Refer note 1*)	(i) Vijender Singh (ii) Tushar Karnik (iii) Dr. Nilesh Shah (*Refer note 1*)
(ii) Any other employee who received a grant in any one year of options amounting to 5% or more of the options granted during the year.	-	Avadhut Joshi (*Refer note 2*)	(i) Avadhut Joshi (ii) Mitesh Dave (iii) Ravinder Sethi (*Refer note 2*)	(i) Avadhut Joshi (ii) Mitesh Dave (iii) Ravinder Sethi (*Refer note 2*)
(iii) Identified employees	-	Nil	Nil	Nil

<table>
<tr><th>Particulars</th><th>Fiscal 2016</th><th>Fiscal 2017</th><th>Fiscal 2018</th><th>As on date of the Draft Red Herring Prospectus*</th></tr>
<tr><td>who are granted options, 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.</td><td></td><td></td><td></td><td></td></tr>
<tr><td>Fully diluted EPS on a pre-Offer basis on exercise of options calculated in accordance with Accounting Standard (AS) 20 ‘Earning Per Share’</td><td colspan="4"><table>
<tr><th></th><th>Fiscal 2016</th><th>Fiscal 2017</th><th>Fiscal 2018</th></tr>
<tr><td>Reported diluted EPS as per Standalone Restated Summary Statements (after Bonus Issue and Sub-Division)</td><td>15.24</td><td>15.87</td><td>16.76</td></tr>
<tr><td>Reported diluted EPS as per Consolidated Restated Summary Statements (after Bonus Issue and Sub-Division)</td><td>15.14</td><td>20.35</td><td>20.49</td></tr>
</table></td></tr>
<tr><td>Difference between employee compensation cost calculated using the intrinsic value of options and the employee compensation cost that shall have been recognised if the Company had used fair value of options and impact of this difference on profits and EPS of the Company for the last three Fiscals</td><td>-</td><td>₹ 0.43 million</td><td>₹ 16.60 million</td><td>-</td></tr>
<tr><td>Weighted-average exercise prices and weighted-average fair values of options shall be disclosed separately for options whose exercise price either equals or exceeds or is less than the market price of the stock for the last three Fiscals</td><td>-</td><td>-</td><td>-</td><td>-</td></tr>
<tr><td>Description of the method and significant assumptions used during the year to estimate the fair values of options, including weighted-average information, namely, risk-free interest rate, expected life, expected volatility, expected dividends and the price of the underlying</td><td>-</td><td>The fair value of employee share options has been measured using Black Scholes Option Pricing Model and is charged to the statement of profit and loss. The fair value of the options and the inputs used in</td><td>The fair value of employee share options has been measured using Black Scholes Option Pricing Model and is charged to the statement of profit and loss. The fair value of the options and the inputs used in</td><td>-</td></tr>
</table>

Particulars	Fiscal 2016	Fiscal 2017	Fiscal 2018	As on date of the Draft Red Herring Prospectus*
share in market at the time of grant of the option for the last three Fiscals		the measurement of the grant date fair values of the equity settled share based payment plans are as follows: • Volatility: 16.70% • Expected weighted average life: 4.05 year • Expected dividend: 3% • Risk free rate of return :7.42% • Fair value at grant date: ₹ 66	the measurement of the grant date fair values of the equity settled share based payment plans are as follows: • Volatility: 16.04% • Expected weighted average life: 1.64 year • Expected dividend: 3% • Risk free rate of return :6.35% • Fair value at grant date: ₹ 142.80	
Vesting schedule (and conditions for vesting)	-	Existing employees (person who is in continuous employment with the Company since January 1, 2016 or prior thereto) shall vest at the rate of 50% of grant on January 1, 2018, 25% of grant on January 1, 2019 and 25% of grant on January 1, 2020.	Existing employees (person who is in continuous employment with the Company since January 1, 2016 or prior thereto) shall vest at the rate of 50% of grant on January 1, 2018, 25% of grant on January 1, 2019 and 25% of grant on January 1, 2020.	Existing employees (person who is in continuous employment with the Company since January 1, 2016 or prior thereto) shall vest at the rate of 50% of grant on January 1, 2018, 25% of grant on January 1, 2019 and 25% of grant on January 1, 2020. New employees (person who is in continuous employment with the Company after January 1, 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.
Lock-in	-	-	-	-
Impact on profits and EPS of the last three years if the Company had followed the accounting policies specified in Regulation 15 of the SEBI ESOP	-	No impact, being already considered as per applicable accounting standards	No impact, being already considered as per applicable accounting standards	-

Particulars	Fiscal 2016	Fiscal 2017	Fiscal 2018	As on date of the Draft Red Herring Prospectus*
Regulations in respect of options granted in the last three years				
Aggregate number of Equity Shares intended to be sold by holders of Equity Shares allotted on exercise of options granted under the MESOS 2015, within three months after the listing of Equity Shares	The employees may sell the equity shares to be received on exercise on options within three months of listing of the Equity Shares on the Stock Exchanges			
Aggregate number of Equity Shares intended to be sold by holders of Equity Shares allotted on exercise of options granted under the MESOS 2015, within three months after the listing of Equity Shares by Directors, senior managerial personnel and employees having Equity Shares issued under MESOS 2015 amounting to more than 1% of the issued capital of the Company	The holders of Equity Shares allotted on exercise of options granted under the MESOS 2015 may sell the equity shares to be received on exercise on options within three months of listing of the Equity Shares on the Stock Exchanges			

**Adjusted for the Bonus Issue and Sub-Division*

Note 1: Details regarding options granted under the MESOS 2015 to the senior managerial personnel *i.e.* Directors and Key Management Personnel of the Company as on date are set forth below:

Name of senior managerial personnel	Total number of options granted	Total number of options cancelled/forfeited	Total number of options outstanding*
Vijender Singh (Chief Executive Officer)	76,350	-	397,020
Tushar Karnik (Chief Financial Officer)	10,000	-	52,000
Dr. Nilesh Shah (Group President and Head of Science and Innovation)	10,000	-	52,000

**Adjusted for the Bonus Issue and Sub-Division*

Note 2: Employee who received a grant in any one year of options amounting to 5% or more of the options granted during the year, under the MESOS 2015 as on date are set forth below:

Name of senior managerial personnel	Total number of options granted	Total number of options cancelled/forfeited	Total number of options outstanding*
Avadhut Joshi	14,130	-	73,475
Mitesh Dave	14,130	-	73,475
Ravinder Sethi	16,000	-	83,200

**Adjusted for the Bonus Issue and Sub-Division*

8. **Shareholding Pattern of our Company**

The table below presents the shareholding pattern of our Company as on the date of this Draft Red Herring Prospectus

Category (I)	Category of shareholder (II)	Number of shareholders (III)	Number of fully paid up equity shares held (IV)	Number of Partly paid-up equity shares held (V)	Number of shares underlying Depository Receipts (VI)	Total number of shares held (VII) =(IV)+(V) + (VI)	Shareholding as a % of total number of shares (calculated as per SCRR, 1957) (VIII) As a % of (A+B+C2)	Number of Voting Rights held in each class of securities (IX)				Number of shares Underlying Outstanding convertible securities (including Warrants) (X)	Shareholding, as a % assuming full conversion of convertible securities (as a percentage of diluted share capital) (XI)= (VII)+(X) As a % of (A+B+C2)	Number of Locked in shares (XII)		Number of Shares pledged or otherwise encumbered (XIII)		Number of equity shares held in dematerialized form (XIV)
								Number of Voting Rights			Total as a % of (A+B+C)			Number (a)	As a % of total Shares held (b)	Number (a)	As a % of total Shares held (b)	
								Class eg: Equity Shares	Class eg: Others	Total								
(A)	Promoter and Promoter Group	7^	34,018,785	-	0	34,018,785	67.80	34,018,785	-	34,018,785	67.80	-	67.80	-	-	23,766,959*	69.86	34,018,785
(B)	Public	11	16,159,895	-	0	16,159,895	32.20	16,159,895	-	16,159,895	32.20	-	32.20	-	-	-	-	16,029,905
(C)	Non Promoter-Non Public	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-		-
(C1)	Shares underlying DRs	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-		-
(C2)	Shares held by Employee Trusts	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-		-
	Total	18^	50,178,680		50,178,680	50,178,680	100.00	50,178,680		50,178,680	100	-	100.00	-	-	23,766,959*	69.86	50,152,682

**Pledge on 14,557,729 Equity Shares held by Dr. Sushil Kanubhai Shah, Ameera Sushil Shah and Metz Advisory LLP shall be released prior to the filing of the Red Herring Prospectus in accordance with the terms of the Lenders' Consent. 9,209,230 Equity Shares held by Dr. Duru Sushil Shah shall continue to be pledged in favour of Vistra ITCL (India) Limited, security trustee, acting for and on behalf of the Lenders.*
^Including nominee Shareholders.

Details of Equity Shareholding of the 10 largest Equity Shareholders of our Company

(i) The ten largest Equity Shareholders and the number of Equity Shares held by them as on the date of this Draft Red Herring Prospectus is set forth in the table below:

Sr. No.	Name of the Shareholder	Number of Equity Shares	Percentage of the pre- Offer Equity Share capital (%)
1.	CA Lotus Investments	15,653,435	31.20
2.	Metz Advisory LLP	14,630,120#	29.16
3.	Dr. Sushil Kanubhai Shah	9,997,580*	19.92
4.	Dr. Duru Sushil Shah	9,209,230	18.35
5.	Ameera Sushil Shah	181,845^	0.36
6.	Dr. Nilesh Shah	110,500@	0.22
7.	Dr. Pranav Desai	78,225	0.16
8.	Dr. K. Ramesh Kumar	66,835	0.13
9.	Vani Ravi Kumar	57,730	0.12
10.	Ravi Kumar H.N	47,420	0.09
	Total	**50,032,920**	**99.71**

**Excludes five Equity Shares (post Sub-Division) each held by Mayur Shah (jointly with Meera Shah) and Dr. Nilesh Shah as nominees of Dr. Sushil Kanubhai Shah*
^Includes five Equity Shares (post Sub-Division) held by Ameera Sushil Shah as nominee of Metz Advisory LLP
#Excludes five Equity Shares (post Sub-Division) held by Ameera Sushil Shah as nominee of Metz Advisory LLP
@Excludes five Equity Shares (post Sub-Division) held by Dr. Nilesh Shah as nominee of Dr. Sushil Kanubhai Shah
Note: In terms of the SPA, CA Lotus Investments shall sell 1,061,095 Equity Shares to Metz Advisory LLP or any other person nominated by Metz Advisory LLP, between the Red Herring Prospectus and the Prospectus, for a total consideration of ₹ 526.26 million, payment of which is subject to certain adjustments. For further details, see "History and Certain Corporate Matters" on page 158. Accordingly, if such Equity Shares are transferred to Metz Advisory LLP, the shareholding of Metz Advisory LLP shall increase from 14,630,120 Equity Shares (as of the date of this Draft Red Herring Prospectus) to 15,691,215 Equity Shares

(ii) The ten largest Equity Shareholders and the number of Equity Shares held by them 10 days prior to the date of this Draft Red Herring Prospectus is set forth in the table below:

Sr. No.	Name of the Shareholder	Number of Equity Shares	Percentage of the pre- Offer Equity Share capital (%)
1.	CA Lotus Investments	3,130,687	31.20
2.	Metz Advisory LLP	2,926,024#	29.16
3.	Dr. Sushil Kanubhai Shah	1,999,516*	19.92
4.	Dr. Duru Sushil Shah	1,841,846	18.35
5.	Ameera Sushil Shah	36,369^	0.36
6.	Dr. Nilesh Shah	22,100@	0.22
7.	Dr. Pranav Desai	15,645	0.16
8.	Dr. K. Ramesh Kumar	13,367	0.13
9.	Vani Ravi Kumar	11,546	0.12
10.	Ravi Kumar H.N	9,484	0.09
	Total	**10,006,584**	**99.71**

**Excludes one Equity Share each held by Mayur Shah (jointly with Meera Shah) and Dr. Nilesh Shah as nominees of Dr. Sushil Kanubhai Shah*
^Includes one Equity Share held by Ameera Sushil Shah as nominee of Metz Advisory LLP
#Excludes one Equity Shares held by Ameera Sushil Shah as nominee of Metz Advisory LLP
@Excludes one Equity Share held by Dr. Nilesh Shah as nominee of Dr. Sushil Kanubhai Shah
Note: The above table does not take into consideration the Sub-Division

(iii) The largest Equity Shareholders and the number of Equity Shares held by them two years prior to the date of this Draft Red Herring Prospectus is set forth in the table below:

Sr. No.	Name of the Shareholder	Number of Equity Shares	Percentage of the pre- Offer Equity Share capital (%)
1.	Dr. Sushil Kanubhai Shah	3,290,698*	34.48
2.	CA Lotus Investments	3,010,276	31.54
3.	Bacchus Hospitality Services and Real Estate Private Limited@	2,657,730	27.85
4.	Dr. Duru Sushil Shah	287,500	3.01

Sr. No.	Name of the Shareholder	Number of Equity Shares	Percentage of the pre- Offer Equity Share capital (%)
5.	Metz Advisory LLP	272,440	2.85
6.	Ms. Ameera Sushil Shah	25,000	0.26
7.	Dr. Nilesh Shah	1	0.00
8.	Mayur Shah	1	0.00
	Total	**95,43,646**	**100.00**

@Bacchus Hospitality Services and Real Estate Private Limited amalgamated with our Company pursuant to the Scheme of Amalgamation 2018. For details, see "History and Certain Corporate Matter" on page 169.
**Excludes one Equity Share each held by Mayur Shah (jointly with Meera Shah) and Dr. Nilesh Shah as nominees of Dr. Sushil Kanubhai Shah*

9. Except for Dr. Sushil Kanubhai Shah, Ameera Sushil Shah and Dr. Nilesh Shah, none of our Directors or Key Management Personnel hold any Equity Shares as on the date of this Draft Red Herring Prospectus. For details of shareholding in our Company by Directors and Key Management Personnel, see "*Our Management*" on page 181.

10. All Equity Shares Allotted pursuant to the Offer will be fully paid-up at the time of Allotment and there are no partly-paid up Equity Shares as on the date of this Draft Red Herring Prospectus.

11. As on the date of this Draft Red Herring Prospectus, the Book Running Lead Managers and their respective associates do not hold any Equity Shares in our Company.

12. Except as disclosed in "*– Notes to Capital Structure*", as on the date of this Draft Red Herring Prospectus, our Company has not allotted any Equity Shares pursuant to any scheme approved under Sections 391 to 394 of the Companies Act, 1956 or Sections 230 to 232 of the Companies Act, 2013.

13. Our Company has not made any public issue or rights issue of any kind or class of securities since its incorporation.

14. No payment, direct or indirect in the nature of discount, commission and allowance or otherwise shall be made either by our Company or the Promoters to the persons who are Allotted Equity Shares.

15. Except as disclosed in *"– Notes to Capital Structure*", none of the members of the Promoter Group, or partners of Metz Advisory LLP, or Directors and their immediate relatives have purchased or sold any securities of our Company during the period of six months immediately preceding the date of this Draft Red Herring Prospectus.

16. As on the date of filing of this Draft Red Herring Prospectus, our Company has 18 Shareholders (including nominee Shareholders).

17. Neither our Company, nor the Directors have entered into any buy-back, safety net and/or standby arrangements for purchase of Equity Shares from any person. Further, the Book Running Lead Managers have not entered into any buy-back, safety net and/or standby arrangements for purchase of Equity Shares from any person.

18. Except for Equity Shares offered by Dr. Sushil Kanubhai Shah in the Offer, none of our Promoters and members of the Promoter Group will participate in the Offer.

19. There have been no financing arrangements whereby the members of the Promoter Group, or the partners of Metz Advisory LLP, or Directors and their relatives have financed the purchase by any other person of securities of our Company, during a period of six months immediately preceding the date of filing of this Draft Red Herring Prospectus.

20. Other than the Equity Shares which may be issued pursuant to exercise of options under the MESOS 2015 and any future acquisitions by the Company including towards increasing its shareholding in its Subsidiaries, our Company presently does not intend or propose to alter its capital structure for a period of six months from the Bid/ Offer Opening Date, by way of split or consolidation of the denomination of Equity Shares, or by way of further issue of Equity Shares (including issue of securities convertible into or exchangeable, directly or indirectly, for Equity Shares), whether on a preferential basis, or by way of issue of bonus Equity Shares, or on a rights basis, or by way of further public issue of Equity Shares, or qualified institutions placement, or otherwise.

21. In terms of Rule 19(2)(b) of the SCRR read with Regulation 41 of the SEBI ICDR Regulations, the Offer is being made for at least 10% of the post-Offer paid up Equity Share capital of our Company. Further, the Offer is being made through the Book Building Process, in compliance with Regulation 26(2) of the SEBI ICDR Regulations, wherein at least 75% of the Net Offer shall be allocated on a proportionate basis to QIBs provided that our Company and the Selling Shareholders, in consultation with the BRLMs, may allocate up to 60% of the QIB Portion to Anchor Investors, on a discretionary basis, of which one-third shall be reserved for domestic Mutual Funds, subject to valid Bids being received from domestic Mutual Funds at or above the Anchor Investor Allocation Price. In the event of undersubscription, or non-allocation in the Anchor Investor Portion, the balance Equity Shares shall be added to the QIB Portion. Further, 5% of the QIB Portion (excluding the Anchor Investor Portion) shall be available for allocation on a proportionate basis to Mutual Funds only. The remainder of the QIB Portion shall be available for allocation on a proportionate basis to QIBs, subject to valid Bids being received from them at or above the Offer Price. If at least 75% of the Net Offer cannot be Allotted to QIBs, the entire application money shall be refunded forthwith. Further, not more than 15% of the Net Offer will be available for allocation on a proportionate basis to Non-Institutional Investors and not more than 10% of the Net Offer will be available for allocation to Retail Individual Investors, in accordance with the SEBI ICDR Regulations, subject to valid Bids being received at or above the Offer Price.

22. Of the Offer of up to 15,269,684 Equity Shares, up to 300,000 Equity Shares shall be reserved for allocation to Eligible Employees on a proportionate basis, subject to valid Bids being received at or above the Offer Price. Only Eligible Employees would be eligible to apply in this Offer under the Employee Reservation Portion. Bids by Eligible Employees can also be made in the Net Offer and such Bids shall not be treated as multiple Bids. Unless the Employee Reservation Portion is undersubscribed, the value of allocation to an Eligible Employee shall not exceed ₹ 200,000. In the event of undersubscription in the Employee Reservation Portion, the unsubscribed portion may be allocated, on a proportionate basis, to Eligible Employees for value exceeding ₹ 200,000 up to ₹ 500,000 each. Any unsubscribed portion remaining in the Employee Reservation Portion shall be added to the Net Offer to the public.

23. Subject to valid Bids being received at or above the Offer Price, undersubscription, if any, in any category except the QIB Portion, would be allowed to be met with spill over from any other category or combination of categories at the discretion of our Company and the Selling Shareholders, in consultation with the BRLMs and the Designated Stock Exchange. However, undersubscription, if any, in the QIB Portion will not be allowed to be met with spill-over from other categories or a combination of other categories.

24. Our Company shall ensure that any transaction in the Equity Shares by the Promoters and the members of the Promoter Group during the period between the date of registering the Red Herring Prospectus with the RoC and the date of closure of the Offer shall be reported to the Stock Exchanges within 24 hours of such transaction.

25. There shall be only one denomination of the Equity Shares, unless otherwise permitted by law.

26. Other than Equity Shares that may be issued and allotted to eligible employees pursuant to MESOS 2015, between the date of this Draft Red Herring Prospectus and the Prospectus, there will be no further issue of Equity Shares whether by way of issue of bonus shares, preferential allotment, rights issue or in any other manner during the period commencing from filing of this Draft Red Herring Prospectus with SEBI until the Equity Shares have been listed on the Stock Exchanges.

27. No person connected with the Offer, including, but not limited to, the Book Running Lead Managers, the members of the Syndicate, our Company, the Directors, the Promoters and members of the Promoter Group, shall offer any incentive, whether direct or indirect, in any manner, whether in cash or kind or otherwise to any Bidder for making a Bid.

28. Except as disclosed in "*Capital Structure – Employee Stock Option Plan*" on page 98, there are no outstanding warrants, options or rights to convert debentures, loans or other instruments convertible into, or which would entitle any person any option to receive Equity Shares, as on the date of this Draft Red Herring Prospectus.

OBJECTS OF THE OFFER

The objects of the Offer are to achieve the benefits of listing the Equity Shares on the Stock Exchanges and for the Offer for Sale. Further, our Company expects that listing of the Equity Shares will enhance our visibility and brand image and provide liquidity to our Shareholders. The listing will also provide a public market for the Equity Shares in India. Our Company will not receive any proceeds from the Offer and all the proceeds will be received by the Selling Shareholders, in proportion to the Offered Shares sold by the respective Selling Shareholders as part of the Offer. For details of Offered Shares by each Selling Shareholder, see *"Other Regulatory and Statutory Disclosures*" on page 525.

As on date of this Draft Red Herring Prospectus, certain Equity Shares held by Dr. Sushil Kanubhai Shah, Ameera Sushil Shah and Metz Advisory LLP, our Promoters, have been pledged for securing a term loan availed by Metz Advisory LLP in ordinary course of business from Credit Suisse Finance (India) Private Limited, Hero Fincorp Limited and Kotak Mahindra Prime Limited (the "**Loan**"). For details, see "*Capital Structure – Details of Equity Shares pledged by our Promoters*" on page 96. Credit Suisse Finance (India) Private Limited is an affiliate of Credit Suisse and Kotak Mahindra Prime Limited is an affiliate of Kotak. Dr. Sushil Kanubhai Shah may partly repay the Loan out of proceeds received by him in the Offer.

Offer related expenses

The total Offer related expenses are estimated to be approximately ₹ [●] million. The Offer related expenses consist of listing fees, selling commission and brokerage, fees payable to the BRLMs, legal counsels, Registrar to the Offer, Banker to the Offer including processing fee to the SCSBs for processing ASBA Forms submitted by ASBA Bidders procured by the Syndicate and submitted to SCSBs, brokerage and selling commission payable to Registered Brokers, SCSCBs, RTAs and CDPs, printing and stationery expenses, advertising and marketing expenses and all other incidental expenses for listing the Equity Shares on the Stock Exchanges. The breakup of the estimated Offer expenses is set forth below:

Activity	Amount (1) (₹in million)	As a % of total estimated Offer related expenses(1)	As a % of Offer size(1)
Fees payable to the BRLMs (including brokerage, underwriting and selling commission)	[●]	[●]	[●]
Brokerage, selling commission and bidding charges for members of the Syndicate, SCSBs, RTAs and CDPs (2)			
Selling Commission and Processing fees to SCSBs for ASBA Applications procured by the Syndicate, Sub-Syndicate, Registered Brokers, RTAs or CDPs and submitted with the SCSBs; and Bidding Charges to members of the Syndicate, RTAs and CDPs (3)	[●]	[●]	[●]
Selling commission for Registered Brokers(4)	[●]	[●]	[●]
Fees payable to Registrar to the Offer	[●]	[●]	[●]
Printing and stationery expenses	[●]	[●]	[●]
Advertising and marketing expenses	[●]	[●]	[●]
Others: (i) Listing fees; (ii) SEBI, BSE and NSE processing fees; (iii) Book-building software fees (iv) Other regulatory expenses (v) Monitoring agency fees (vi) Fees payable to legal counsels; and (vii) Miscellaneous	[●]	[●]	[●]
Total estimated Offer expenses	[●]	[●]	[●]

(1) *The Offer expenses will be incorporated in the Prospectus on finalization of Offer Price.*

(2) *Selling commission payable to the SCSBs on the portion for Retail Individual Bidders and Non-Institutional Bidders (including Eligible Employees), which are directly procured by them would be as follows:* [●]

*Portion for Retail Individual Investors **	*[●] % of the amount Allocated (plus applicable taxes)*
*Portion for Non-Institutional Investors**	*[●]% of the amount Allocated (plus applicable taxes)*

**Based on valid Bid cum Application Forms*

No additional processing/uploading charges shall be payable by our Company to the SCSBs on the applications directly procured by them.

SCSBs will be entitled to a processing fee of ₹[●] (plus applicable taxes) per valid Bid cum Application Form, for processing the Bid cum Application Form procured by the members of the Syndicate, the Registered Brokers, CRTAs or CDPs from Retail Individual Bidders and Non-Institutional Bidders (including Eligible Employees) and submitted to the SCSBs for blocking as follows:

Portion for Retail Individual Investors	*₹ [●] per valid Bid cum Application Forms* (plus applicable taxes)*
Portion for Non-Institutional Investors	*₹ [●] per valid Bid cum Application Forms* (plus applicable taxes)*

**Based on valid Bid cum Application Forms*

(3) Selling commission on the portion for Retail Individual Investors, the portion for Non-Institutional Investors (including Eligible Employees) which are procured by Syndicate Members (including their Sub-Syndicate Members) would be as follows:

Portion for Retail Individual Investors	*[●] % of the amount Allocated (plus applicable taxes)*
Portion for Non-Institutional Investors	*[●] % of the amount Allocated (plus applicable taxes)*

**Based on valid Bid cum Application Forms*

In addition to the selling commission referred above, any additional amount(s) to be paid by our Company and Selling Shareholders shall be as mutually agreed amongst the Book Running Lead Managers, their respective Syndicate Members and our Company before the opening of the Offer.

Further, the Syndicate, RTAs and CDPs will be entitled to Bidding Charges: ₹ [●] per valid ASBA form. The terminal from which the Bid has been uploaded will be taken into account in order to determine the total bidding charges payable to the relevant member of syndicate.

(4) Selling commission payable to the Registered Brokers, Collecting RTAs and CDPs on the portion for Retail Individual Investors, and portion for Non-Institutional Investors (including Eligible Employees) which are directly procured by the Registered Broker or RTAs or CDPs or submitted to SCSB for processing, would be as follows:

Portion for Retail Individual Investors	*[●] % of the amount Allocated (plus applicable taxes)*
Portion for Non-Institutional Investors	*[●] % of the amount Allocated (plus applicable taxes)*

** Based on valid Bid cum Application Forms*

All of the above are exclusive of applicable taxes.

The Offer expenses shall be payable within 30 working days post the date of receipt of the final invoice from the respective intermediaries by our Company in accordance with the arrangements/ agreements with the relevant intermediary.

Subject to applicable law, other than the listing fees which will be paid by our Company, all costs, fees and expenses with respect to the Offer will be shared amongst our Selling Shareholders, on a pro rata basis, in proportion to the number of Equity Shares sold by each Selling Shareholder in the Offer for Sale, upon the successful completion of the Offer. Upon commencement of listing and trading of the Equity Shares on the Stock Exchanges pursuant to the Offer, other than the listing fees, each Selling Shareholder shall severally reimburse our Company for any expenses in relation to the Offer paid by our Company on behalf of the respective Selling Shareholder, on a pro rata basis in proportion to their respective portion of the Offered Shares.

Monitoring Utilization of Funds

As the Offer is an Offer for Sale and our Company will not receive any proceeds from the Offer, our Company is not required to appoint a monitoring agency for the Offer.

BASIS FOR OFFER PRICE

The Offer Price will be determined by our Company and the Selling Shareholders, in consultation with the BRLMs, on the basis of an assessment of market demand for the Equity Shares in the Offer through the 'Book Building Process' and on the basis of the following qualitative and quantitative factors as described below. The face value of the Equity Shares of our Company is ₹ 2 each and the Offer Price is [●] times of the face value at the lower end of the Price Band and the Offer Price is [●] times the Floor Price and [●] times the Cap Price of the Price Band. Bidders should also see "*Our Business*", "*Risk Factors*", "*Management's Discussion and Analysis of Financial Condition and Results of Operations"* and "*Financial Statements*" on pages 135, 18, 492 and 203, respectively, to have an informed view before making an investment decision.

Qualitative Factors

We believe the following business strengths allow us to successfully compete in the industry and which form the basis for the Offer Price:

1. One of the leading diagnostics companies in India which is well positioned to leverage the expected growth in the Indian diagnostics industry;
2. Widespread operational network, young patient touch point network and asset light growth of service network;
3. Comprehensive test menu with wide range of clinical laboratory tests and profiles;
4. Strong and established brand with a focus on quality and customer service;
5. Robust information technology infrastructure with focus on improving efficiency;
6. Established track record of successful acquisition and integration in India and overseas; and
7. Experienced senior management team and qualified operational personnel.

For details, see "*Our Business – Competitive Strengths*" on page 137.

Quantitative Factors

Certain information presented below relating to our Company, wherever applicable, is based on the Restated Summary Statements and after considering the impact of Bonus Issue and Sub-Division. For details, see "*Financial Statements*" on page 203.

Some of the quantitative factors which may form the basis for computing the Offer Price are as follows:

1. Basic and Diluted Earnings Per Share ("EPS"), as adjusted for change in capital

As per Restated Consolidated Summary Statements:

Fiscals / Period	Basic EPS (In ₹)	Diluted EPS (In ₹)	Weight
For the year ended March 31, 2016	15.25	15.14	1
For the year ended March 31, 2017	20.48	20.35	2
For the year ended March 31, 2018	20.61	20.49	3
Weighted Average	**19.67**	**19.55**	-

As per Restated Standalone Summary Statements:

Fiscals / Period	Basic EPS (In ₹)	Diluted EPS (In ₹)	Weight
For the year ended March 31, 2016	15.35	15.24	1
For the year ended March 31, 2017	15.98	15.87	2
For the year ended March 31, 2018	16.86	16.76	3
Weighted Average	**16.32**	**16.21**	-

Notes:

(i) Weighted average = Aggregate of year-wise weighted EPS divided by the aggregate of weights i.e. Total of (EPS x Weight) for each year/Total of weights

(ii) Basic Earnings per Share (₹) = Restated net profit after tax and adjustments, attributable to equity shareholders / Weighted average no. of equity shares outstanding during the year

(iii) Diluted Earnings per Share (₹) = Restated net profit after tax and adjustments, attributable for equity shareholders (after adjusting profit impact of dilutive potential equity shares, if any) / 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.

(iv) Earnings per share calculations are in accordance with the notified Ind AS 33 'Earnings per share' notified accounting standard by the Companies (Indian Accounting Standards) Rules of 2015 (as amended). The above statement should be read with significant accounting policies and notes on Restated Summary Statements as appearing on pages 260 and 403, respectively and the section "Summary Financial Information" on page 61.

(v) Pursuant to Shareholder's resolution passed at the Extraordinary General Meeting (EGM) held on September 12, 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 at the same meeting, the equity share capital (Authorized, Issued and Paid-up) of the Company was subdivided from Rs. 10/- (Rupees ten) each to equity shares of Rs. 2/- (Rupees two) each.

(vi) Following share options and share warrants were excluded from the calculation of diluted weighted average number of equity shares as their effect is anti-dilutive:
For the year ended 31 March 2018 – 1,080,400 share options
For the year ended 31 March 2017 - 144,560 share options and 45,255 share warrants
For the year ended 31 March 2016 - 45,255 warrants

2. Price/Earning ("P/E") ratio in relation to Price Band of ₹ [●] to ₹ [●] per Equity Share

Particulars	P/E at the lower end of Price band (no. of times)	P/E at the higher end of Price band (no. of times)
Based on basic EPS for the year ended March 31, 2018 on a consolidated basis	[●]	[●]
Based on basic EPS for the year ended March 31, 2018 on a standalone basis	[●]	[●]
Based on diluted EPS for the year ended March 31, 2018 on a consolidated basis	[●]	[●]
Based on diluted EPS for the year ended March 31, 2018 on a standalone basis	[●]	[●]

3. Industry P/E ratio

Based on the peer group information (excluding our Company) given below in this section, the highest P/E ratio is 45.06, the lowest P/E ratio is 45.06 and the average P/E ratio is 45.06.

Note – The highest and lowest Industry P/E ratio shown above is based on the peer set provided below under " – *Comparison of Accounting Ratios with listed industry peers*" on page 112. The industry average has been calculated as the arithmetic average P/E of the peer set provided below. For further details, see under " – *Comparison of Accounting Ratios with listed industry peers*" on page 112.

4. Return on Net Worth ("RoNW")

As per Restated Consolidated Summary Statements:

Fiscals / Period	RoNW %	Weight
For the year ended March 31, 2016	27.55	1
For the year ended March 31, 2017	31.46	2
For the year ended March 31, 2018	24.66	3
Weighted Average	**27.41**	-

As per Restated Standalone Summary Statements:

Fiscals / Period	RoNW %	Weight
For the year ended March 31, 2016	30.90	1
For the year ended March 31, 2017	29.72	2
For the year ended March 31, 2018	23.76	3
Weighted Average	**26.94**	-

Notes:
(i) Weighted average = Aggregate of year-wise weighted RoNW divided by the aggregate of weights i.e. total of (RoNW x Weight) for each year/Total of weights.
(ii) Return on Net Worth (%) = Restated net profit after tax, available for equity shareholders / Restated net worth at the end of the

year

(iii) Net worth = aggregate value of the paid-up share capital of the Company and all reserves created out of profits and securities premium account, excluding revaluation reserves, if any, as per Restated Summary Statements.

5. Minimum Return on Increased Net Worth after the Offer needed to maintain pre-Offer EPS for the year ended March 31, 2018

There will be no change in the Net Worth post-Offer, as the Offer is by way of Offer for Sale.

6. Net Asset Value per Equity Share of face value of ₹ 2 each

(i) Net asset value per Equity Share as on March 31, 2018 on a restated consolidated basis is ₹ 83.58.

(ii) Net asset value per Equity Share as on March 31, 2018 on a restated standalone basis is ₹ 70.94.

(iii) After the Offer on a consolidated basis (as on March 31, 2018):

(a) At the Floor Price: ₹ [●]
(b) At the Cap Price: ₹ [●]
(c) At Offer Price: ₹ [●]

(iv) After the Offer on a standalone basis (as on March 31, 2018):

(a) At the Floor Price: ₹ [●]
(b) At the Cap Price: ₹ [●]
(c) Offer Price: ₹ [●]

Notes:

(i) Offer Price per Equity Share will be determined on conclusion of the Book Building Process.

(ii) Net Asset Value Per Equity Share = Net worth as per the Restated Summary Statements / Number of equity shares outstanding as at the end of year/period.

(iii) Net worth = aggregate value of the paid-up share capital of the Company and all reserves created out of profits and securities premium account, excluding revaluation reserves, if any, as per Restated Summary Statements.

(iv) Net asset value per share also have been adjusted for all the periods presented after giving effect to allotment of bonus shares in the ratio of 1 equity share of ₹ 10 each for every 25 equity shares of ₹ 10 each and subdivision of equity shares from face value of ₹ 10 each to ₹ 2 each.

7. Comparison of Accounting Ratios with listed industry peers

Following is the comparison with our peer group companies listed in India:

Sr. No.	Name of the Company	For the year ended March 31, 2018						
		Face value (₹)	Consolidated revenue from operations (in ₹ million)	Basic EPS (₹)	Diluted EPS	P/E (based on Basic EPS)(8)	Return on net worth (%)	NAV per Equity Share (₹)
1.	Metropolis Healthcare Limited	2	6,435.67(1)	20.61(2)	20.49(3)	[●]	24.66(4)(5)	83.58(5)(6)
	Peer Group							
2.	Dr. Lal Pathlabs Limited(7)	10	10,569.18	20.85	20.82	45.06(8)	21.61	96.93
	Industry Composite					**45.06**	**21.61**	

Notes:

1. *Based on Restated Ind AS Consolidated Financial Information*

2. *Basic Earnings per Share (₹) = Restated net profit after tax and adjustments, attributable to equity shareholders / Weighted average no. of equity shares outstanding during the year*

3. *Diluted Earnings per Share (₹) = Restated net profit after tax and adjustments, attributable for equity shareholders (after adjusting profit impact of dilutive potential equity shares, if any) / 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.*
4. *Return on Net Worth (%) = Restated net profit after tax and adjustments, available for equity shareholders / Restated net worth at the end of the year*
5. *Net worth = aggregate value of the paid-up share capital of the Company and all reserves created out of profits and securities premium account, excluding revaluation reserves, if any, as per Restated Ind AS Consolidated Financial Information*
6. *Net Asset Value Per Equity Share = Net worth as per the Restated Ind AS Consolidated Financial Information / Number of equity shares outstanding as at the end of year/period.*
7. *Peer data based on consolidated financial information disclosed in the annual report for Fiscal 2018*
8. *Based on closing market price on BSE as on September 21, 2018 of Rs 939.45*

The Offer Price will be [●] times of the face value of the Equity Shares

The Offer Price of ₹ [●] has been determined by our Company and the Selling Shareholders, in consultation with the BRLMs, on the basis of market demand from investors for Equity Shares through the Book Building Process and is justified in view of the above qualitative and quantitative parameters.

Bidders should read the above-mentioned information along with "*Risk Factors*", "*Our Business*", "*Management's Discussion and Analysis of Financial Condition and Results of Operations*" and "*Financial Statements*" on pages 18, 135, 492 and 203, respectively, to have a more informed view.

The trading price of the Equity Shares could decline due to the factors mentioned in the "*Risk Factors*" on page 18 and you may lose all or part of your investment.

STATEMENT OF TAX BENEFITS

STATEMENT OF POSSIBLE SPECIAL TAX BENEFITS AVAILABLE TO METROPOLIS HEALTHCARE LIMITED AND ITS SHAREHOLDERS

The Board of Directors
Metropolis Healthcare Limited
250D, Udyog Bhavan,
Hind Cycle Lane, Worli
MUMBAI 400 030

September 24, 2018

Dear Sirs,

Subject: Statement of possible special tax benefits ("the Statement") available to Metropolis Healthcare Limited ("the Company") and its Shareholders prepared in accordance with the requirement in Schedule VIII – Clause (VII) (L) of Securities and Exchange Board of India (Issue of Capital and Disclosure Requirements) Regulations, 2009, as amended ("the Regulations")

We hereby report that the enclosed Statement prepared by the Company, initialed by us and the Company for identification purpose, states the possible special tax benefits available to the Company and to its shareholders under the Income-tax Act, 1961 ("the Act") and Income tax Rules, 1962 including amendments made by Finance Act 2017 (together "the Tax Laws"), presently in force in India as on the signing date. These possible special tax benefits are dependent on the Company or its shareholders fulfilling the conditions prescribed under the relevant provisions of the Act. Hence, the ability of the Company or its shareholders to derive these possible special tax benefits is dependent upon their fulfilling such conditions, which is based on business imperatives the Company may face in the future and accordingly, the Company or its shareholders may or may not choose to fulfill.

The benefits discussed in the enclosed Statement cover the possible special tax benefits available to the Company and its shareholders and are not exhaustive. Further, the preparation of the enclosed Statement and its contents is the responsibility of the management of the Company. We were informed that the Statement is only intended to provide general information to the investors and is neither designed nor intended to be a substitute for professional tax advice. In view of the individual nature of the tax consequences and the changing tax laws, each investor is advised to consult his or her own tax consultant with respect to the specific tax implications arising out of their participation in the proposed initial public offering of equity shares of the Company comprising an offer for sale of equity shares by certain shareholders (the "Proposed Offer"). Neither we are suggesting nor advising the investors to invest money based on the Statement.

We have conducted our examination in accordance with the 'Guidance Note on Reports or Certificates for Special Purposes' (the 'Guidance Note') issued by the Institute of Chartered Accountants of India ('ICAI'). The Guidance Note requires that we comply with ethical requirements of the Code of Ethics issued by the ICAI.

We have complied with the relevant applicable requirements of the Standard on Quality Control (SQC) 1, Quality Control for Firms that Perform Audits and Reviews of Historical Financial information and Other Assurance and Related Services Engagements.

We do not express any opinion or provide any assurance as to whether:

(i) the Company or its shareholders will continue to obtain these possible special tax benefits in future; or
(ii) the conditions prescribed for availing the possible special tax benefits where applicable, have been/would be met with.

The contents of this Statement are based on the information, explanation and representations obtained from the Company and on the basis of our understanding of the business activities and operations of the Company.

Our views expressed herein are based on the facts and assumptions indicated to us. No assurance is given that the revenue authorities/ courts will concur with the views expressed herein. Our views are based on the existing provisions of law and its interpretation, which are subject to change from time to time. We do not assume responsibility to update the views consequent to such changes. We shall not be liable to the Company for any claims, liabilities or expenses relating to this assignment except to the extent of fees relating to this assignment, as finally judicially determined to have resulted primarily from bad faith or intentional misconduct. We will not be liable to any other person in respect of this Statement.

This statement is solely for your information and not intended for general circulation or publication and is not to be reproduced or used for any other purpose without our prior written consent, other than for inclusion of extracts of this statement in the Draft Red Herring Prospectus, Red Herring Prospectus and the Prospectus and submission of this statement to the Securities and Exchange Board of India, the stock exchanges where the Equity Shares of the Company are proposed to be listed, the relevant Registrar of Companies in India in connection with the Proposed Offer, as the case may be.

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

Akeel Master
Partner
Membership No.: 046768
Place: Mumbai
Date: 24 September 2018

STATEMENT OF POSSIBLE SPECIAL TAX BENEFITS AVAILABLE TO THE COMPANY AND ITS SHAREHOLDERS UNDER THE APPLICABLE TAX LAWS IN INDIA

Outlined below are the possible Special tax benefits available to the Company and its shareholders under the tax laws in force in India (*i.e.* applicable for the Financial Year 2018-19 relevant to the assessment year 2019-20). These benefits are dependent on the Company or its shareholders fulfilling the conditions prescribed under the relevant tax laws. Hence, the ability of the Company or its shareholders to derive the Special tax benefits is dependent upon fulfilling such conditions, which based on business imperatives it faces in the future, it may or may not choose to fulfill.

DIRECT TAX BENEFITS AVAILABLE UNDER THE INCOME TAX ACT, 1961 ('the Act'):

1. Special tax benefits available to the Company

The Company is not entitled to any special tax benefits under the Act.

2. Special tax benefits to the shareholders of the Company

The shareholders of the Company are not entitled to any special tax benefits under the Act.

Notes:

- The above Statement of Possible Special Tax Benefits sets out the provisions of law in a summary manner only and is not a complete analysis or listing full potential tax consequences of the purchase, ownership and disposal of equity shares;

- This Statement does not discuss any tax consequences under any law for the time being in force, as applicable of any country outside India. The shareholders / investors are advised to consult their own professional advisors regarding possible Income tax consequences that apply to them in any country other than India.

- The above Statement covers only certain relevant direct tax law benefits and does not cover any indirect tax law benefits or benefit under any other law.

SECTION IV: ABOUT THE COMPANY

INDUSTRY OVERVIEW

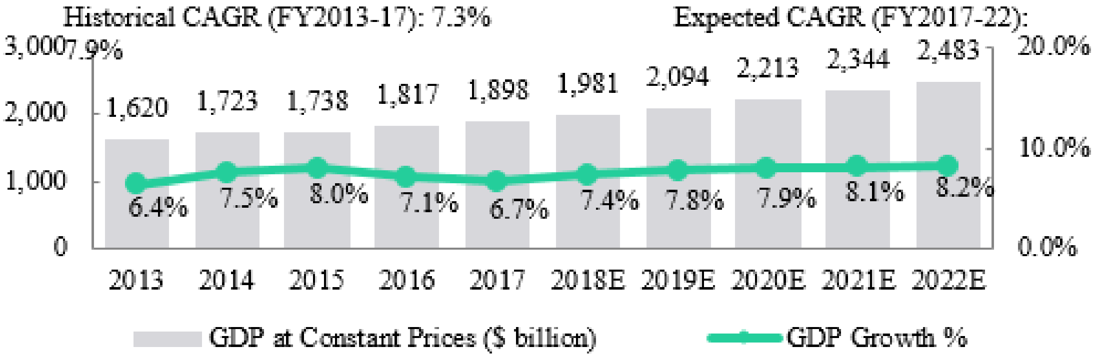
The information contained in this section is derived from a research report titled "Indian Diagnostic Industry Report" dated September 20, 2018, prepared by Frost and Sullivan which has been commissioned by the Company in relation to the Offer. Neither we, nor any other person connected with the Offer has independently verified this information.

Industry sources and publications generally state that the information contained therein has been obtained from sources generally believed to be reliable, but their accuracy, completeness and underlying assumptions are not guaranteed and their reliability cannot be assured and accordingly, investment decisions should not be based on such information. Industry publications are also prepared based on information as of specific dates and may no longer be current or reflect current trends.

Introduction to the Indian Economy and Demographics

India's GDP at constant prices (in USD terms) grew at a CAGR of 4.0% from USD 1,620 billion in the financial year 2013 to USD 1,898 billion in the financial year 2017. Strong democracy, industrial growth and strategic relations (regional and global) are expected to drive India's future growth such that its GDP is expected to reach USD 2,483 billion by the financial year 2022 and is set to become one of the top three economic powers of the world over the next 10 to 15 years (*Source: IMF*).

The following chart sets forth the historical and estimated trend in India's GDP at constant prices and its GDP growth between the financial years 2013 to 2022:



Source: International Monetary Fund (IMF), World Bank data
Note: GDP growth rates and CAGR is calculated on values in domestic currency (₹).

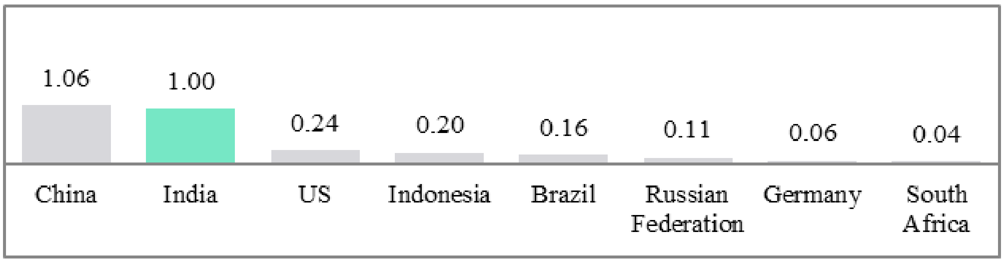
India's GDP per capita income at constant prices (in USD terms) increased at a CAGR of 5.9% from USD 5,190 in the financial year 2013 to USD 6,538 in the financial year 2017 and is expected to further grow at a CAGR of 6.5% from USD 6,538 in the financial year 2017 to USD 8,945 in the financial year 2022.

The following chart sets forth the historical and estimated trend in India's GDP per capita at constant prices (at purchasing power parity) and its growth between the financial years 2013 to 2022:

Source: IMF, World Bank data.
Note: GDP per capita growth rates are calculated on values in domestic currency (₹).

India's population was estimated to be 1.32 billion in 2016 and is expected to grow at a CAGR of 1.2% between 2016 and 2022 to reach 1.42 billion by 2022. India's population grew at CAGR of 1.2% from 2010 to 2016, whereas it stood at 0.5% for China, 0.7% for the US, 1.3% for Indonesia, 0.8% for Brazil, 0.5% for Germany, 0.01% for Russia and 1.6% for South Africa during the same period. Approximately a fifth of the total world population resides in India.

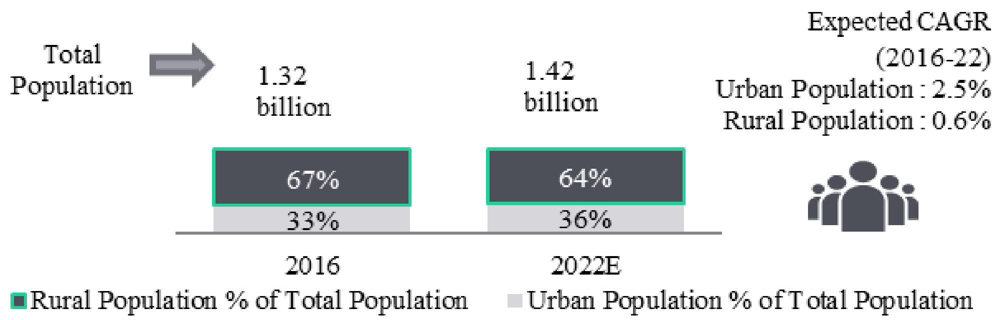
The following chart sets forth a global comparison in population in 2016:



Source: World Population Prospects: The 2017 Revision
Note: Values denote the population of countries in multiples of population of India.

While India's total population in 2022 is expected to grow by 7.6% over the population in 2016, the urban population is expected to grow over by 15.8% for the same period. The urban population is expected to drive the expenditure basket across various categories including the healthcare and the diagnostic industry.

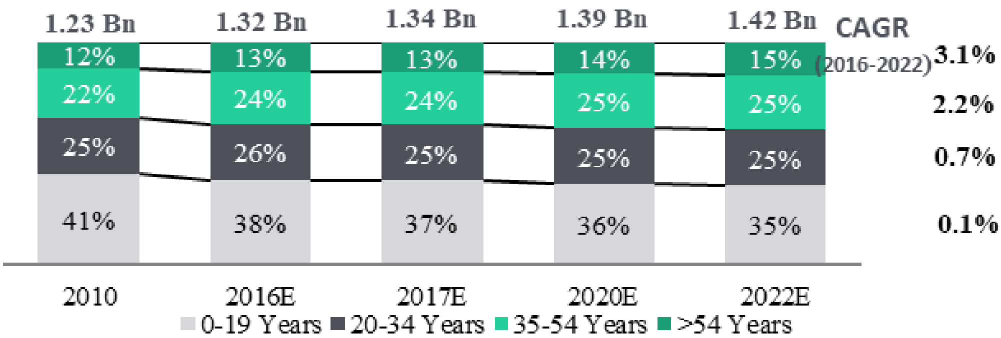
The following chart sets forth the split in India's total population between the urban and rural segments in 2016 and their estimated growth in 2022:



Source: World Bank Population Prospects (2017 Revision), Frost & Sullivan Analysis

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

The following chart sets forth the historical and estimated trend in India's population by age group from 2010 to 2022, in billion:



Source: United Nations Population Division, World Population Prospects (2017 Revision), Frost & Sullivan Analysis

The cities listed below constitute a large share of the market. High income levels in these cities are expected to improve affordability, leading to further sustainable demand growth for healthcare services and translate into healthy growth in the diagnostic services industry. This urban population, with high awareness with respect to preventive healthcare, is expected to drive the consumption of the wellness segment and the diagnostic services market.

The following table sets forth the top 15 cities in India that have market potential for the healthcare industry:

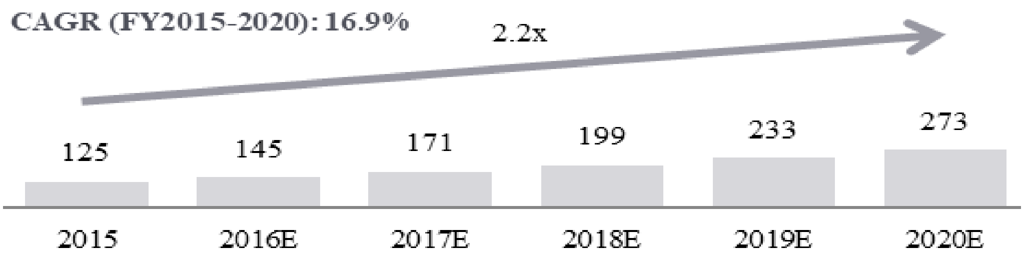
Rank	Cities	GDP at purchasing power parity (US $ billion)[1]	Population (million)
1	Mumbai	310.0	12.4
2	Delhi	293.6	11.0
3	Kolkata	150.1	4.5
4	Bengaluru	110.0	8.4
5	Hyderabad	78.6	4.6
6	Chennai	75.2	6.7
7	Surat	69.0	3.1
8	Pune	68.0	5.6
9	Vishakhapatnam	59.8	4.5
10	Ahmedabad	43.5	1.7
11	Jaipur	32.0	3.0
12	Lucknow	30.0	2.8
13	Kanpur	29.0	2.8
14	Nagpur	25.0	2.4
15	Indore	23.0	2.0

Source: Census of India
Note: 1) GDP data is for the year 2014.

Overview of the Indian Healthcare Market

The size of the Indian healthcare industry, in revenue terms, was USD 125 billion in the financial year 2015, which is estimated to have increased to USD 171 million by the financial year 2017. The healthcare industry is expected to grow at a CAGR of 16.9% from USD 125 billion in the financial year 2015 to USD 273 billion in the financial year 2020. India's healthcare market is expected to be among the top three healthcare markets globally, in terms of incremental growth, by the financial year 2020.

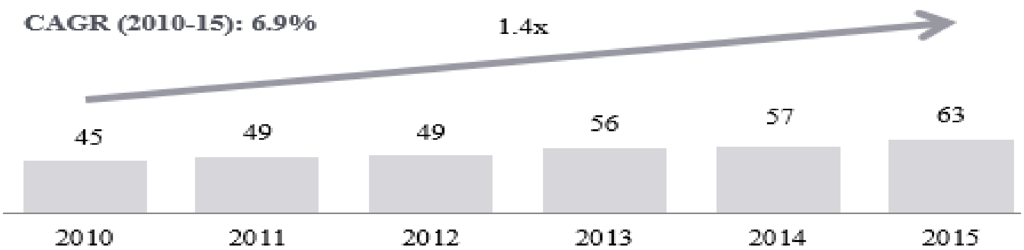
The following charts sets forth the historical and estimated trend in size of India's healthcare market, in USD billion:



Source: Frost & Sullivan analysis

Per Capita Healthcare Expenditure

The following chart sets forth the trend in India's per capita healthcare expenditure (USD) and its growth from between the financial years 2010 and 2015:

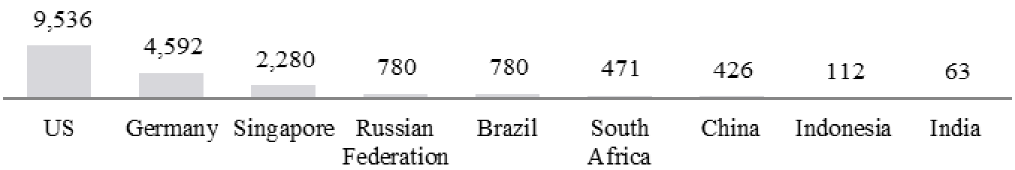


Source: World Health Organization Global Health Expenditure database, October 2017

Note: For the financial year 2010 (1 US $ = ₹ 45.7). For the financial year 2015 (1 US $ = ₹ 64.2).

Despite this growth, India's per capita healthcare expenditure stands substantially lower than its South Asian peers such as Indonesia and China, which had per capita healthcare expenditures of USD 112 and USD 426 in 2015, respectively.

The following chart sets forth a global comparison of per capita healthcare expenditure (USD at current prices) in 2015:

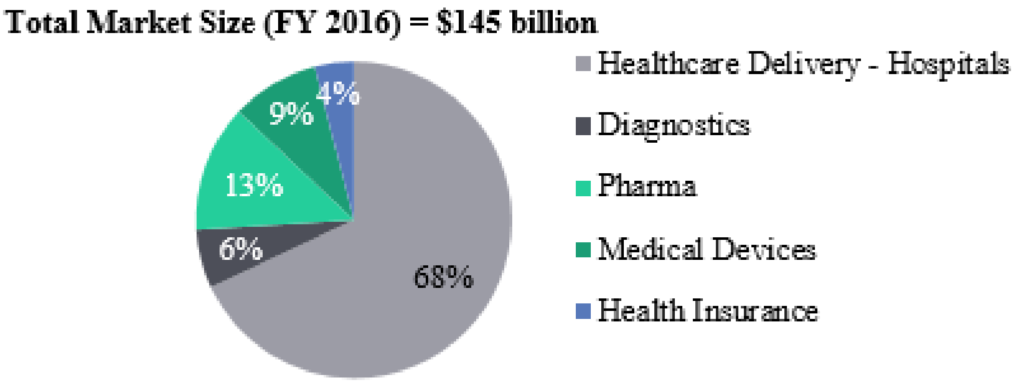


Source: World Health Organization Global Health Expenditure database, October 2017

Healthcare Industry Segments and Scale

The Indian healthcare industry has five key functional sub-sections: healthcare delivery is the largest segment, followed by the pharmaceutical, medical devices, diagnostics and healthcare insurance segments.

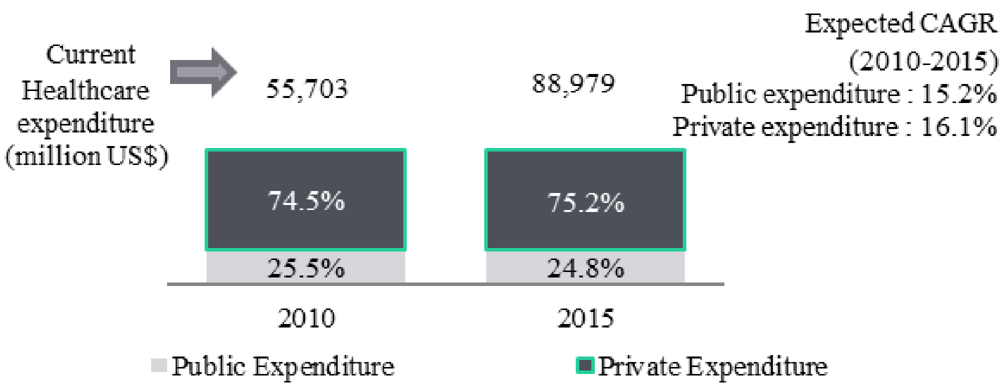
The following chart sets forth India's healthcare industry size by segment in the financial year 2016:



Source: Frost & Sullivan analysis

Between the financial years 2000 and 2015, the public expenditure contribution on healthcare in India remained at approximately 26%. This is significantly lower than India's Brazil, Russia, India and China ("**BRIC**") peers with Brazil (at approximately 43%), Russia (at approximately 60%) and China (at approximately 60%) and developed economies such as the U.S. (at approximately 50%) and Germany (at approximately 84%). This reflects the dependency of healthcare finances on private means (household spend) and out-of-pocket expenditures.

The following chart sets forth a split in India's healthcare expenditure between the public and private sector:

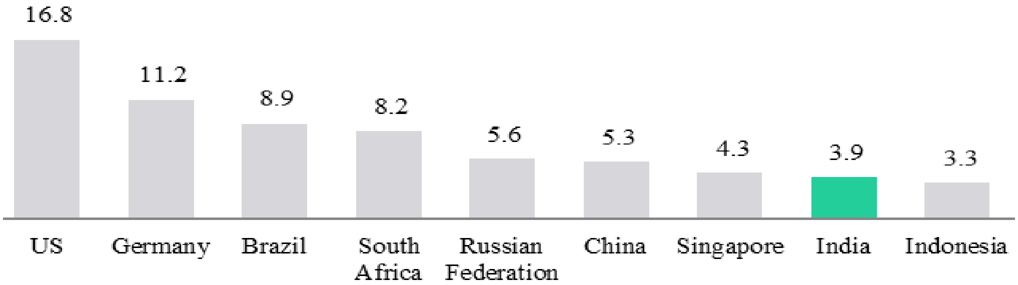


Source: World Health Organization Global Health Expenditure database, October 2017

Units: Healthcare expenditure is expressed in million constant (2010) USD. CAGR is calculated on values in domestic currency (₹).

India's healthcare expenditure (as a % of GDP) increased from 3.3% in the financial year 2010 to 3.9% in the financial year 2015, yet it is lower than its BRIC peers and other South Asian countries such as Singapore.

The following chart sets forth a global comparison of healthcare expenditure as a percentage of GDP, in 2015:

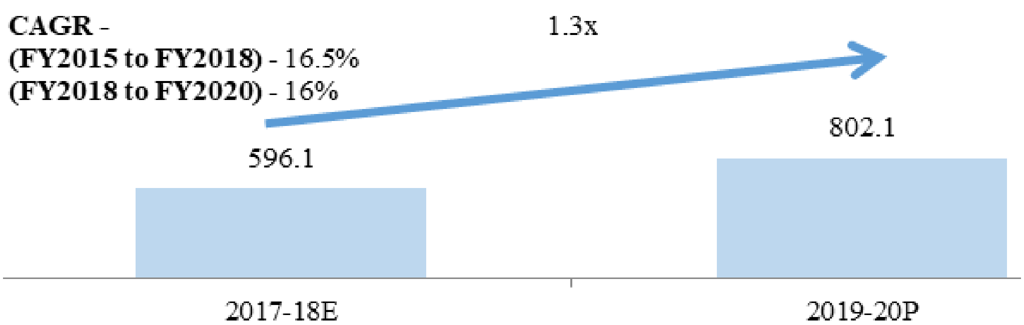


Source: World Health Organization Global Health Expenditure database, October 2017

Overview of India's Diagnostic Market

From the financial year 2015 to the financial year 2018, the Indian diagnostic industry is estimated to grow at a CAGR of approximately 16.5% to approximately ₹ 596 billion (USD 9.1 billion) in the financial year 2018. For the next two years, India's diagnostic industry is expected to grow at a CAGR of approximately 16% to reach approximately ₹ 802 billion (USD 12.3 billion) in the financial year 2020. Within the diagnostics market, the pathology segment is estimated to contribute approximately 58% of total market, by revenue, in the financial year 2018, while the remaining 42% is estimated to be contributed by the radiology segment.

The following chart sets forth the estimated and projected growth in India's diagnostic industry from the financial year 2018 to the financial year 2022, in ₹ billion:



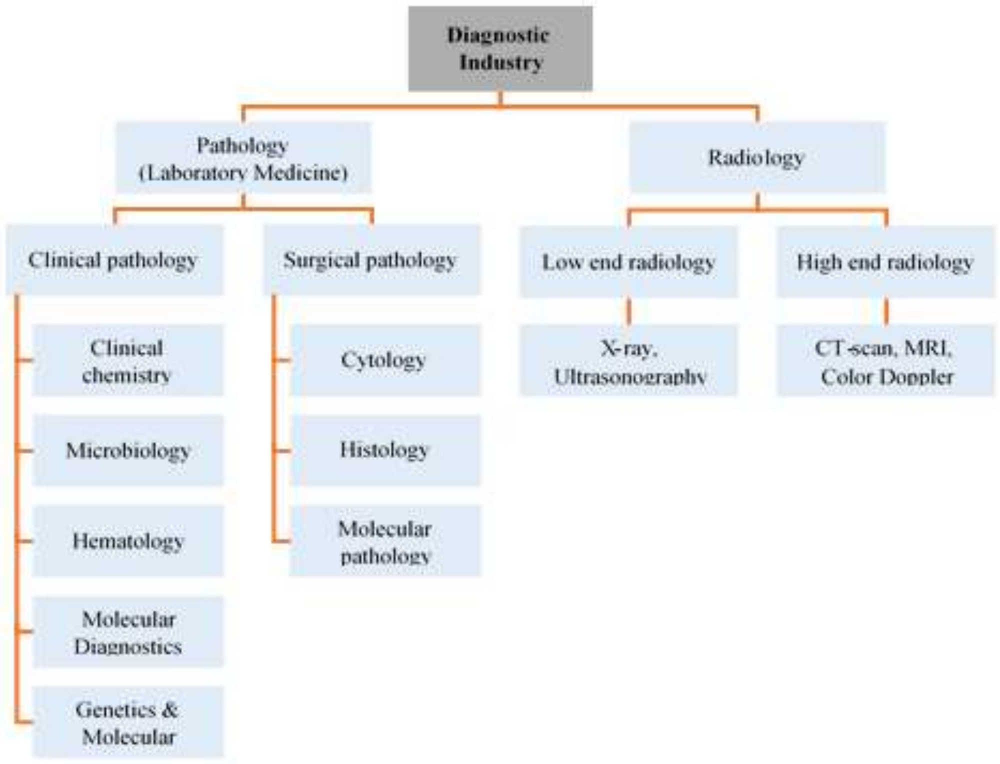
Notes: Source: Frost & Sullivan analysisE –Estimated, P –Projected. Conversion rate: financial year 2018: 1 US $ = ₹ 65.1; the financial year 2020: 1 US $ = ₹ 65.1.

India's Diagnostic Industry Segments

The diagnostic industry in India can be classified into pathology testing services and imaging diagnostic services. Pathology testing or in-vitro diagnosis involves the collection of samples, in the form of blood, urine and stool and analyzing them using laboratory equipment and technology to arrive at useful clinical information, in order to assist with the treatment of patients' diseases. The pathology testing segment includes biochemistry, immunology, hematology, urine analysis, molecular diagnosis and microbiology. Imaging diagnosis or radiology involves imaging procedures such as x-rays and ultrasounds, which help mark anatomical or physiological changes inside a patient's body, in order to assist doctors to diagnose a patient's disease. The imaging diagnostic segment also includes more complex tests, such as computed tomography ("**CT**") scans and magnetic resonance imaging ("**MRIs**") and highly specialized tests, such as positron emission tomography ("**PET**")-CT scans.

Pathology testing is often the preferred first line of diagnosis for a majority of diseases and thus contributes to a major portion of the diagnostic industry. Given the high volumes of pathology testing conducted in India, it accounts for more than half of the revenue of the Indian diagnostic industry. The pathology business is highly scalable as blood samples can be shipped to a remote, centralized location to achieve economies of scale. In contrast, imaging business operators have to install diagnostic equipment close to the patient. Imaging services cannot be centralized and, as a result, are difficult to scale up.

The following chart sets forth segments of the diagnostic industry:



Different Business Segments in the Pathology Industry

Pathology tests can be classified into two broad categories based on methods used and types of diseases targeted for investigation. The two broad categories are clinical pathology and surgical pathology.

Clinical Pathology

Clinical pathology tests are aimed at diagnosing diseases through the study of chemical and biochemical mechanisms of the human body, such as detecting changes in electrolytes and enzymes in the blood and body fluids samples to analyze for various diseases.

It can be further divided into the following major sub-segments:

- Clinical chemistry- tests ascertain changes in the chemical composition of body fluids in response to a particular disease or condition compared to results from healthy people.
- Microbiology- is the study of microscopic organisms, such as bacteria, viruses, fungi and protozoa. This discipline includes fundamental research on the biochemistry, physiology, cell biology, ecology, evolution and clinical aspects of microorganisms, including the host response to these agents.
- Hematology- is the study of diseases that affect the blood. Investigations include the use of special instruments such as a coulter counter to measure the number of various blood cells, microscopic analysis of blood to ascertain the shape and size of certain blood cells to ascertain diseases, such as anemia and leukemia, and clotting and bleeding studies to ascertain diseases, such as hemophilia.
- Molecular diagnostics- is the branch of clinical pathology that utilizes the techniques of molecular biology to diagnose disease, predict disease course, select treatments and monitor the effectiveness of therapies.

- Molecular genetics is a study of heredity and variation at the molecular level and is focused on the flow and regulation of genetic information between deoxyribo nucleic acid ("**DNA**"), ribo nucleic acid ("**RNA**") and proteins.

Surgical Pathology

Surgical Pathology tests are aimed at diagnosing diseases through the microscopic study of organs and tissue samples. The tissue samples may consist of tissue obtained from any part of the human body using biopsy techniques, specimens of separated cells in fluids or tissue smears. It can be further divided into the following major sub-segments:

- Cytology- is the branch of surgical pathology that deals with making diagnoses of diseases and conditions through the examination of tissue samples from the body. Cytological examinations are performed on body fluids or on material that is aspirated from the body.

- Histology- is the microscopic study of the structure of biological tissues using special staining techniques combined with light and electron microscopy.

- Molecular pathology- is the branch of surgical pathology which is focused in the study and diagnosis of disease through the examination of molecules within organs, tissues or bodily fluids. Molecular pathology is commonly used in the diagnosis of cancer and infectious diseases.

While, radiology can be broadly classified into low-end and high-end radiology tests. Low-end tests include x-ray and ultrasonography while the high-end tests include CT scan, color Doppler and MRI which require high-end machinery to conduct the radiology test.

Pathology test segments by intervention at various stages of disease

Predictive tests: These tests provide information about whether or not someone will develop or are likely to develop a specific condition, usually at a later stage in life. The test is usually performed on a blood sample.

Early detection tests: These tests are used to detect any ailment at an early stage so as to prevent the advancement of disease. Early detection is important because when any disease or ailment is detected early, it may be easier to treat. By the time symptoms appear, the disease or ailment may have begun to spread to advanced stages and be harder to treat.

Diagnostic tests: A diagnostic test is used to confirm or determine the presence of disease in an individual suspected of having the disease, usually following the report of symptoms or based on the results of other medical tests.

Confirmatory tests: These tests are performed to confirm or rule out a medical condition in an individual with concerning symptoms or an out-of-range screening result.

Prognostic tests: These tests are used to predict the likely or expected development of a disease, given the current state of disease and treatment.

Theranostic tests: These tests integrate some form of diagnostic testing to determine the presence of a molecular target for which a specific drug is intended.

Monitoring tests: These tests are performed to monitor the progression of disease and effectiveness of the treatment administered to the patient.

Pathology test segments by complexity of tests

In India, a majority of the hospitals and diagnostic chains offer pathology tests which are bundled in groups called 'profile'. Pathology tests are primarily divided into routine, semi specialized and specialized tests, based on the complexity of processing required for the test.

The following table sets forth the key pathology tests commonly performed in India by complexity of tests:

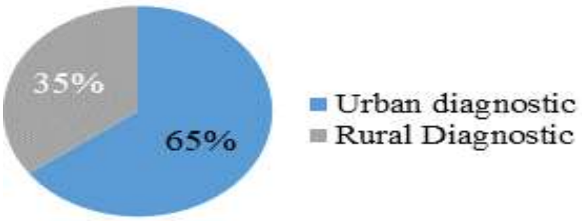
Routine Tests	Hemogram
	Biochemical Parameters
	Lipid Profile
	Liver Function Test

	Kidney Function test
	General Tests
	Random Urine analysis
	Stool Test
Semi-Specialized Tests	Thyroid function tests
	Vitamin tests
Specialized Tests	Gastric Cancer Marker CA 72.4
	Pancreatic Cancer Marker CA 19.9
	HLA DNA Typing
	Hepatitis C Viral RNA

Major Contributor of Revenue in the Diagnostic Industry

The urban population of India (approximately 28% of India's total population) contributes up to 65% of the total revenues of the diagnostics industry.

The following chart sets forth the geographic break-up of the diagnostic industry in the financial year 2018:



Source: Frost & Sullivan analysis

Urban areas typically have better healthcare infrastructure in form of hospitals, clinics and diagnostic centers, along with greater penetration of the private sector in the healthcare space. Also, higher disposable incomes have made diagnostic tests more affordable along with increasing literacy rates which have resulted in the urban population availing better facilities.

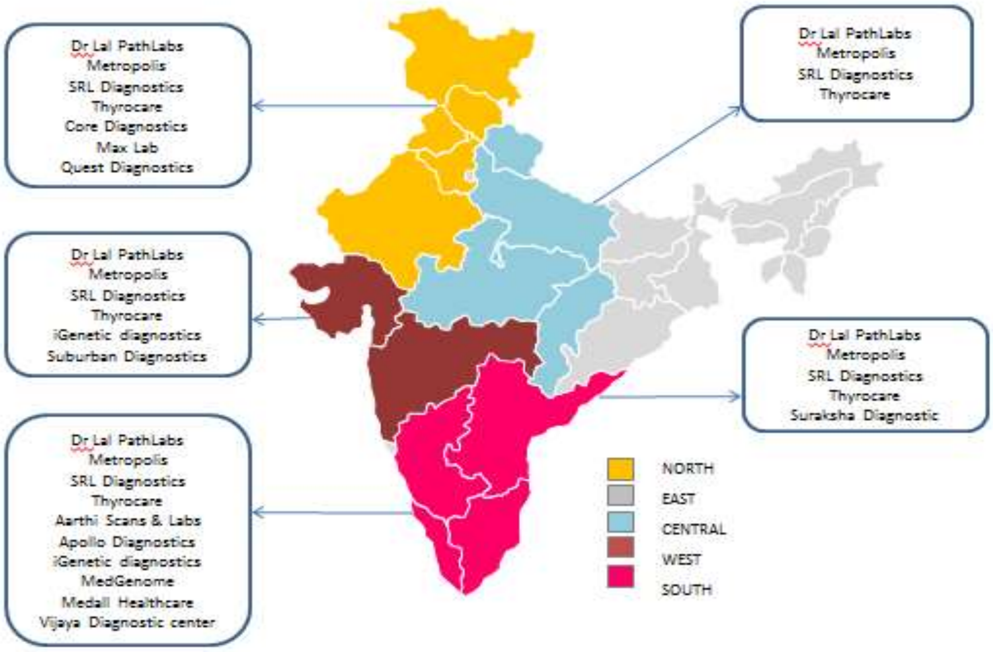
The Preventive and Wellness Segment

The overall market for wellness and preventive diagnostics was 7 to 9% in the financial year 2018. It is expected that this segment will grow at a CAGR of approximately 20% over the next three financial years. Higher literacy levels are expected to increase awareness of preventive and curative healthcare and in turn boost the demand for diagnostic services. Also, the corporate sector is focusing more on the well-being of their employees, promoting them to undergo preventive and wellness tests. This will further support the growth of the preventive and wellness segment and the diagnostic sector as a whole.

Key Players by Geographic Regions in India's Diagnostic Industry

In India, there are four major chains of diagnostic players with a pan-India presence. They are Dr. Lal PathLabs Limited, Thyrocare Technologies Limited, SRL Diagnostics and Metropolis. There are a few regional players who have a strong footprint in a particular region such as Quest Diagnostics (North India), Suraksha Diagnostic (East India), Suburban Diagnostics (West India) and Medall Healthcare (South India), among others.

The following chart sets forth the geographic presence of major diagnostic players in India:



Note: Pan India diagnostic players have been arranged alphabetically at the top. Remaining diagnostic players then have been arranged alphabetically.

Key Player Profiles

In India, there are only a limited number of large pan-India diagnostic chains. Among these, the four leading pan-India diagnostic chains (in terms of revenue) are Dr. Lal PathLabs Limited, Thyrocare Technologies Limited, SRL Diagnostics and Metropolis. Metropolis Labs has a strong foothold in west India, with a revenue that is 4.9 times the revenue of Dr. Lal PathLabs Limited, 3.5 times the revenue of Thyrocare Technologies Limited and 1.6 times the revenue of SRL Diagnostics in west India. Metropolis is a leader in south India, with a revenue that 2.4 times the revenue of Dr. Lal PathLabs Limited, 2.1 times the revenue of Thyrocare's Technologies Limited and 1.2 times the revenue of SRL Diagnostics in south India.

The following table sets forth the financial profile of the four leading pan-India diagnostic chains, for the financial year 2018:

Company Name	Operating Revenue (₹ million)	Geographic Split of Revenue, India	EBITDA %	Profit After Tax (PAT) %
Dr. Lal PathLabs Limited	10,569	North: 72% East: 13% West: 7% South: 7% Others: 1%	25.0	16.3
SRL Diagnostics	8,540	North: 32% East: 20% West: 27% South: 18% Others: 2%	18.9	-
Metropolis	6,472	North: 7% East: 3% West: 54% South: 28% Others: 8%	27.2	17.3
Thyrocare Technologies Limited	3,560	North: 24% East: 17% West: 31% South: 26% Others: 2%	40.7	26.2

Note: Numbers updated as of March 2018. EBITDA is defined as net income before net interest expense, other non-operating income or losses, income taxes, and depreciation and amortization. EBITDA for SRL is as presented in the investor presentation of its parent company.

Source: Annual report and company websites of respective labs

The following table sets forth the competitor profile of the four leading pan-India diagnostic chains, for the financial year 2018:

Company Name	Domestic Presence	International Presence	Accreditations	No. of Centers	No. of Reference Laboratories
Dr. Lal PathLabs Limited	Pan-India	Bhutan, Sri Lanka, Myanmar, Malaysia, Tanzania, Nigeria, Saudi Arabia, Maldives, Ethiopia, Kenya, Ghana, Uganda, Qatar, Kuwait and UAE	NABL,ISO,CAP, CDC (USA)	Clinical Labs- 193 Patient service centers – 2,153 Pickup points - 5,624	National: 1 at Delhi Regional: 1 at Kolkata
SRL Diagnostics	Pan-India	Dubai, Sri Lanka, Nepal, Congo, Africa, Middle-East, Hong-Kong, Maldives and SAARC countries	NABL,ISO,CAP, APLAC	Clinical Labs- 364 Patient service centers – 1,078 Pickup points – 6,271	Regional: 4 laboratories, each at Mumbai, Gurugram, Kolkata and Bengaluru.
Metropolis	Pan-India	Nepal, Nigeria, UAE, Oman, Ghana, Kenya, Zambia, Mauritius and Sri Lanka	NABL,ISO,CAP, CDC (USA), ILAC, APLAC	Clinical Labs- 106 Patient service centers – 1,130 Pickup points – 8,500	National: 1 at Mumbai Regional: 12 laboratories, each at Rajkot, Guwahati, Raipur, New Delhi, Surat, Bengaluru, Kochi, Pune, Chennai, Kolkata, Kenya and Sri Lanka.
Thyrocare Technologies Limited	Pan-India	Nepal, Bangladesh, Gulf	NABL,ISO, CAP	Authorized Service providers – 3,379 Collection points - over 30,000	National: 1 at Navi Mumbai Regional: 8 laboratories, each at New Delhi, Mumbai, Patna, Kolkata, Bhopal, Hyderabad, Coimbatore, Bengaluru.

Note: Numbers updated as on March 2018. Abbreviations- NABL - National Accreditation Board for testing and Calibration Laboratories, ISO- International Organization for Standardization, CAP - College of American Pathologists, APLAC - Asia Pacific Laboratory Accreditation Co-operation, ILAC - International Laboratory Accreditation Co-operation, CDC - Centers for Disease Control and Prevention, CLIA - Clinical Laboratory Improvement Amendments.

Growth Stimulators of the Diagnostic Industry in India

<u>India's 1.32 billion people present an opportunity for growth</u>

India’s population base and increase in greying population is expected to drive the consumption of healthcare and diagnostic services in India.

<u>Increasing income levels have created a large middle class population</u>

Affordability (per capita income at constant prices) of Indians is expected to multiply 1.4 times in the next five years, increasing from USD 6,538 per annum in 2017 to USD 8,945 per annum in 2022. This increase in affordability and disposable personal income has created a large middle class population and is likely to help sustain demand for healthcare services and translate into healthy growth in the diagnostic services industry.

<u>Rising Urbanization</u>

In India, the total population is expected to grow by 7.6% between 2016 and 2022 and urban population is expected to grow by 15.8% during the same period. This increased urbanization coupled with lifestyle diseases and increased awareness about preventive care is expected to drive the diagnostic market in coming years.

Higher health insurance penetration allows greater access to quality healthcare

Out-of-pocket healthcare expenditure as a percentage of current healthcare expenditure for India was among the highest (approximately 67.0%) in 2015, when compared to BRIC peers Brazil (approximately 28%), China (approximately 32%) and Russia (approximately 36%). This reflects the dependency of healthcare finances on private means. Increase in the penetration of health insurance in India is expected to contribute to higher demand for healthcare services, particularly hospitalization rates, resulting in an increased demand for diagnostic services.

Communicable and Non-communicable diseases together present a large opportunity for healthcare and diagnostic market

The growth in non-communicable diseases has led to a 'dual burden of disease' for India, having to transform health systems built to fight infectious diseases and provide acute care to manage the silent epidemic of chronic diseases such as diabetes, heart diseases, respiratory illnesses and cancers. In India, the number of deaths caused by lifestyle or non-communicable diseases has increased from 37.9% in 1990 to approximately 61.8% in 2016. This increase in chronic diseases along with disease burden of communicable diseases such as malaria, typhoid and hepatitis is expected to increase the overall demand for diagnostic tests.

Opportunity for Increased Usage of Laboratory Diagnostics as a tool in Clinical Practice

The usage of laboratory diagnostics in order to establish clinical diagnosis is lower in India than its counterparts. Currently, the per capita average clinical laboratory tests performed in India is less than 1 test, whereas key economies such as US and UK (have ranges of approximately 8 to 20 tests per capita). This figure is likely to increase as penetration of health insurance grows within the country combined with the awareness of preventive health among the general population and the importance of timely and correct diagnosis among the physician community.

Emerging as a Medical Tourism Destination

India is emerging as a major medical tourism destination primarily due to its lower treatment rates as compared to other developed countries. In 2015 there was a growth of 168% in foreign tourist arrival (approximately 134,000) on medical visa as compared to 2013, when approximately 50,000 people visited India on medical visa. This increase in medical tourists is likely to increase demand for healthcare services, including diagnostic services, in India.

Demand-Supply Gap of Hospital Beds

In terms of healthcare infrastructure, India is behind major economies. According to World Health Statistics, India has 9 beds per 10,000 people as compared to the global average of 29 beds per 10,000 people. This low penetration of healthcare infrastructure and increasing demand creates a huge demand supply gap potential for the diagnostic sector.

Progressing Privatization and Public-private Partnerships

Though the number of healthcare facilities available in India is increasing, the emphasis on growth is occurring more in Tier I and Tier II cities. Large parts of rural areas do not have basic facilities and most people in rural and semi-urban areas have to travel to nearby cities to get access to healthcare facilities. Hence, many of them avoid these checkups and this large market remains untapped. Private companies are expecting to expand by entering into tie-ups with the government, especially to tap the rural market. An increase in the expansion of the private healthcare sector and the quest for quality healthcare is expected to drive growth of the diagnostic industry across India.

Promotion of Health Awareness by Private Healthcare Companies

Private healthcare companies, hospital groups, diagnostic chains and health insurance firms carry out various health awareness programs as part of their marketing activities. These activities have increased overall health awareness levels with people focusing more on their fitness, health and well-being.

Increasing Spend on the Preventive and Wellness Segment

With the growing awareness for preventive care and individual and corporate wellness, diagnosis and predictability of diseases at the early stages of occurrence is expected to be higher. Early diagnosis at point of care, monitoring of health and disease conditions with data enabled predictive capability for managing human health and risk is expected to collectively drive the diagnostic and healthcare sector as a whole.
Hence, pan India diagnostic chains with an established brand name are best positioned to capture this growth in the diagnostic market.

Business Models for the Diagnostic Industry

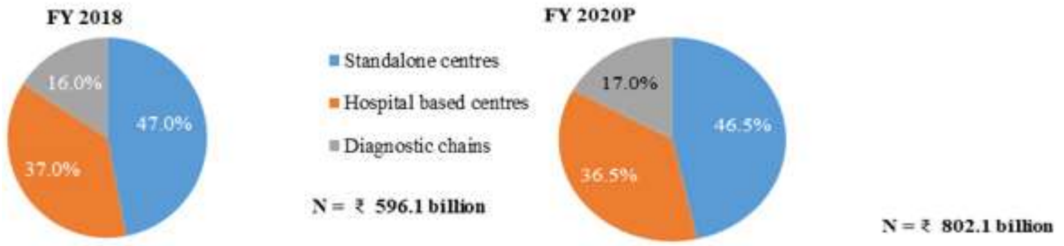
Diagnostic players operate through various business models. They can be classified into standalone diagnostic centres, hospital based diagnostic centres and diagnostic chains (organized diagnostic centres).

Standalone diagnostic centres- are diagnostic centres with a single laboratory or centre.

Hospital-based diagnostic services- include all diagnostic procedures carried out at the hospital for patients who are either admitted as an in-patient or are treated as an out-patient of the hospital. These include public and private hospitals providing diagnostic services.

Diagnostic chains- which constitute the organized market, can be defined as diagnostic service providers that offer pathology and imaging services and operate out of more than one centre with large chains that have a pan-India presence.

The following chart sets forth the segment-wise break-up of the diagnostic industry, in the financial year 2018 and the projected break-up in the financial year 2020:



Note: *P-Projected*

Network and Reach-Out Models used by Diagnostic Chains
Processing Laboratory Network

National reference laboratory: is located centrally and typically serve as the corporate headquarters of diagnostic chain companies. National reference laboratory is equipped to conduct both routine and specialized pathology and imaging tests. It may be spread over an area of 20,000 to 2,00,000 square feet, usually divided into a work area, front office, back office and sample collection area. Pathology samples are brought to the national reference laboratory for processing and then the reports generated by the national reference laboratory are sent to the patients through collection centers or satellite laboratories or can be viewed online.

Regional reference laboratories: are situated in large metropolitan cities and act as regional hubs, which accumulate samples from satellite laboratories and collection centers across the region. Regional reference laboratories also offer comprehensive and specialized testing facilities.

Satellite laboratories: offer a limited range of services. They mainly act as feeders for regional and national reference laboratories. Based on the complexity of the test, a satellite laboratory may choose to transfer samples to a regional or national reference laboratory.

Collection centers: do not carry out any testing and are involved only in the collection and forwarding of patient samples to a satellite, regional or reference laboratory. Collection centers can be located in hospitals, nursing homes, pathology labs, doctors' clinics and prime commercial properties among other places. Collection centers may be company-owned or franchised. The centers usually have basic equipment in the form of a refrigerator and centrifuge and employ minimal staff, such as a receptionist, lab technician, attendants and delivery staff.

Customer Reach-Out Network

Diagnostic chains reach their customers through a network of centres which comprise the following:

Owned Centres: These are the centres which are directly owned by the company by investing in land or rent space, analysers and processing medical devices and operational expenses.

Franchisees: These are the centres where franchisee rights are given to an operating partner who takes care of operations and in turn has to share revenue with the diagnostic chain. Diagnostic chains have extensively used the franchisee route for rapid expansion of their business as this requires minimal capital cost investment for them.

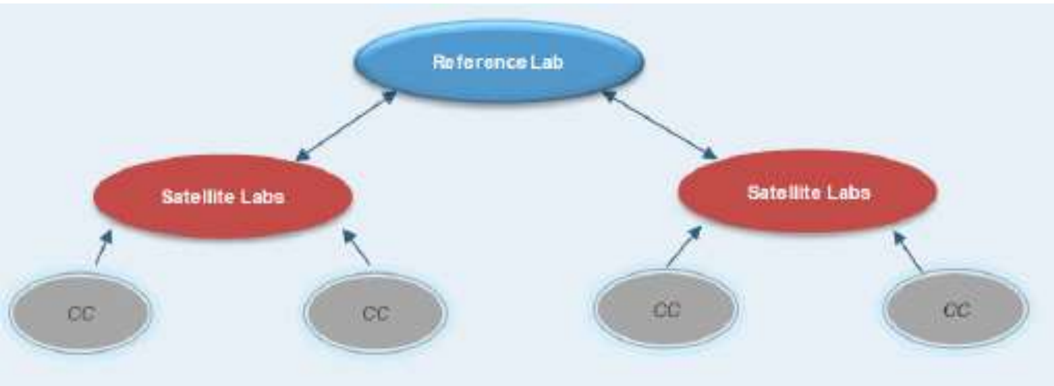
Managed Laboratories: These are the laboratories which are owned by individuals or hospitals whose operations are outsourced to a third party – mostly a larger diagnostic player, who manages the day-to-day operations of the laboratory with the agreement to share revenue. This segment is lucrative for diagnostic chains and they are entering into agreements with various smaller laboratories and hospitals for managing their laboratories. Diagnostic chains due to their wide network benefit from economies of scale and hence are in better position to operate these managed laboratories.

Home collection: is the mode of customer service where a phlebotomist collects the sample and transports it in specially designed transportation box (cold box) to the designated processing centre. This mode is used by all the above diagnostic centres to reach out to more customers.

Hub and Spoke Model

In the hub and spoke model, there is one main laboratory at the central location (hub) around which small collection points (spokes) are located. At the end of the day, these collection points take all the testing samples to the main laboratory, where the actual testing is done. Followed by the leading players in the industry, this model has helped in the rapid expansion of private players, wherein the expansion is largely through the franchise model.

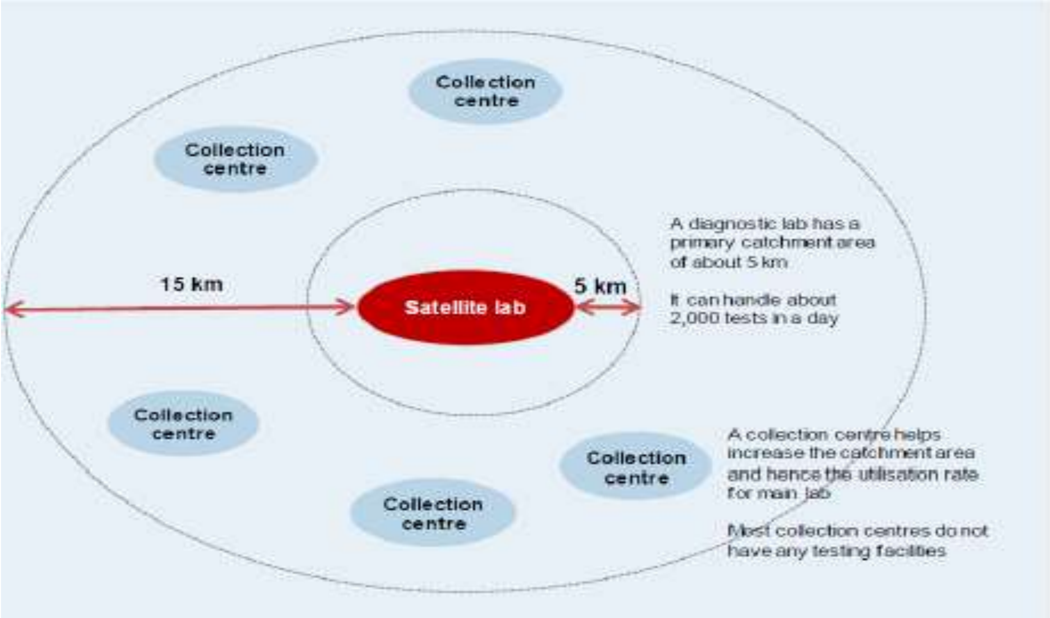
The following chart sets forth the hub and spoke model:



The diagnostics chain has a highly equipped reference laboratory to conduct routine as well as specialized pathology and radiology tests. The laboratory is usually located centrally in a metropolitan area and is well connected to satellite labs, collection centers (owned or franchised) and other reference laboratories.

Satellite laboratories are not equipped to conduct advanced pathology and radiology and offer a limited range of services, mainly acting as feeders for reference laboratories. Typically, a satellite laboratory covers a radius of five to seven kilometers, beyond which it is supported by a network of collection centers covering an area of three to five kilometers, thus forming a hub and spoke model and expanding coverage of a satellite laboratory up to 20 to 25 kilometers.

The following chart sets forth the hub and spoke model for a regional chain:



Outlook on the Diagnostic Industry

Diagnostics industry remains highly fragmented

Standalone centers dominate the diagnostic market with a 47% share, while hospital-based laboratories have a 37% market share. Diagnostic chains have a 16% market share and are further split into pan-India chains and regional chains. There are very few pan-India chains, which together have a share of approximately 35 to 40% of the organized diagnostic market. Regional chains constitute the rest of the market.

Intense competition in the industry

The diagnostics industry is highly competitive with the presence of standalone centers, hospital-based laboratories and diagnostic chains. Hospital based laboratories have the advantage of a captive patient base (inpatient and outpatient). They also offer various wellness packages and home sample collection services. Regional chains and standalone centers have a strong local brand name and hence offer competition to diagnostic chains. However, with inherent cost efficiencies in their business model, diagnostic chains are able to offer competitive prices as compared with other service providers. Also, standalone centers may have limited test offerings and the perceived quality of testing may not be as good as that of an established chain.

Diagnostic chains to continue to acquire market share of standalone centers

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

Key Success Factors for the Diagnostics Industry

Increase the reach of Diagnostic services across geographies: In India, currently organized diagnostic chains are present predominantly in urban areas. Significant markets such as Tier 2 and Tier 3 cities still lack adequate facilities and uptake of diagnostic chains. Hence, penetration of organized diagnostic chains in non-urban areas and deeper within urban areas will be critical for the growth of the diagnostic market.

Monetizing strong markets: It will be critical for diagnostic players to be present in key markets such as metros and Tier 1 cities with higher literacy and urbanization rates and create a strong foothold in selected strong markets.

This will be key for diagnostic players to expand their business, in wake of aggressive competition among pan-India diagnostic chains to capture strong markets.

Logistics network: A healthy logistics network is essential to reduce the turnaround time from sample collection to final report generation. It also increases the authenticity of tests by performing the procedure before samples expire or become degraded. Lower turnaround time helps diagnostic chains gain a competitive advantage over other players.

Perception of quality: More medical practitioners are expected to use services of diagnostic chains if they get consistent quality and accurate tests results, which in turn helps them in proper diagnosis. Diagnostic chains need to ensure high quality and accuracy in test results by acquiring a technological edge in terms of quality reagents, fully automated systems and qualified pathologists and radiologists. Proper maintenance of equipment, periodic quality controls and checks are also critical to ensure that test results are accurate.

Strong brand name: Diagnostics, being a commoditized market, players are increasingly focusing on brand building activities in order to differentiate their offerings from the competitors. Quality and timely services are essential to maintain a reputable brand image. The quality of laboratory equipment, testing reagents and qualified pathologists and radiologists at diagnostic centers contribute to the quality and accuracy of test results. It is expected that diagnostic centers will continue to improve the quality of equipment and enhance quality control procedures to ensure the quality and accuracy of their test results.

Customer Centricity: Diagnostic chains are trying to ensure that the customer receives a superior experience on every single visit right from seamless blood collection, hygienic collection setup to timely report delivery. Also, patients are getting increasingly aware of service standards. Diagnostic players are trying to develop goodwill and brand value by maintain a customer centric focus of their business. There is an increasing demand for inclusion and decision control from customers.

Economies of Scale: Diagnostic chains have the capacity of large testing volumes. Large test volumes help in achieving economies of scale and spreading operating costs of equipment and consumables over a large number of test volumes. Hence, it is important for diagnostic chains to establish a wide network of laboratories and collection centers to achieve incremental volume and revenue.

Tie-ups with multiple channel sources: In order to generate steady volumes of tests and prevent any downward variation, diagnostic chains need to tie-up with multiple sources such as smaller labs and clinics, hospital-based labs, public sector units and corporate clients. This is one of the key success factors for diagnostic chains.

Increasing focus on selective public private partnership agreements: In recent times, several states including Uttar Pradesh, Assam, Himachal Pradesh, Gujarat, Maharashtra, among others, have started engaging private players to provide diagnostic services at public hospitals under the public private partnership ("**PPP**") model. Both pan-India large players as well as smaller regional laboratories in the region have been focusing on such agreements to expand operations. Such PPP agreements will help organized diagnostic chains to penetrate the public market.

Home sample collection: Home sample collection and testing has been on the rise, provided by almost all organized players and unorganized players as well. Phlebotomist collects the sample and transports it in specially designed transportation box (cold box) to the designated processing center. Home sample collection is one of the key success factors for diagnostic chains which have helped them rapidly penetrate the urban market.

Key Risks for the Diagnostics Industry

Highly-competitive and fragmented industry: India's diagnostics industry is highly competitive with standalone centers having approximately 47% market share, 37% for hospital-based diagnostic centers and remaining 16% for organized diagnostic players. Low entry barriers, low capital expenditure requirements and minimum regulatory supervision makes it easier for new competitors.

Limitation of trained human resource availability: Pathologists and laboratory technicians are the critical staff for running a diagnostic center. One of the key risks faced by diagnostic centers is to attract, train and retain its critical staff such as pathologists. The situation is even more critical for standalone diagnostic centers, which may not be able to employ well-trained laboratory technicians and pathologists.
Vulnerability to technological advancements: Medical devices and analyzers are constantly undergoing technological advancements. To stay ahead of the competition, diagnostics centers have to constantly upgrade

their technology. However, these upgrades not only involve significant capital investments but also increase maintenance costs. This is critical, especially for smaller players who face a paucity of funds.

Challenge in entering new geographies: India is a vast country with diverse cultures and disease profiles across its various regions. The diversity in demographics, disease profiles and healthcare systems presents big challenges. Large diagnostic players face competition from local players who have an edge due to their familiarity with local market dynamics.

Capability to launch new tests: With frequent technological advancements and focus on research and development in diagnostic tests, new tests and test methods are being added constantly. It will be an important task for diagnostic players to keep adding new tests and test methods to their listings to keep pace with the competition.

Pricing Pressures: India's diagnostics industry is highly competitive with unorganized players still garnering approximately 84% market share. This increases competition among organized and unorganized diagnostic chains in terms of volumes of patients' samples and pricing of diagnostic tests. Also, the transfer pricing segment faces intense competition in terms of semi-specialized diagnostic tests.

Capability to optimize operational expenditures: Organized diagnostic chains are currently in expansion mode with huge outlays on expansion activities, acquisition of partners in terms of franchisees and collection centers, marketing and branding activities, building the logistics network. Their capability to optimize operational expenditures will be a key factor for their financial viability in the coming years.

Government Policies

Lack of a comprehensive and stringent regulatory framework

In India, there is no official checklist of basic requisites to set up a diagnostics laboratory and standardization to be followed. Most of the regulations in the diagnostics industry comes from private players who have modeled their business and services on international industry standards. However, the Government mandates possession of certain licenses, approvals and records for setting up a diagnostic laboratory. For instance, the diagnostics laboratories with radiology facilities have to strictly adhere to the guidelines and regulation laid down by the Atomic Energy Regulatory Board ("**AERB**") for installation and operation of radiology equipment. Overall, the diagnostic industry is still less regulated with minimal rules and laws mandated by the Government.

Voluntary accreditations attest to a diagnostic centre's service quality

Accreditation for diagnostics laboratories is a voluntary process. It is not proposed to be enforced on clinical establishments including diagnostics laboratories. This highly competitive environment due to low entry barriers amid lack of regulations gives rise to numerous unorganized players operating at low cost and with low focus on quality control.

Self-regulated organized private diagnostics businesses in India are voluntarily getting their laboratories accredited by the National Accreditation Board for Testing and Calibration Laboratories ("**NABL**"), International Organization for Standardization ("**ISO**"), College of American Pathologists ("**CAP**") and Clinical Laboratory Improvement Amendments ("**CLIA**").

Recent Trends

Consolidation, converting unorganized to organized market

India's diagnostics industry is highly fragmented. With emergence of pan-India diagnostic chains, the sector has seen more and more consolidation via mergers and acquisitions and increased market share of organized chains.

Brand building initiatives

All the major diagnostic players are investing in brand building initiatives and creating various online and offline marketing campaigns to differentiate their offerings, quality and test accuracy from their competitors. Diagnostic chains are launching advertising campaigns, healthcare camps and various wellness and preventive test packages under their own brands. They are focusing on repeat sales and conversion of referral customers into owned customers which is the path ahead in this competitive market.

Expanding test menu and sophisticated tests

With advancements and increasing focus on research and development, new tests are getting added frequently. Molecular pathology and DNA/RNA typing are the major areas where the diagnostic chains are adding more and more tests to gain a competitive advantage over other players. Emerging technologies in the diagnostic market, such as liquid biopsy, next-generation sequencing, microfluidics, and multiplex molecular diagnosis are also expanding the test menu.

Focus on Preventive and Wellness services

Among the organized players, there has been an increasing trend toward targeting healthy individuals who have sedentary lifestyles and are more prone to lifestyle diseases such as cardiovascular and diabetes ailments. Bulk business from employer schemes is a key driver of this market. Emerging trend of precision medicine and focus on preventive care, walk-in/direct-to-customer diagnostic services are expected to drive growth in the diagnostics arena.

Growing trend of Evidence-Based Medicine

Physicians are transitioning to evidence based medicine where the treatment is rendered to patient based on pathology and diagnostic reports. Also, physicians trust is directed toward diagnostic labs with credible accreditations. This trend is advantageous for organized diagnostic chains as they have the financial and operational capability to obtain various accreditations.

Emergence of Online Aggregators

Online aggregators provide a robust website platform where customers can choose most suited diagnostic packages. They also provide the facility of choosing the service provider and the price it offers. Individual health check-up providers suggest various health check-up packages to customers based on their requirements and handle the booking of packages at designated service providers. These facilities are bringing diagnostic and health checkup services to the fingertips of customers by allowing them to choose from a number of available options almost instantly.

Logistics network

Diagnostic players continue to invest in creating a healthy logistics network for satellite laboratories and collection centers to reduce the turnaround time for tests and deliver accurate test results in minimum possible time. They are adopting innovative models such as home collection of samples to enter untapped markets. Also, larger chains are collaborating with smaller/regional players to provide services in the regions where larger chains don’t have presence.

Adoption of technological advances

Diagnostic chains have adopted newer technologies for expanding their test volume base. Point of care devices, miniaturization of devices, digital pathology, laboratory automation and precision medicine has helped diagnostic players to penetrate the untapped remote areas of the country.

Improving the quality and report delivery time

Diagnostic laboratories are focusing on increasing the accuracy of their test results by employing and training qualified doctors and technicians. Laboratories are also opting for various accreditations such as NABL to gain a competitive advantage and enhance their brand image. Diagnostic chains are boosting their logistic network for timely delivery of test results to the customers.

Asset Light Mode of Growth

Hub and spoke model: Most organized diagnostic chains operate on hub and spoke business model which benefits from economies of scale. To gain a competitive advantage these diagnostic chains are increasing their network rapidly to reap benefits of economies of scale and lower operating costs. Hence, organized diagnostic chains are expanding their network rapidly through addition of satellite laboratories and collection centers.

Shop-in Shop model: Diagnostic players are entering into outsourcing contracts with hospitals where the diagnostic chain handles the complete operations of the diagnostic department of the hospital. Such new models of outsourcing clinical tests to private laboratories is expected to rise to streamline and increase efficiency.

Home collection: Home sample collection and testing has been on the rise, provided by almost all organized players and unorganized players as well. Phlebotomist collects the sample and transports it in a specially designed transportation box (cold box) to the designated processing center. Home sample collection is one of the key success factors for diagnostic chains which have helped them rapidly penetrate the urban market.

Selectively eyeing PPP contracts

Both pan-India large players as well as smaller regional laboratories in the region have been selectively focusing on PPP agreements to expand operations. Large players such as Metropolis, SRL Diagnostics, Dr. Lal PathLabs Limited and Thyrocare Technologies Limited as well as regional players such as Medall, Aarthi Scans, Vijaya Diagnostic center and Sanya Diagnostics are focusing on winning these contracts. Such PPP agreements will help organized diagnostic chains to penetrate the public market.

Emergence of Super Specialty Clinics

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

OUR BUSINESS

Unless otherwise stated, references in this section to "we", "us", or "our" (including in the context of any financial or operational information) are to our Company, along with our Subsidiaries and our Joint Ventures, on a consolidated basis.

Unless otherwise stated, the financial information in this section has been derived from our Restated Consolidated Summary Statements.

The industry-related information contained in this section is derived from the Frost & Sullivan Report. We commissioned the Frost & Sullivan Report for the purposes of confirming our understanding of the industry in connection with the Offer. Neither our Company, nor any other person connected with the Offer, including the BRLMs, has independently verified the information in the Frost & Sullivan Report or other publicly available information cited in this section.

In order to obtain a complete understanding of our business, prospective investors should read this section in conjunction with "Forward Looking Statements", "Risk Factors", "Industry Overview", and "Management's Discussion and Analysis of Financial Condition and Results of Operations" on pages 16, 18, 117 and 492, respectively, as well as the financial, statistical and other information contained in this Draft Red Herring Prospectus.

Overview

We are one of the leading diagnostics companies in India, by revenue, as of March 31, 2018 *(Source: Frost & Sullivan)*. We have widespread presence across 18 states in India, as of March 31, 2018, with leadership position in west and south India *(Source: Frost & Sullivan)*. Through our widespread operational network, we offer a comprehensive range of clinical laboratory tests and profiles, which are used for prediction, early detection, diagnostic screening, confirmation and/or monitoring of the disease. We also offer analytical and support services to clinical research organizations for their clinical research projects. During the financial year 2018, we conducted approximately 16.0 million tests from approximately 7.7 million patient visits.

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

We offer a broad range of approximately 3,480 clinical laboratory tests and 524 profiles, as of March 31, 2018. The profile comprises of a variety of test combinations which are specific to a disease or disorder as well as wellness profiles that are used for health and fitness screening. We classify our tests into (i) 'routine' tests such as blood chemistry analyses, blood cell counts and urine examination; (ii) 'semi-specialized' tests such as thyroid function tests, viral and bacterial cultures, histology, cytology and infectious disease tests; and (iii) 'specialized' tests such as tests for coagulation studies, autoimmunity tests, cytogenetics and molecular diagnostics. We are focused on providing reliable test results as well as value-added services such as home collection of specimens and online access to test reports. We also offer customized wellness packages to our institutional customers as per their requirement. We believe, our patient centric approach is a critical differentiator and results in several individuals and healthcare providers choosing us as their diagnostic healthcare service provider.

We conduct our operations through our laboratory and service network. We have implemented a 'hub and spoke' model for quick and efficient delivery of services through our widespread laboratory and service network, which covers 173 cities in India, as of March 31, 2018. As of March 31, 2018, our laboratory network consists of 106 clinical laboratories, comprising (i) a global reference laboratory ("GRL") located in Mumbai, which is our main 'hub' and equipped to conduct majority of the tests offered by us; (ii) 12 regional reference laboratories ("RRLs") (out of which two are located outside India), which are equipped to conduct routine, semi-specialized and few specialized tests; (iii) 50 satellite laboratories (out of which four are located outside India), which are equipped to conduct routine and semi-specialized tests; and (iv) 43 express laboratories (out of which 11 are located outside India), which are equipped to conduct routine tests.

Our service network caters to individual patients as well as institutional customers. We service individual patients through 1,130 patient touch points (out of which 28 are located outside India), as of March 31, 2018, including 251 patient service centers owned by us ("**Owned PSCs**") and 879 third party patient service centers ("**Third Party PSCs**"). We service our institutional customers through approximately 9,020 institutional touch points, as of March 31, 2018, including (i) approximately 8,500 pick-up points; and (ii) 520 assisted referral centers ("**ARCs**") (out of which seven are located outside India), which are our exclusive third party referral centers.

We have been awarded the tender by the National Aids Control Organization ("**NACO**") to collect specimens from 525 government-owned antiretroviral therapy (ART) centers and conduct HIV-1-Viral load tests. We also offer analytical services and support services such as logistics and electronic data interchange (**"EDI"**) to contract research organizations for their clinical research projects.

Our revenue from operations outside India was ₹520.72 million, which accounted for 8.09% of our revenue from operations for the financial year 2018. Outside India, we have laboratory operations in Ghana, Kenya, Zambia, Mauritius and Sri Lanka. In addition, we have also entered into agreements with third parties for collection and processing of specimens in Nepal, Nigeria, UAE and Oman. As of March 31, 2018, we have an operational network of 17 clinical laboratories, 28 patient touch points and seven ARCs, outside India.

We believe that we have established a well-recognized brand by delivering quality diagnostic and related healthcare tests and services. We were recognized for "excellence in customer service and delivery" by Biotrains in 2018, and also received special jury mention for "service excellence (diagnostic center)" by FICCI at the Healthcare Excellence Awards 2018. In addition, our health campaign was recognized as "best in health and fitness" in the Digital Campaign Awards 2018 by LH Insights.

From financial year 2016 to financial year 2018, (i) our revenue from operations grew from ₹ 4,754.69 million to ₹ 6,435.67 million, representing a CAGR of 16.3%; (ii) our Adjusted EBITDA grew from ₹ 1,297.96 million to ₹ 1,773.83 million, representing a CAGR of 16.9%; and (iii) our profit for the year grew from ₹ 819.55 million to ₹ 1,097.47 million, representing a CAGR of 15.7%. Adjusted EBITDA is a supplemental measure of performance and is not prepared under or required by Ind-AS. For a reconciliation of Adjusted EBITDA to net income, see "*Summary Financial Information*" on page 61.

The table below shows our key financial and operational metrics:

Particulars	As of and for the year ended March 31, 2018	As of and the for the year ended March 31, 2017	As of and for the year ended March 31, 2016
Clinical laboratories	106	95	89
Number of patient visits (in million)	7.7	7.0	6.9
Total number of patient touch points:	1,130	579	277
• Number of Owned PSCs	251	223	160
• Number of Third Party PSCs	879	356	117
Total number of institutional touch points (approximately):	9,020	7,308	6,651
• Number of pick-up points (approximately)	8,500	7,000	6,500
• Number of ARCs	520	308	151
Number of tests performed (in million) (approximately)	16.0	14.3	13.4
Number of tests per patient visit	2.08	2.04	1.94
Revenue per test/profiles[1] (in ₹)	402.2	380.9	354.8
Revenue per patient visit[2] (in ₹)	835.8	778.2	689.0

Note:

[1]*This figure is derived by dividing revenue from operations, as per Restated Consolidated Summary Statements as of March 31, 2018, by the number of tests/profiles.*

[2]*This figure is derived by dividing revenue from operations as per Restated Consolidated Summary Statements as of March 31, 2018, by the number of patient visits.*

Our Competitive Strengths

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

One of the leading diagnostics companies in India which is well positioned to leverage the expected growth in the Indian diagnostics industry

We are one of the leading diagnostics companies in India, by revenue, as of March 31, 2018 *(Source: Frost & Sullivan)*. We have widespread presence across 18 states in India, as of March 31, 2018, with leadership position in west and south India *(Source: Frost & Sullivan)*. As of March 31, 2018, we have an operational network of 69 clinical laboratories, 967 patient touch points and 314 ARCs in west and south India. We are growing our presence in north and east India, and our clinical laboratories, patient touch points and ARCs have increased from 15, 25 and 59 as of March 31, 2016 to 20, 135 and 199, as of March 31, 2018, respectively. As of March 31, 2018, our operational network is spread across 173 cities in India. Our widespread presence provides a hedge against the risks associated with any particular geography while benefitting from the competitive advantages of each location.

The diagnostics market in India is highly fragmented and largely unorganized. We are the third largest diagnostics service provider in India, by revenue, as of March 31, 2018 *(Source: Frost & Sullivan)*. Frost & Sullivan estimates that there will be a shift from the unorganized providers to organized providers in the diagnostics market due to increasing trend of patients' reliance on organized diagnostic providers for quality services and unavailability of complex tests with standalone centers (*Source: Frost & Sullivan*). We believe that it is difficult for competitors and new entrants to attain the brand and reputation, economies of scale and wide geographic coverage that we enjoy, which positions us to leverage upon the underlying opportunities in the Indian diagnostics space.

Further, the overall growth in the Indian diagnostics market is expected to be led by eight major cities which have the highest GDP (on purchasing power parity basis) in India *(Source: Frost & Sullivan).* We believe that we have significant presence in five of these eight major cities, namely Mumbai, Chennai, Surat, Pune and Bengaluru, with an operational network of 27 clinical laboratories, 770 patient touch points and 65 ARCs, as of March 31, 2018. During the financial year 2018, we derived 62.75% of our revenue from operations from these five cities, and we believe that we are well-positioned to grow the scale of our business and operations. We have also grown our presence in the remaining three cities, Delhi, Hyderabad and Kolkata, from five clinical laboratories, 16 patient touch points and 31 ARCs as of March 31, 2016 to eight clinical laboratories, 77 patient touch points and 84 ARCs, as of March 31, 2018.

Widespread operational network, young patient touch point network and asset light growth of service network

Our operations are supported by a laboratory network comprising of 106 clinical laboratories, including our GRL and a service network comprising of (i) 1,130 patient touch points, including 251 Owned PSCs and 879 Third Party PSCs, which service our individual patients; and (ii) approximately 8,500 pick-up points and 520 ARCs, which service our institutional customers, as of March 31, 2018. We believe our 'hub and spoke' model, whereby specimens are collected across multiple locations within a region for delivery to our clinical laboratories for diagnostic testing, provides greater economies of scale and enhances consistency of our testing procedures. In addition, we are able to leverage our widespread network of clinical laboratories to compete effectively with local diagnostic providers in each of the markets in which we operate.

Our operations are supported by a young patient touch point network, with 70.56% being less than two years old, as of March 31, 2018. As of March 31, 2018, our operational network is spread across 173 cities in India, of which we commenced operations in 52 cities after April 1, 2016. Also, during the financial years 2017 and 2018, we added 91 Owned PSCs to our service network. As our patient touch point network matures, we expect it to collectively contribute to our short to mid-term future growth.

We have implemented an asset-light model for growing our service network. In addition to setting up Owned PSCs, we have significantly expanded our service network by contracting with Third Party PSCs, to service our individual patients, with limited capital expenditure incurred by us. In addition, we also provide home collection service to our patients, which allows us to collect specimens at the patient's house. For catering to the requirements of our institutional customers, we have set up pick-up points and ARCs.

Comprehensive test menu with wide range of clinical laboratory tests and profiles

We offer a comprehensive range of approximately 3,480 clinical laboratory tests and 524 profiles to our patients, as of March 31, 2018. Our test menu includes pathology tests ranging from basic biochemistry and surgical pathology to cytogenetics and high-end molecular diagnostic tests. Besides pathology tests, some of our centers also offer non-pathology tests such as ECG, X-ray, ultrasound and stress tests. According to Frost & Sullivan, there has been a significant growth in demand of preventive health checkup in India, and to cater to this demand, we have developed a wide range of wellness profiles for our diverse patient base. We also offer customized wellness packages to our institutional customers as per their requirement. We believe, our comprehensive test menu is an important factor in patients choosing us as their diagnostic healthcare service provider, and also helps us in retaining our patients.

We have invested in a wide range of specialized tests and have adopted several advanced tests and technologies introduced in the global market, particularly in case of specialized tests. We offer 2,794 specialized tests, as of March 31, 2018. We believe that our track record of introducing specialized tests has been critical to our becoming one of the leading diagnostics companies in India.

Strong and established brand with a focus on quality and customer service

We believe that we have established a well-recognized brand by delivering quality and reliable diagnostic services since 1980. Over the years, we have received several awards that recognize the strength of our brand and our focus on offering superior diagnostic tests and services. We were recognized for "excellence in customer service and delivery" by Biotrains in 2018, and also received special jury mention for "service excellence (diagnostic center)" by FICCI at the Healthcare Excellence Awards 2018. In addition, our health campaign was recognized as "best in health and fitness" in the Digital Campaign Awards 2018 by LH Insights. For further details, see "*History and Certain Corporate Matters*" on page 158.

We believe that our focus on quality has resulted in greater number of individuals and healthcare providers choosing us as their diagnostic healthcare service provider. Our GRL holds accreditation from the College of American Pathologists ("**CAP**") Laboratory Accreditation Program, which is one of the main accreditations in our industry. As of March 31, 2018, 25 of our clinical laboratories hold one or more of CAP, Kenya Accreditation Service, International Laboratory Accreditation Cooperation, Asia Pacific Laboratory Accreditation Cooperation or National Accreditation Board for Testing and Calibration Laboratories ("**NABL**") accreditations. Majority of the machines used in our clinical laboratories are approved by the US FDA and/or CE. All our laboratories follow standard operating procedures to ensure standardization and quality compliance, which results in a consistent and efficient process.

Customer service is a critical differentiator across all stages of our operations. For instance, we have increased scope of our home collection service to 173 cities in India, as of March 31, 2018. For the convenience of our patients, we have developed a mobile application for scheduling house calls, accessing test reports, receiving test reminders as well as making online requests for billing information. We offer our patients a detailed test report which covers result trend analysis and patient specific interpretations and comments by our doctors in some cases. We also have a policy of ensuring conclusive diagnosis to our patients, even if it involves incurring additional costs for us, by way of re-checks and repeat specimen analysis.

Robust Information Technology Infrastructure with Focus on Improving Efficiency

Our laboratory operations are supported by a cloud-based information technology platform, while rest of our operations are managed using a centralized SAP platform. Our 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. We believe that our information technology system enables us to (i) achieve standardization across our operations; (ii) reduce incidence of errors due to human intervention; (iii) monitor technical operations; (iv) closely track our key performance metrics; and (v) provide convenience to our patients and customers, by allowing them to book appointments, complete registration and access test reports online. Our information technology infrastructure is scalable and has been designed to support the growth of our business and help ensure reliability of our operations as well as the security of customer information.

Established track record of successful acquisition and integration in India and overseas

We have a track record of acquiring and successfully integrating companies to grow our portfolio of laboratory and service network. We have acquired several companies since 2002, which includes established local chains such as Sudharma Metropolis Health Services Private Limited in Kerala and Golwilkar Metropolis Health Services (India) Private Limited in Pune as well as companies outside India.

The table below sets forth an indicative list of some of our key acquisitions and their performance:

Acquired Companies	**Year of Acquisition**	**Revenue for the Financial Year 2014[1] or at the time of acquisition (whichever is later) (₹ *in million*)**	**Revenue for the Financial Year 2018[2] (*₹ in million*)**
Sudharma Metropolis Health Services Private Limited	2002	310.58	475.04
Golwilkar Metropolis Health Services (India) Private Limited	2005	299.69	446.99
Desai Metropolis Health Services Private Limited	2007	128.19	253.39
R.V. Metropolis Diagnostics & Healthcare Centre Private Limited	2008	148.17	345.30
Dr. Patel Metropolis Healthcare Private Limited	2012	45.12	103.04

Note: [1]Revenue for the financial year 2014 has been determined under Indian GAAP.
[2] Revenue for the financial year 2018 has been determined under Ind AS.

We believe that, using our expertise and brand equity, we were able to successfully integrate these acquired businesses in our portfolio by (i) bringing in industry best practices to these acquired businesses including standardized machines and standard operating procedures, in a phased manner, resulting in efficiency and quality enhancement; (ii) providing them access to our sales and marketing network; (iii) providing them access to a more comprehensive test menu by leveraging our capabilities; and (iv) using our brand strength to strengthen their positioning in the local market. We believe that using our experience we were able to improve the performance of majority of these acquired companies as well as grow our scale of business and operations, achieve economies of scale and increase our operating efficiency, thereby further improving our market position.

Experienced Senior Management Team and Qualified Operational Personnel

We are a promoter led, professionally managed company. Our Promoter and Chairman, Dr. Sushil Shah, has more than three decades of experience in pathology business, and his vision is critical to 'Metropolis' becoming one of the leading healthcare brands in India. Our Promoter and Managing Director, Ms. Ameera Shah, has more than two decades of experience in pathology business in a variety of roles including finance, strategy, innovation and investor relations. Ms. Ameera Shah has been instrumental in the growth of our business to one of India's leading diagnostics companies.

We have a strong management team led by our Chief Executive Officer, Mr. Vijender Singh, who has significant industry experience. Our senior management team also includes our Group President, Science & Innovation, Dr. Nilesh Shah and our Chief Financial Officer, Mr. Tushar Karnik. For details, see "*Our Management*" on page 181. Additionally, we have a team of approximately 183 doctors and pathologists and 2,022 scientific officers and phlebotomists, as of March 31, 2018. We believe that the knowledge and experience of our team members provides us with a significant competitive advantage as we seek to grow our business.

Our Board of Directors, includes a combination of management executives and independent members who bring in significant business expertise. We believe that the combination of our experienced Board of Directors and our dynamic management team positions us well to capitalize on future growth opportunities.

Our Strategy

The key elements of our business strategy are as follows:

Continue to Focus on Organic Growth Initiatives to Expand Our Reach

We have developed a highly differentiated and focused growth strategy of dividing the key target cities in which we operate into focus cities, seeding cities and other key cities, on the basis of our market share, the strength of our brand, operational history, experience and the quality of our team. We channel resources in growing our market share within these geographies in order of their importance in our growth strategy.

- ***Focus cities*:** We have identified five focus cities, for the financial year 2019 - Mumbai, Bengaluru, Chennai, Surat and Pune ("**Focus Cities**"). We have significant presence and operational experience in these five Focus Cities, and derived 62.75% of our revenue from operations from these cities for the financial year 2018. We intend to deepen our penetration in Focus Cities by (i) increasing the number of Third Party PSCs; (ii) enhancing our laboratory capacity and test menu by adding latest machines and technology; (iii) expanding business derived from individual patients; (iv) employing focused sales and marketing teams to generate walk-ins through targeted marketing strategies and use of the customer relationship management ("**CRM**") marketing tool; (v) doctor engagement through medical awareness initiatives and meetings with medical practitioners; and (vi) increased focus on home collection service and wellness offerings. We intend to evaluate the list of Focus Cities on a yearly basis to ensure that our resources are deployed in line with our growth strategy.

- ***Seeding cities*:** We have identified eight seeding cities and regions which we believe have strong growth potential, comprising Rajkot, Nashik, Nagpur, Kochi, Raipur, National Capital Region ("NCR"), Kolkata and Guwahati ("**Seeding Cities**"). Seeding Cities constituted 19.14% of our revenue from operations for the financial year 2018. Given the expected increase in demand for diagnostic services in Seeding Cities, we believe that Seeding Cities will be the core focus of our medium to long term growth. We intend to expand our network in Seeding Cities by (i) increasing the number of patient touch points; (ii) expanding our test offerings; and (iii) employing targeted marketing strategies to grow our business. We intend to convert some of these Seeding Cities into Focus Cities, in a phased manner, after these cities meet our internal benchmarks.

- ***Other key cities*:** We have identified 160 other key cities ("**Other Key Cities**") in which we either have our satellite or express laboratories or ARCs. In our view, some of these Other Key Cities have the potential of becoming Seeding Cities in the medium term. Other Key Cities constituted 18.11% of our revenue from operations for the financial year 2018. We intend to use the asset-light model for expanding our service network in Other Key Cities, with primary focus on growth of our ARC network to service institutional customers.

Continue Our Focus on Providing Quality Tests and Services

The quality and reliability of our tests and services are critical to our success. Our vision is to help doctors treat their patients better and our strategy is to take the following steps in this regard:

- upgrading our technology for better quality, efficiency and reliability;

- consistent value addition to tests being offered; and

- promoting disease and disorder specific profiles, to allow doctors to receive comprehensive view of the patient's disease status.

Further, our value added services, such as house calls, e-services, longer operating hours for patient touch points and call centers, and home delivery of test reports, make our services easier to use. We intend to continue to improve our value added services to make them more attractive for our existing as well as prospective patients. We are also actively involved in campaigns focused on creating awareness of particular conditions such as cancer, lifestyle diseases, monsoon diseases, and the importance of periodic testing.

Focus on the Expansion of Our Service Network

Going forward, we are particularly focused on using the Third Party PSC model for expanding the geographical reach of our service network, due to its high scalability and limited capital expenditure involved. Our Third Party PSCs include associate patient service centers ("**APSCs**") and standalone independent laboratories converted into Metropolis-branded patient service centers ("**D-APSCs**"). In recent years, we have successfully used the Third Party PSC model to grow our business and the total number of our APSCs and D-APSCs have grown from 41 as of March 31, 2016 to 295 as of March 31, 2018. These models enable us to grow our revenue by providing management and branding to Third Party PSCs, while benefitting from the extension of our network and brand presence in key geographies.

- Under the APSC model, APSCs act as our exclusive service providers, and are required to establish patient service centers in accordance with our standards and specifications, procure basic diagnostic equipment, and recruit adequate number of qualified phlebotomists and other experienced administrative staff. We provide technical, personnel and marketing support to our APSCs, and in certain cases, also provide the requisite consumables and collection materials. The number of our APSCs have grown from 41 as of March 31, 2016 to 259 as of March 31, 2018.

- Under the D-APSC model, the small stand-alone private laboratories are converted into Metropolis branded patient service centers which are operated by the D-APSC owners in accordance with our quality standards. We provide technical, personnel and marketing support to our D-APSCs, and in certain cases, also provide the requisite consumables and collection materials. The number of our D-APSCs have grown from nil as of March 31, 2016 to 36 as of March 31, 2018.

We also intend to grow our Owned PSCs in Focus and Seeding Cities. We expect that a wider geographic reach will expand our customer base as well as improve our profitability by allowing us to better leverage our infrastructure. We will also continue to seek strategic partnerships with key third-party patient service centers in India, Africa and the Middle East to expand our geographic reach.

Focus on Increasing our Business from Individual Patients

Across our Focus Cities, we derived 47.8% of our revenue from operations from individual patients in the financial year 2018 as compared to 41.9% of our revenue from operations in the financial year 2016, representing a CAGR of 20.72%.

We believe our business derived from individual patients provides better economies of scale, and to leverage this opportunity, we intend to:

- *Focus on Metropolis-branded Third Party PSCs*: We will continue to expand our service network by contracting with Third Party PSCs. Third Party PSCs act as our exclusive service providers, and operate in accordance with our standards and specifications. We incur limited capital expenditure in case of Third Party PSCs and intend to continue to set up Metropolis-branded Third Party PSCs to create visibility and increase our presence in the market.

- *Employ focused sales and support team*: As part of our "Direct to Doctors" approach, we intend to employ focused sales and support team, whose primary focus is to emphasize on our widespread service network, accuracy of our test results and the scale of our test menu, to increase our business derived from individual patients. Our focused sales team will be supported by a technical team to ensure compliance with our quality standards at our patient touch points.

- *Undertake targeted marketing initiatives*: As part of our "Direct to Patients" approach, we undertake targeted marketing initiatives to create strong brand equity and awareness towards our brand. We intend to continue to promote our business by customizing our marketing initiates based on the market dynamics, including conducting digital engagement activities on social media platform, organizing health camps in the catchment areas of our patient touch points and developing disease awareness programs.

Pursue New Avenues of Growth

We intend to pursue several new avenues of growth, including:

- *Growing our offering of test packages:* We intend to increase the scope of test packages offered by us by offering (i) personalized packages to our individual patients, based on patient's age, sex and medical history; and (ii) customized packages to our institutional customers, based on their requirements. We expect that these packages will increase revenue per patient visit as well as revenue per test. We have a dedicated sales and marketing team, which engages with senior medical consultants and key opinion leaders, to promote our specialty tests and disease specific profiles.
- *Pursuing scientific upselling of tests*: In line with scientific advancements in molecular diagnostics, oncology and cytogenetics, we have, over the time, made investments in these fields and are well positioned

to improve the test menu and our technology capability in these areas. For instance, we have a comprehensive test menu of approximately 700 molecular diagnostic tests, as of March 31, 2018. We also intend to pursue scientific upselling of tests, primarily to clinicians, to increase the scope of our test menu. We are also focused on growing our portfolio of tests, with special focus on specialized tests which have less competition and higher margins due to advanced technology, skilled manpower and complex processes involved.

- *Participating in select Public-Private Partnership tenders*: We intend to selectively participate in certain Public-Private Partnership ("**PPP**") tenders in India by leveraging on our experience as the current provider of HIV-1-Viral load tests under our contract with NACO. We believe that our work with NACO would provide us with significant experience, and benefit us in obtaining additional PPP tenders in the future. Similar opportunities for PPP tenders also arise in the African markets in which we operate, and we intend to participate in these tenders on a selective basis.

- *Increase focus on contract research*: We will place an increased focus on laboratory testing for clinical research processes with contract research organizations and pharmaceutical manufacturers. We believe that our experience in conducting approximately 439 clinical research assignments, as of March 31, 2018, for contract research organizations and pharmaceutical manufacturers would benefit us in obtaining additional clinical research assignments in the future.

Focus on Consolidation Opportunities in a Largely Unorganized Diagnostic Sector

According to Frost & Sullivan, while the diagnostics industry is largely unorganized, increased brand awareness among patients and costumers, increased penetration of specialized tests, and a diverse and large test menu at organized providers provides opportunity for faster consolidation in the diagnostics industry. Given our track record of successful consolidations, we believe that we are well positioned to take advantage of the expected consolidation and shift towards organized providers in the Indian diagnostics market.

We will continue to selectively evaluate opportunities to increase our shareholding in our Subsidiaries and expansion opportunities in India, including through acquisitions of regional diagnostic healthcare service providers to, among others:

- grow in newer markets;
- increase our customer base to consolidate our position in markets in which we currently operate;
- strengthen or expand our technological capabilities; and
- enable us to achieve operating leverage by unlocking potential efficiency and synergy benefits.

We are evaluating acquisition opportunities at this time, however the discussions are in preliminary stage and we have not signed any definitive agreement as of the date of this Draft Red Herring Prospectus.

In the past, we have integrated technology infrastructure, standard operating processes and logistics network of majority of the acquired businesses with our own systems in the past. Through our expertise and demonstrated track record of identifying appropriate targets, successfully integrating them and helping them grow, we believe that we are well positioned to drive growth of our business though inorganic route.

Description of Our Business

Our Geographical Spread

We have widespread presence across 18 states in India, as of March 31, 2018, with leadership position in west and south India *(Source: Frost & Sullivan)*.

The map below depicts the geographical spread of our operational network in India, as of March 31, 2018:

State	ARCs	Clinical Laboratories	Patient Touch Points	Total
Andhra Pradesh	30	2		32
Telangana	13	1	1	15
Assam	1	1	2	4
Bihar	22	1		23
Uttarakhand	4			4
Chattisgarh	6	3	10	19
Delhi	55	6	71	132
Goa	2	1	3	6
Gujarat	14	7	120	141
Karnataka	21	6	32	59
Kerala	31	19	26	76
Madhya Pradesh	42	3	19	64
Maharashtra	118	20	645	783
Punjab	36	4	23	63
Rajasthan	4	2	1	7
Tamil Nadu	39	8	120	167
Uttar Pradesh	56	3	16	75
West Bengal	19	2	13	34
Grand Total	513	89	1,102	1,704

Outside India, we have laboratory operations in Ghana, Kenya, Zambia, Mauritius and Sri Lanka. In addition, we have also entered into agreements with third parties for collection and processing of specimens in Nepal, Nigeria, UAE and Oman.

The chart below sets forth our revenue from operations by geographical segment for the financial years 2018, 2017 and 2016:

(in ₹ million)

Particulars	Financial Year		
	2018	**2017**	**2016**
West India	3,480.29	3,029.84	2,649.12
South India	1,792.75	1,574.12	1,465.49
North India	419.71	330.73	282.90
East India	214.42	164.83	140.72
International	520.72	347.72	216.46
Total	**6,435.67[1]**	**5,447.24**	**4,754.69**

[1]*This includes revenue of ₹ 7.78 million from our PPP contract with NACO.*

Our Operational Network

We offer access to diagnostic healthcare services in India through our operational network, comprising of laboratory and service network.

The chart below sets forth details of our operational network as of specified dates:

Operational Network	As of March 31,		
	2018	**2017**	**2016**
Laboratory Network:			
(a) GRL	1	1	1
(b) RRLs	12	10	10
(c) Satellite Laboratories	50	45	42

Operational Network	As of March 31,		
	2018	2017	2016
(d) Express Laboratories	43	39	36
TOTAL	**106**	**95**	**89**
Service Network:			
(a) Owned PSCs	251	223	160
(b) Third Party PSCs	879	356	117
(c) Pick-up Points	8,500	7,000	6,500
(d) ARCs	520	308	151
TOTAL	**10,150**	**7,887**	**6,928**

Laboratory Network

As of March 31, 2018, our laboratory network consists of 106 clinical laboratories, comprising (i) a GRL (ii) 12 RRLs (out of which two are located outside India); (ii) 50 satellite laboratories (out of which four are located outside India); and (iii) 43 express laboratories (out of which 11 are located outside India).

We have implemented a 'hub and spoke' model, whereby specimens are collected from across multiple locations within a catchment area or region for shipment to our clinical laboratories for testing. In addition, we outsource certain tests at times, including during emergency situations and breakdowns, as well as certain specialized tests to third party laboratories, when required. While most of our laboratory locations are serviced through our own in-house logistics team, locations within each catchment area are connected through a network comprising of third-party couriers and independent air-freight couriers for longer distance transport.

GRL

Our GRL was established in 2003 and is currently located in an approximately 45,000 square feet built-up facility in Mumbai. It acts as the main 'processing hub' for the rest of our global network, and is equipped to conduct majority of the tests offered within our network. GRL has a capacity to analyze approximately 40,000 tests per day.

In addition to walk-in patients, our GRL receives test requests and specimens for testing via courier from our clinical laboratories network, patient touch points and institutional touch points as well as through our home collection service. Our GRL holds accreditation from the CAP Laboratory Accreditation Program as well as ISO: 15189, APLAC and ILAC accreditations from NABL.

GRL has several analytical departments including (i) hematology; (ii) clinical chemistry; (iii) surgical pathology; (iv) microbiology; (v) cyto-genetics and molecular genetics; (vi) molecular diagnostics; and (vii) transplant immunology. Our GRL also has a department dedicated towards research and development and clinical research.

We believe centralized testing has yielded economies of scale and has allowed us to procure more efficient equipment and information technology systems, thereby improving the overall efficiency of our diagnostic testing services.

Other Clinical Laboratories

As of March 31, 2018, our other clinical laboratories comprise (i) 12 RRLs, located in Rajkot, Guwahati, Raipur, New Delhi, Surat, Bengaluru, Kochi, Pune, Chennai, Kolkata, Kenya and Sri Lanka, which are equipped to conduct routine, semi-specialized and few specialized tests, and cater to approximately 70% of our total test volume; (ii) 50 satellite laboratories, which are equipped to conduct routine and semi-specialized tests, and provide most common 100 tests; and (iii) 43 express laboratories, which are equipped to conduct routine tests.

To the extent that the tests can be processed onsite, our specialized clinical laboratory staff will process the tests and submit the results directly to our patients, allowing for a shorter turnaround time. If more specialized tests or services are required, the specimens collected at our clinical laboratories are delivered to our GRL for processing. As of March 31, 2018, we have a laboratory network of (i) three RRLs, 15 satellite laboratories and 18 express laboratories in south India; (ii) three RRLs, 23 satellite laboratories and six express laboratories in west India; (iii) three RRLs, two satellite laboratories and two express laboratories in east India; (iv) one RRL, six satellite laboratories and six express laboratories in north India; and (v) two RRLs, four satellite laboratories and 11 express laboratories outside India.

Laboratories on Lease Model

As of March 31, 2018, eight of our clinical laboratories are operated by us under Laboratories on Lease ("**Lab on Lease**") model. Under this model, we lease the physical space from the standalone private laboratory, which also provides us their existing diagnostic equipment, and operate the laboratory in accordance with our quality standards and on a revenue-sharing basis. We also maintain as well as, where required, upgrade equipment to meet our standards. We are also responsible for costs relating to the day-to-day operations of the laboratory, such as utilities, staff costs, material costs and marketing costs. These laboratories are operated on an exclusive as well as co-branded or branded basis as per the terms of the agreement. Our agreements under this model are for term ranging between two to five years.

Clinical Laboratory Services

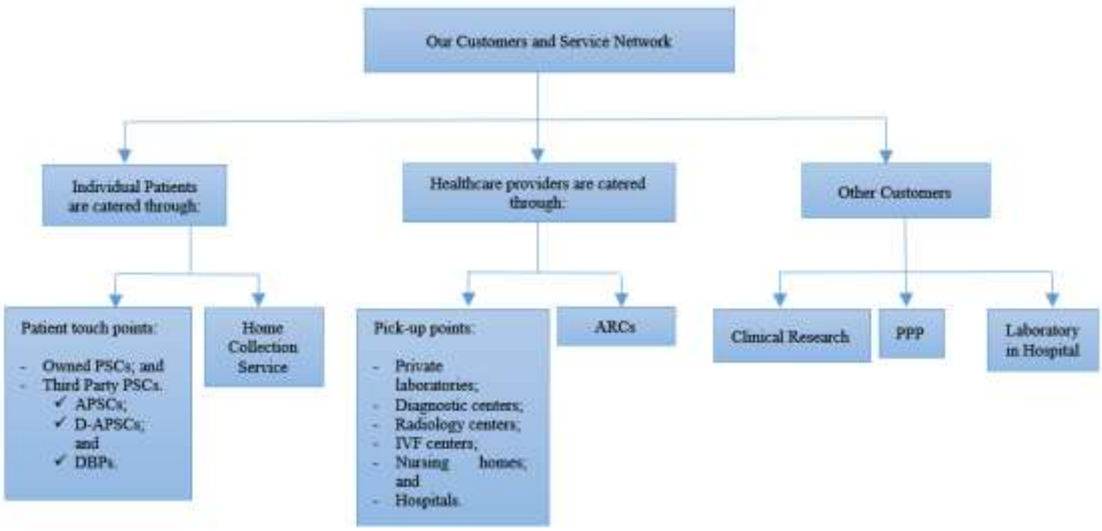
Our clinical laboratories carry out a variety of clinical laboratory tests ranging from routine to specialized tests. The specimens primarily used for tests are blood, urine, stool, semen, sputum, tissue and body fluids. We categorize our tests into routine, semi-specialized and specialized on the basis of complexity, level of technology and expertise required.

Routine Testing. Routine tests include: (i) basic bio-chemistry tests such as blood sugar for diabetes and creatinine for kidney function; (ii) basic hematology tests such as blood count; and (iii) clinical pathology tests such as routine urine examination.

Semi-Specialized Testing. Semi-specialized tests include: (i) special chemistry parameters such as amylase and lipase for pancreas function; (ii) immunoassays such as thyroid function tests; (iii) microbiology tests such as bacterial culture to identify infection; and (iv) cytology, the study of body fluids.

Specialized Testing. Specialized tests include: (i) special chemistry parameters such as amino acids for metabolic disorders; (ii) coagulation parameters such as Protein C and Protein S for coagulation disorders; (iii) immunoassays parameters such as acetyl choline receptor antibodies for diagnosing myasthenia gravis and allergy tests; (iv) microbiology tests such as mycobacterial culture to know tuberculosis infection; (v) histology, study of tissues for cancer diagnosis using immunohistochemistry stains; (vi) molecular diagnostics such as viral load assays for HIV and hepatitis; and (vii) cytogenetics such as karyotyping of blood and bone marrow for genetic disorders.

Our Customers and Service Network



The chart below sets forth the geographical split of our patient touch points (which primarily caters to individual patients) and ARCs (which primarily caters to institutional customers), as of March 31, 2018:

	Patient Touch Points	ARCs
West India	788	180
South India	179	134
North India	110	151
East India	25	48
International	28	7

Our service network caters to individual patients as well as institutional customers.

Individual Patients

Individual patients collectively are our major customer group, and we bill them on a per test basis and in accordance with our laboratories' customer fee schedule.

We service individual patients through 1,130 patient touch points (out of which 28 are located outside India), as of March 31, 2018, including 251 Owned PSCs and 879 Third Party PSCs. We also provide home collection service to our individual patients.

Owned PSCs

Our Owned PSCs collect specimens from individual patients for shipment to GRL or other clinical laboratories, depending on the nature of the test sought. Generally, individuals come to our Owned PSCs either on their own or with a prescribed test request from a physician, other qualified healthcare professional, hospital, clinic or nursing home.

Third Party PSCs

Our Third Party PSCs comprise of APSCs, D-APSCs and Doctor Bleeding Points ("**DBPs**").

- *APSCs*

  APSCs act as our exclusive service providers. Pursuant to the terms of our contractual agreements, APSCs are required to (i) identify physical space and set-up patient service centers in accordance with our standards and specifications, which include details with respect to size and infrastructure; (ii) procure specified diagnostic equipment; and (iii) recruit adequate number of qualified phlebotomists and experienced administrative staff. We provide technical, personnel and marketing support to APSCs, and in certain cases, we also provide the requisite consumables and collection materials. The agreements with APSCs are exclusive, and generally for a period of five years. The APSCs are restricted from processing specimens either by themselves or in collaboration with third parties during the term of their agreements with us. As of March 31, 2018, we have a network of 259 APSCs.

- *D-APSCs*

  D-APSCs are stand-alone private laboratories which are converted into 'Metropolis' branded patient service centers, and are operated by the private laboratory owners under our guidance and in accordance with our quality standards. We provide technical, personnel and marketing support to these D-APSCs. The agreements with D-APSCs are exclusive, and generally for a period of five years. The D-APSCs are restricted from processing specimens either by themselves or in collaboration with third parties during the term of their agreements with us. As of March 31, 2018, we have a network of 36 D-APSCs.

- *DBPs*

  We have tie-ups with several practicing physicians, to provide our laboratory services to their patients, whereby specimens are collected at the physician's clinic either by our own phlebotomists or by the physician's phlebotomists, in accordance with our specifications and standards. The collected specimens are then transported, from their clinic, on a periodic basis, either through our own logistics team or through an independent courier agency, to our GRL or other clinical laboratories, depending on the nature and complexity of the tests required. As of March 31, 2018, we have a network of 576 DBPs.

Home Collection Service

For convenience of our patients, we have been providing home collection service to patients for the past three decades, whereby specimens are collected from patients' locations, such as their homes or offices, by our phlebotomists. The collected specimens are then transported in a specially designed transportation box to the designated patient touch point for specimen preparation. Specimens are then delivered to our GRL or other clinical laboratories, depending on the nature and complexity of the tests required. We have set up a separate department to provide home collection service at each of our laboratories, to ensure quality service to our patients.

Institutional Customers

We service our healthcare providers through approximately 9,020 institutional touch points, as of March 31, 2018, which includes (i) approximately 8,500 pick-up points; and (ii) 520 ARCs (out of which seven are located outside India).

Pick-up Points

In India, we have tie-ups with independent private healthcare set ups including large and small-scale hospitals, nursing homes, private laboratories, radiology centers, diagnostic centers, IVF centers and other healthcare service providers. Specimens are collected from the pick-up points, on a periodic basis, either through our own logistics team or through an independent courier agency. Specimens are then delivered to our GRL or other clinical laboratories, depending on the nature and complexity of the tests required.

ARCs

ARCs are third party referral centers which act as our exclusive service providers, and collect specimens primarily from our pick-up points. Pursuant to the terms of our contractual agreements, ARCs are required to (i) obtain physical space and establish ARCs in accordance with our standards and specifications, which include requirements in relation to size and infrastructure; and (ii) recruit adequate number of qualified phlebotomists and other experienced administrative staff. We provide technical, personnel and marketing support to ARCs. Our agreements with ARCs are exclusive, and generally for a period of up to five years. The ARCs are restricted from processing specimens either by themselves or in collaboration with others during the term of their agreements with us.

We also serve other customers, including government agencies, research organizations and pharmaceutical manufacturers.

Clinical Research

We offer analytical and support services such as logistics and EDI to contract research organizations for their clinical research projects. We have conducted approximately 439 clinical research assignments, as of March 31, 2018, for contract research organizations and pharmaceutical manufacturers. Our contract for clinical research studies involves providing services such as site initiation, specimen and report logistics, specimen analysis, reporting, long term specimen storage service, data management, EDI and co-ordination amongst all parties involved in the study.

PPP

Under our PPP model, we partner with select government agencies to provide services to patients in accordance with the terms of the tender contract. We have been awarded the tender by the NACO to collect blood specimens from 525 government-owned antiretroviral therapy (ART) centers and conduct HIV-1-Viral load tests. The tender contract is valid for a period of three years, until February 7, 2021, which may be extended further for a period of two years.

Laboratory in Hospital

Under the Laboratory in Hospital ("**LIH**") model, we set-up clinical laboratories in newly established hospitals as well as manage "in-hospital" clinical laboratories in existing hospitals, to conduct onsite testing as per the hospital's requirements. Pursuant to the terms of our contractual agreements, the hospital typically provides rent-free space and access to its utilities and other infrastructure, and we provide the diagnostic equipment, and are responsible for all costs relating to personnel, consumables, transportation of specimens and maintenance of the laboratory. Our agreements are exclusive in nature, and generally for terms ranging from three to ten years. As of March 31, 2018, we have 19 laboratories under the LIH model.

Wellness and Related Healthcare Services

Our experience in diagnostic and related healthcare testing and services has allowed us to selectively combine diagnostic tests into diverse profiles to assist patients seeking to monitor their health and to prevent or treat diseases and other health conditions. These packages are a combination of a variety of early detection and diagnostic tests to screen selected diseases and disorders with primary focus on life style diseases. Based on age, sex, clinical history, parental history and affordability, there are options of several packages. Besides pathology tests, the packages also include non-pathology tests such as ECG, X-ray, ultra-sound and stress test. The reports issued by us include basic medical advice and are presented in a reader-friendly format.

International Operations

Our revenue from operations outside India was ₹520.72 million, which accounted for 8.09% of our revenue from operations for the financial year 2018. Outside India, as of March 31, 2018, our laboratory network comprises of (i) two RRLs, located in Kenya and Sri Lanka; (ii) four satellite laboratories, out of which two are located in Ghana and one each in Kenya and Zambia; and (iii) 11 express laboratories, out of which four are located in Kenya and seven are located in Sri Lanka. In addition, we have also set-up a laboratory in Mauritius under the LIH model. We have also entered into agreements with third parties for collection and processing of specimens in Nepal, Nigeria, UAE and Oman. As of March 31, 2018, we have a service network of 28 patient touch points and seven ARCs, outside India. The specimens that we receive from these countries are imported in compliance with the Indian Council of Medical Research guidelines for the import of test specimens.

Logistics and Procedures

Logistics and Specimen Tracking

We believe that an efficient logistics network is critical to maintain quality of specimens collected by us.

We provide services including (i) supply of pre-analytical and packing material to stakeholders in our operational network; (ii) pick-up of specimen from site of collection and transporting it to our clinical laboratories; and (iii) delivery of test results to patients. In order to support these services, we have a trained in-house logistic team. We also ensure that the specimens are packed in IATA approved packing and are temperature controlled during long distance transport to maintain specimen integrity.

While most of our laboratory locations are serviced through our own in-house logistics team, locations within each catchment area are connected through a logistics network comprising a team of third-party couriers and supported by independent air-freight couriers for longer distance transport. The specimens collected are transported, under the requisite temperature controlled conditions, to our laboratories via airline, road and rail networks.

We have recently launched specimen tracking technology in Andhra Pradesh and Tamil Nadu. The logistics and specimen tracking technology facilitates the real time monitoring of daily shipments from all locations, records the status of the shipment from the time of collection of the specimen, until it arrives at our clinical laboratories and is tested and reported.

Sample receipt, registration and barcoding.

Each of our clinical laboratory has an accession department, where specimens are received from our network through the logistics team (internal and external) and home service executives. Specimens delivered to our laboratories are required to be accompanied by a test request form, which includes information such as test to be performed and the necessary demographic, medical and billing information. Each specimen and its test request form is rechecked for completeness and is then registered into our Laboratory Information Management System ("**LIMS**"), if not pre-registered at the time of collecting the specimen. LIMS assigns a unique identification number and barcode to each specimen, which helps control and manage the entire process from specimen collection until the release of the test report. The barcode generated is pasted on to the appropriate patient tube and the test requisition form. The registration and barcoding is rechecked by a supervisor.

Our accession staff follows specimen acceptance and rejection criteria laid down by our quality team, to ensure that poor quality or insufficient specimens are not processed. If the specimens are found to be in order, they are distributed to the relevant department. At our GRL, we have a pneumatic system for the internal distribution of specimens from the accession department to the individual processing departments. In addition, our clinical chemistry department also has an automated system for sorting specimens.

Testing procedures and reporting

Most of our tests are conducted through fully automated systems. The specimens are placed in the testing equipment, which is interfaced bi-directionally with LIMS. The testing equipment can take instructions from LIMS after it reads the sample barcode and automatically connects to LIMS for patient and test details. The process is fully automated, and once the equipment concludes the testing, the results are automatically uploaded into LIMS under the relevant barcode. Supervisor of the department closely monitors the results and, wherever needed, orders re-check. Validated results, if relevant, are then transferred into LIMS for a medical review by doctors. Specialty doctors including pathologists, microbiologists, biochemists, genecists or surgical pathologists review the results against the patient's history and demographics before authorizing the results. If the results in the report are within the normal reference ranges, the report is auto-authorized and gets automatically uploaded to our website for download by patients. Reports containing results outside reference ranges are reviewed by the respective doctors prior to being authorized. As part of our standard operating procedure, we select certain test results for re-testing with no additional cost to patients. To facilitate additional tests and re-checks, we store specimen for a specified length of time in accordance with our internal policy.

Pursuant to our waste management agreements with authorized third parties, specimens are disposed of through a waste management system that complies with applicable environment and health and safety laws.

Reports

The results from different departments are combined in our system into one test report, which covers result trend analysis and patient specific interpretations and comments by our doctors in some cases. We prepare detailed reports for ease of interpretation by doctors and patients. Once the results are uploaded on our website, the patient touch point or the institutional touch point or the clinical laboratory that collected the specific specimen, also have access to the report online.

Sales and Marketing

As of March 31, 2018, we have a sales team of 398 personnel, divided into four strategic business units ("**SBUs**"), covering west, south, north-east India and international operations. Each SBU manages the following sales and marketing functions and teams:

Marketing. We seek to utilize cost-efficient marketing to enhance our brand awareness and increase our patient base. Our main marketing activities are in the areas of medico marketing and retail marketing. Our medico marketing efforts focus on the promotion of our services in the medical and health services communities, primarily through the organization of round table meetings, webinars, continuing medical education ("**CME**") programs and other medical education initiatives. Our retail marketing efforts aim to increase our walk-in and home collection patients mainly by creating awareness of our health check-ups and wellness initiatives as well as highlighting the convenience of our home collection services. We also continue to target institutional customers and develop our business through our social media and online initiatives.

Sales. Each SBU has an operations team and a sales team. The operations team is responsible for the management of collection of specimens and logistics among the several operating units in our network, including our patient touch points and institutional touch points. The sales team focuses on developing relationships with physicians, and is also responsible for educating healthcare professionals on the value of our several service offerings. We also have a dedicated sales team, which engages with key opinion leaders, and whose primary focus is to promote high-end tests in the field of oncology, nephrology and gastroenterology.

For our institutional customers, we have a dedicated sales team that focusses on (i) corporate customers for annual checkup and pre-employment checkup contracts; (ii) contract research organizations and pharmaceutical manufacturers for clinical research contracts; and (iii) government tenders including PPP.

Quality Assurance

Our quality assurance system enables a process oriented approach to ensure quality testing through use of standard operating procedures, management of documents and records, implementation of quality control, external quality assessment (including proficiency testing) and robust internal audits. Our quality assurance system covers the entire value chain of our laboratory operations. Besides core laboratory operations and front-end services, our quality assurance system extends to physical infrastructure, procedures for purchase and inventory management, equipment maintenance, customer service, human resource management and process improvement.

We have adopted standard operating procedures for our clinical laboratories and other facilities designed to improve processes for patient preparation and collection, handling, storage and transportation of specimens, as well as to ensure accurate and timely test results. Our quality assurance efforts focus on positive patient identification of specimens, report accuracy, proficiency testing, reference range relevance and process audits for all of our clinical laboratories, patient touch points and institutional touch points. We also have systems and procedures in place to monitor quality through inter-laboratory comparisons, to maintain reporting standards within our network. We also focus on training and competency of professional and technical staff, and continue to implement initiatives to enhance our quality and standardization. We use customer complaints and feedbacks to review our processes and make improvements, as and when indicated, to further improve service to our customers. We also have a pre-analytical check team in place to ensure quality standard of our patient touch points. We also provide telephonic support to our patients, doctors and institutional customers, through our in-house as well as third-party call centers (in selected locations), which are operated by professionally trained advisors.

Many of our clinical laboratories participate in numerous externally administered quality surveillance programs. Our GRL holds accreditation from CAP Laboratory Accreditation Program, and has been successfully participating in the CAP proficiency test program to ensure that the analytical quality of our GRL meets the prescribed international standards. As of March 31, 2018, 25 of our clinical laboratories hold one or more of CAP, Kenya Accreditation Service, International Laboratory Accreditation Cooperation, Asia Pacific Laboratory Accreditation Cooperation or NABL accreditations.

Information Technology

Our information technology systems help serve our patients, ensure efficiency in and improve productivity of our operations as well as help in monitoring our network's performance, refining resource allocation, tracking consumption patterns and proactively directing patients to certain locations and services. We have a scalable information technology infrastructure designed to support the growth of our business and to help ensure the reliability of our operations as well as the security of customer information. The main components of our technology architecture include the following:

LIMS. LIMS manages our core workflow from patient enquiry to specimen collection process and from testing to reporting, and provides our patients high quality reports with less turn-around time. It stores and manages all clinical laboratory data, including patient demographic, reference details and medical information. All our clinical laboratories are connected directly to the main data centre through point-to-point virtual private network (VPN) tunnels. Patient touch points and institutional touch points connect to our network via a third-party cloud service.

Systems Applications and Products in Data Processing. Systems Applications and Products in Data Processing ("**SAP**") maintains records for accounts payable, accounts receivables and inventory, as well as banking and general ledgers. The system, which is hosted at our main data centre, operates based on a centralized model and has integration capabilities for new cloud-based applications. SAP also allows us to better manage our finances, inventory and purchasing through the provision of real-time data from our several locations.

Privacy and Security of User Data. We store patient data on our data servers, with strong authentication mechanisms, maintained by our own information technology staff. Patients can access their health information on our website only through a password-protected system.

Tailored Customer Program and Interface. We offer our patients a convenient and interactive information technology platform to access medical reports. We have designed an interface where patients can view test reports immediately once available.

Data Collection and Analytics. Through our systems and operations, we collect large amounts of patient demographic data and other medical information, which we hold in the form of electronic health records. From time to time, we analyse this data, to determine, for example, seasonal trends of diseases, ways to improvise our diagnostic services, preventive and related healthcare services best suited to the community, or information related to tests that are commonly bundled by our patients. Data collection and analytics also gives us insight to our preventive and wellness offerings.

Small to medium process automation: We have developed several software tools that take care of small to medium process automation. This includes report delay logger, internal audit management and appraisals as well as ensuring maximum productivity of our team and enabling them perform skilled tasks.

Data Recovery. Our data recovery system works on three strategies: (i) maintenance of frequency based backup at our offsite location: (ii) maintenance of failover pods at our primary data centre to prevent data loss in case of failure of primary pod; (iii) enabling disaster recovery site, which is located in Chennai and managed by a third-party service provider, and moving data to our disaster recovery site, if necessary.

Suppliers

We typically rent CE or US FDA approved diagnostic equipment and instruments from several vendors under reagent rental arrangements for major chemistry, immunoassay, urine and hematology analyzers. Our key suppliers are manufacturers of automated analyzers, reagents and diagnostic kits. Our reagent supply agreements typically require us to meet minimum purchase levels on an annual basis, and also include volume discounts if we exceed our minimum requirements by a specified amount. We also purchase some diagnostic equipment in case the equipment is not available under a reagent rental basis or when reagent rental arrangements for such equipment are less cost-effective.

Equipment Maintenance

Rented equipment under reagent rental arrangements are maintained by the vendors in accordance with the terms of our service level agreements. We recalibrate instruments in accordance with the manufacturers' recommendations and schedule. Purchased equipment typically has a 12-month supplier warranty for any defects, malfunctions and repairs required. We also have annual maintenance contracts or comprehensive maintenance contracts for most of our analyzers with the respective manufacturers or their authorized dealers. Pursuant to the terms of annual maintenance contracts, the manufacturer or dealer is responsible for the maintenance and repair of the analyzers. In addition, a comprehensive maintenance contract obliges the manufacturer or dealer to replace spare parts at its own cost.

Research and Development

Our research and development division is engaged in: (i) new test development, based on clinician's request or contract research organization's or pharmaceutical manufacturer's requirement for their clinical research project or upon identification of a new diagnostic tool by our internal team or a combination of these reasons; (ii) new method development, which is done as a replacement of existing method for better quality or cost; (iii) supporting academic activities such as paper-poster presentations and CME programs; and (iv) method and equipment validation services for vendors.

Our research and development division seeks to expand our existing test menu and improve our diagnostic procedures to improve sensitivity, specificity, time or costs as compared to available conventional tools. We have added, and expect to continue to add, new tests and adopt new technologies and capabilities through a combination of internal development initiatives and technology licensing.

Competition

Our business is highly competitive and we face competition from organized as well as unorganized providers. We also compete with many regional reference laboratories and local private laboratories. Advancement in technology has allowed mid-level sized laboratories to insource semi-specialized tests, and has, therefore, increased competition. Further advancement in technology may lead to the development of more cost-effective tests that can be performed outside of a clinical laboratory such as point-of-care tests that can be performed by physicians in their offices and home testing that can be carried out without requiring the services of clinical laboratories. For further information regarding the competition in the industry, please see "*Industry Overview*" on page 117.

Intellectual Property

We have applied for a copyright registration of our logo "*Metropolis*", including the tagline "*The Pathology Specialist*", with the Registrar of Trademarks in India under the Copyright Act, 1957. Additionally, as of the date of this Draft Red Herring Prospectus, we are the proprietor of certain word marks including "*Sudharma Metropolis*", "*Desai Metropolis*", "*Dr. Golwilkar Laboratories*", and "*Metrocare*" and certain logo marks including "*MetKonnect*", "*Metropolis Health Services*" and "*Gastromet*" under classes 42 and 44 with the Registrar of Trademarks in India under the Trade Mark Act, 1999. See *"Government and Other Approvals"* on page 522.

Environmental, Health and Safety matters

We are subject to Indian laws and regulations relating to the protection of the environment, human health and safety, and laws and regulations relating to the handling, transportation and disposal of medical specimens, infectious and hazardous waste and radioactive materials. All our laboratories are subject to applicable laws and regulations relating to biohazard disposal of all laboratory specimens. See *"Regulations and Policies"* on page 154.

We are also committed to providing employees with a safe working environment. Our employees are trained and encouraged to use personal protective equipment while handling biological specimen and adhere to national and local safety guidelines, including that of biomedical waste disposal.

Corporate Social Responsibility

Our corporate social responsibility ("**CSR**") initiatives include (i) 'Conquer PCOS', a program aimed at raising public awareness of polycystic ovary syndrome; (ii) 'Medengage', an academic sponsorship program for medical students across all specialities; (iii) 'TooShyToAsk', a dedicated gender education and awareness application aimed towards students and teachers; and (iv) 'Empoweress', a peer to peer learning platform where women business owners support each other.

Employees

As of March 31, 2018, we have 4,585 full-time employees, including 183 pathologists and doctors and 2,022 scientific officers and phlebotomists located in India, and 222 full-time employees located outside India. Our laboratories are managed by qualified scientific staff and supervised by a team of pathologists with specializations in relevant fields of laboratory medicine.

The following table sets forth the number of our employees as of March 31, 2018:

Particulars	Number of Employees
Doctors and Pathologists	183
CXOs & SBU Heads	10
Scientific Officers and Phlebotomists	2,022
Sales and Marketing	398
Logistics staff	572
Support staff	1,178
Full-time employees located outside India	222
Total	**4,585**

We provide training for our employees to help ensure quality service to our patients. We have established an online training and career development system to address several aspects of employee training including basic training for new personnel, continuous training through online learning and distance education and technical and managerial development courses. We regularly conduct employee satisfaction survey as well.

Insurance

Our clinical laboratories, patient service centers and office locations including our corporate office are insured against fire and certain allied perils, including terrorism damage. We also have several other insurance policies covering equipment and machinery breakdown, money-transit, fidelity guarantee and statutory employee liability insurance, all risks relating to information systems equipment (including losses caused by electrical breakdowns), burglary causing loss of inventory and workers' compensation. We have also obtained directors' and officers' liability insurance. Additionally, our Company and our Subsidiaries are insured against professional indemnity liability including liability arising out of breach of confidentiality, third party public liability and loss of goodwill.

Property

Our Company's registered office and corporate office is located in an owned premises at 250 D Udyog Bhavan, Hind Cycle Marg, Worli, Mumbai - 400030. For details with respect to litigation involving the registered office, see "*Outstanding Litigation and Other Material Developments*" on page 513. Our GRL is also located at an owned premises at Vidyavihar, Mumbai. Except our RRL at Chennai, all of our clinical laboratories and Owned PSCs are located on premises that have been taken by us on leasehold or leave and license basis.

REGULATIONS AND POLICIES

The following is an overview of the relevant sector specific laws and regulations which are applicable to our business and operations in India. The information detailed below has been obtained from publications available in the public domain. The description of laws and regulations set out below are not exhaustive and are only intended to provide general information to the investors and are neither designed nor intended to substitute for professional legal advice. The statements below are based on the current provisions of Indian law, and remain subject to judicial and administrative interpretations thereof, which are subject to change or modification by subsequent legislative, regulatory, administrative or judicial decisions.

The Clinical Establishments (Registration and Regulation) Act, 2010 (the "CERR Act")

The CERR Act is a central legislation and provides for registration and regulation of clinical establishments. It prescribes the minimum standards for facilities and services provided by clinical establishments. In terms of the CERR Act, 'clinical establishment' includes a place established in connection with the diagnosis or treatment of diseases where pathological, bacteriological, genetic, radiological, chemical, biological investigations or other diagnostic or investigative services with the aid of laboratory or other medical equipment, are usually carried on.

In addition, most of the States in India where we operate have legislated clinical establishment laws. These legislations *inter alia* include (i) Bombay Nursing Homes Registration Act, 1949; (ii) Delhi Nursing Homes Registration Act, 1953; (iii) Andhra Pradesh Private Medical Care Establishments (Registration and Regulation) Act, 2002; (iv) Tamil Nadu Private Clinical Establishments (Regulation) Act, 1997; (v) Haryana Clinical Establishments (Registration and Regulation) Act, 2014; (vi) Punjab State Nursing Home Registration Act, 1991 and (vii) West Bengal Clinical Establishments (Registrations, Regulation and Transparency) Act, 2017.

The Clinical Establishments (Central Government) Rules, 2012 (the "CECG Rules")

The CECG Rules *inter alia* provide conditions for registration and continuation of clinical establishments. In terms of the CECG Rules, clinical establishments are required to charge rates for each type of procedures and services within the range of rates determined by the Central Government and display the same in a local language as well as in English. Clinical establishments are required to maintain electronic records of patients and statistics, in accordance with the CECG Rules.

Certain States in India have framed rules under the CERC Act or under respective state legislation for clinical establishment, prescribing *inter alia* the powers of registration authority, procedure for registration of clinical establishments and applicable fee.

The Pre-Natal Diagnostic Techniques (Regulation and Prevention of Misuse) Act, 1994 ("PNDT Act")

The PNDT Act prohibits sex selection, before or after conception, regulates use of pre-natal diagnostic techniques for the purposes of detecting genetic abnormalities or metabolic disorders or chromosomal abnormalities or certain congenital malformations or sex-linked disorders and provide for prevention of their misuse for sex determination leading to female foeticide. The PNDT Act prohibits any person, organisation, genetic counselling centre, laboratory or clinic from issuing, publishing or distributing any advertisement regarding facilities of pre-natal determination of sex. The PNDT Act mandates genetic counselling centres, genetic laboratories or genetic clinics to be registered failing which penal action could be initiated against them. The central supervisory board constituted under the PNDT Act is authorised to lay down a code of conduct to be observed by persons working in any genetic counselling centre, genetic laboratory or genetic clinic. Appropriate authority appointed by Central and respective State Government are conferred powers *inter alia* to grant, suspend or cancel the registration certificate of a genetic counselling centre, laboratory or clinic.

The Pre-Natal Diagnostic Techniques (Regulation and Prevention of Misuse) Rules, 1996 ("PNDT Rules")

The PNDT Rules prescribe qualifications of employees, required equipment and places for a genetic counselling centre, laboratory and clinic. The PNDT Rules stipulate the format in which an application for registration should be made by such centre, laboratory or clinic before the appropriate authority appointed under the PNDT Act and lays down the manner in which records are to be maintained and preserved by such genetic counselling centre, genetic laboratory or genetic clinic. The PNDT Rules provide for code of conduct and conditions to be followed by owners, employees or any other persons associated with a genetic counselling centre, genetic laboratory and genetic clinic registered under the PNDT Act. The PNDT Rules further require every genetic counselling centre, laboratory and clinic to intimate every change of employee, address and equipment installed, to the appropriate authority within the time prescribed and preserve such information as permanent records.

The Atomic Energy Act, 1962 ("AE Act")

In order to ensure safe disposal of radioactive waste and to secure public safety, including that of persons handling radioactive substances, the AE Act empowers the Central Government to regulate the disposal of minerals, concentrates and other materials which contain uranium in excess of the prescribed proportion. The AE Act states that the Central Government may prohibit acquisition, production, possession, use, disposal, export or import of any prescribed equipment or substance, excepting under a license granted by it to that effect. Further, the AE Act enables the Central Government to make rules regarding premises or places where radioactive substances are manufactured, produced, mined, treated, stored or used or radiation generating plant, equipment or appliance is used.

The Atomic Energy (Radiation Protection) Rules, 2004 ("AERP Rules")

The AERP Rules stipulate that every person intending to use any radioactive material for any purpose, in any location and in any quantity, has to comply with the requirements of AE Act. The AERP Rules mandate every person handling radio-active material to apply for a license which may be subsequently modified, revoked or withdrawn at the discretion of the competent authority and such license is valid for a period of five years from the date of its issue. The AERP Rules lay down various compliance measures regarding *inter alia* maintenance of radiation protection equipment and health surveillance of workers. The AERP Rules also prescribe certain general safety guidelines, directives for emergency preparedness and accidents.

The AERP Rules also require every licensee to comply with the surveillance procedures, safety codes and safety standards specified by the AERB. Every license issued, unless otherwise specified, is valid for a period of five years from the date of issuance of such license. Rule 27 of the AERP Rules provides for radiation surveillance requirements that provide that the siting, design, construction, commission, operation, servicing and maintenance and decommissioning of facilities involving the use of radiation should be done in accordance to specifications laid down by competent authority in the relevant safety codes and standards; the workers should be subjected to personnel monitoring and health surveillance and appropriate record of the same to be maintained; the transport of radioactive material in public domain should be in accordance to the relevant regulations pertaining to transport by different modes; and appropriate quality assurances of the premises must be maintained.

Atomic Energy Regulatory Board - Safety Code for Medical Diagnostic X-Ray Equipment and Installation dated October 5, 2001 ("X-ray Code")

The X-ray Code governs radiation safety in design, installation and operation of x-ray generating equipment for medical diagnostic purposes. Pursuant to the X-ray Code, medical diagnostic x-ray equipment and protective devices are required to be operated in accordance with the requirements outlined and it is the responsibility of the employer to ensure radiation safety, availability of radiological safety officer and qualified personnel for handling of x-ray equipment and providing requisite equipment and facilities to such personnel to discharge their duties. The X-ray Code also provides for approval of each type of medical x-ray equipment. The acquisition of X-ray equipment through purchase, transfer, gift, leasing or loan is required to be registered with the competent authority. Further, no diagnostic X-ray equipment can be operated unless the licensee obtains license and/or registration from the competent authority. Non-compliance with the X-ray Code shall be punishable with imprisonment or fine or both.

Atomic Energy Regulatory Board- Safety Code on Safe Transport of Radioactive Material AERB/NRF-TS/SC-1, 2015 (the "Transport Code")

The Transport Code which is based on the International Atomic Energy Agency regulations, regulates the transport of radioactive material in public domain. The basic requirement for the transport of radioactive material is that the package containing the material shall be designed and prepared in such a way that during the whole process of transport, the radioactive material remains contained to prevent contamination and remains shielded to avoid radiation exposure to cargo handlers and the public. The prime responsibility for ensuring compliance with the regulations lies with the consignor. Once the package is prepared as per the prescribed procedures, it can be transported by any mode.

Atomic Energy Regulatory Board -Safety code on Nuclear Medicine Facilities dated November 4, 2010 ("Nuclear Medicine Code")

The Nuclear Medicine Code stipulates radiation safety requirements in handling radioactive materials for nuclear medicine applications in order to protect workers and members of the public from radiation exposure in excess of limits specified by the competent authority, reduce such radiation exposures to levels as low as reasonably achievable, ensure safe handling and physical security of radioactive materials, protect and manage radioactive waste and detect hazardous situations and initiate prompt remedial measures to mitigate such situations. The Nuclear Medicine Code mandates that nuclear medicine facilities should not be located in residential buildings and should *inter alia* have active rooms, wards and areas of source storage and handling marked with radiation symbol and a legend denoting active area and presence of a radiation hazard. The Nuclear Medicine Code also stipulates the qualification and responsibilities of employers, nuclear medicine physicians and nuclear medicine technologists.

Aircraft (Carriage of Dangerous Goods) Rules, 2003

The Aircraft (Carriage of Dangerous Goods) Rules, 2003, issued by the Directorate General of Civil Aviation, Ministry of Civil Aviation govern the carriage of dangerous goods, namely articles or substances which are capable of posing a risk to health, safety, property or the environment and which are listed as such under the Technical Instructions for the Safe Transport of Dangerous Goods by Air issued by the International Civil Aviation Organisation (the "**Technical Instructions**"). Carriage of dangerous goods in ay aircraft and delivery for loading on an aircraft has to be in accordance with the Technical Instructions. For the carriage of radioactive material in any aircraft, the operator is required to ensure that the consignor and consignee has the written consent of the Central Government under Section 16 of the Atomic Energy Act. The packaging, labelling, marking and classification of dangerous goods also have to be in accordance with Technical Instructions.

Radiation Surveillance Procedure for Medical Applications of Radiation, 1989 ("RSPM Notification")

The RSPM Notification was promulgated to ensure that procedures and installations involving radiation installations, radiation equipment and radioactive material are performed in conjunction with a pre-planned surveillance programme approved by the competent authority to ensure adequate protection. Any person desirous of handling any radioactive material or radiation equipment has obtain prior permission in the form of either a license or an authorisation from the competent authority. The RSPM Notification stipulates the working conditions that are to be ensured at every medical radiation installation and provides safety guidelines regarding *inter alia* design safety of equipment, planning of radiation instalments, commissioning of radiation equipment and isolation and disposal of radioactive effluents or damaged radioactive material.

The Environment (Protection) Act, 1986 (the "EPA")

The EPA has been enacted with the objective of protecting and improving the environment and for matters connected therewith. As per the EPA, the Central Government has been given the power to take all such measures for the purpose of protecting and improving the quality of the environment and to prevent environmental pollution. Further, the Central Government has been given the power to give directions in writing to any person or officer or any authority for any of the purposes of the EPA, including the power to direct the closure, prohibition or regulation of any industry, operation or process. The Central Government has issued the Environment (Protection) Rules, 1986, which stipulate that every industry requiring consent under the environmental statutes or the rules made thereunder is required to submit an environment audit report for each financial year to the relevant pollution control board on or before September 30.

Bio-Medical Waste Management Rules, 2016 ("BMW Rules")

The Central Government has framed the BMW Rules, pursuant to the rule making power conferred under the Environment Act. The BMW Rules apply to persons generating, collecting, receiving, storing, transporting, treating, disposing or handling bio-medical waste in any form including hospitals, clinics and pathological laboratories. The BMW requires an occupant of an institution generating bio-medical waste to take steps to ensure that such waste is handled without any adverse effect to human health and the environment. The BMW Rules regulates modes of treatment and disposal of "bio-medical waste" which is defined as any waste generated during diagnosis, treatment or immunisation of human beings or animals or in research activities pertaining thereto or in the production or testing of biologicals, as defined in the BMW Rules. The BMW Rules require every occupier of an institution handling bio-medical waste in any form and providing services to more than 1000 patients per month, to obtain an authorisation from the prescribed authority. The BMW Rules require such authorised person to submit an annual report and an accident report to the prescribed authority and maintain relevant records. However, the prescribed authority may cancel, suspend or refuse to renew an authorisation, if for reasons to be recorded in writing, the occupier/ operator has failed to comply with any of the provisions of Environment Act or BMW Rules.

National Accreditation Board for Testing and Calibration Laboratories ("NABL")

The NABL is an autonomous body established under the aegis of Department of Science and Technology, Government of India. NABL provides government, regulators and the diagnostic industry with a scheme of laboratory accreditation through third-party assessment for formally recognizing the quality and technical competence of the testing and calibration of laboratories in accordance with International Organisation for Standardization Standards. NABL certification is a mandatory eligibility condition for diagnostic centres empanelment under the Central Government Health Scheme. Diagnostic laboratories which are not accredited by NABL may also participate in application and get empanelled under the Central Government Health Scheme but their empanelment shall be provisional till they are inspected by Quality Council of India or NABL, and are recommended for continuation of empanelment under the Central Government Health Scheme; however there is no legal obligation to obtain certification from the NABL.

Guidelines relating to import of blood samples

The "Guidelines for Exchange of Human Biological Material for Biomedical Research Purposes" issued by the Central Government on November 19, 1997 authorises the Indian Council of Medical Research ("**ICMR**") to set up a committee for consideration of proposals relating to import of biological materials, such as blood samples, for commercial purposes and/or evaluation of cases involving transfer of infectious biological material, human biological waste or other cases for commercial purposes from foreign research centres to Indian diagnostic laboratories. In accordance with the ICMR Guidance, applications for import of blood samples are required to be made to the ICMR for onward consideration by a committee. Applicant companies are required to comply with inter alia the "Guidance on Regulations for the Transport of Infectious Substances (2013-2014)" and "Laboratory Biosafety Manual – 2004", issued by the World Health Organization, United Nations, class (6.2) specifications for packing instructions, and the Environment Protection Act, 1986, along with the rules framed thereunder.

Labour laws

In addition, our Company is subject to various labour laws for the safety, protection, condition of working, employment terms and welfare of labourers and/or employees of our Company.

The provisions of shops and establishments legislations, as may be applicable in a state in which establishments are set up, regulate the conditions of work and employment and generally prescribe obligations in respect of *inter alia* registration, opening and closing hours, daily and weekly working hours, holidays, leave, health and safety measures and wages for overtime work.

The Industrial Disputes Act, 1947, as amended, provides for statutory mechanism of settlement of all industrial disputes, a term which primarily refers to a dispute or difference between employers and workmen concerning employment or the terms of employment or with the conditions of labour of any person.

Our Company is subject to other laws concerning condition of working, benefit and welfare of our employees such as, the Industrial Employment (Standing Orders) Act, 1946, the Employees State Insurance Act 1948, the Employees (Provident Fund and Miscellaneous Provisions) Act, 1952, the Payment of Gratuity Act, 1972, the Payment of Bonus Act, 1965, the Minimum Wages Act, 1948, the Workmen's Compensation Act, 1923, the Payment of Wages Act, 1936, the Equal Remuneration Act, 1976, the Child Labour (Protection Regulation) Act, 1986, the Maternity Benefit Act, 1961, Apprentices Act, 1961 and the Sexual Harassment of Women at Workplace (Prevention, Prohibition and Redressal) Act, 2013.

Other laws

In addition to the above, our Company is also required to comply with the provisions of the Companies Act and rules framed thereunder and other applicable statutes imposed by the Centre or the State Government and authorities for our day-to-day business and operations. Our Company is also amenable to various central and state tax laws.

HISTORY AND CERTAIN CORPORATE MATTERS

Brief history of our Company

Dr. Sushil Kanubhai Shah, one of our Promoters, commenced pathology business in January 1980 as a partnership firm in the name of Dr. V. K. Desai's Hospital, having Dr. Kanubhai M. Shah, Dr. Sushil Kanubhai Shah and Dr. Vasant Kalyandas Desai as partners. The partnership was continued by Dr. Sushil Kanubhai Shah, Dr. Kanubhai M. Shah and Dr. Duru Sushil Shah from September 30, 1981 onwards. In June 1989, upon death of Dr. Kanubhai M. Shah, the partnership was continued by Dr. Sushil Kanubhai Shah and Dr. Duru Sushil Shah. Prior to March 18, 1995, Dr. Sushil Kanubhai Shah was also carrying on a business of radioimmunoassay and pathology laboratory on a sole proprietorship basis. On March 20, 1995, the said sole proprietorship business was converted into a partnership with Dr. Sushil Kanubhai Shah, Dr. Duru Sushil Shah and Aparna S. Shah (Rajadhyaksha) as partners, in the name and style of Metropolis Lab. In January 1998, Ameera Sushil Shah was inducted as an additional partner in Metropolis Lab.

With effect from February 1, 2002, the business of Metropolis Lab was transferred to Dr. V. K. Desai's Hospital as a going concern. In July 2002, Dr. G. S. K. Velu and Subbulakshmi K. Velu were admitted as partners in Dr. V. K. Desai Hospitals. The name of Dr. V. K. Desai's Hospital was changed to Metropolis Health Services in November 2002. Further, in April 2003, Ameera Sushil Shah, Jaswanti Kanubhai Shah, Sadacharan Kulandai Velu and Gomathybabu Gomathy were admitted as partners in Metropolis Health Services.

In July 2003, Metropolis Health Services was converted into a private limited company as Metropolis Health Services (India) Private Limited ("**MHSIPL**") under the Companies Act, 1956. The name of MHSIPL was changed to Metropolis Health Services (India) Limited ("**MHSIL**") pursuant to a 'Fresh Certificate of Incorporation Consequent upon Change of Name on Conversion to Public Limited Company' granted by the RoC on March 1, 2006. In January 2009, MHSIL amalgamated with Pathnet India Private Limited, which was a wholly owned subsidiary of MHSIL. For details, see "*– Scheme of amalgamation between Pathnet India Private Limited and Metropolis Health Services (India) Limited, Metro Home Health Services Private Limited, Lister Metropolis Laboratory and Research Centre Private Limited, Tripoli Path Lab Private Limited and Diwanchand Metropolis Diagnostics Services Private Limited*" on page 167.

Pathnet India Private Limited was incorporated at New Delhi as a private limited company under the Companies Act, 1956 pursuant to the 'Certificate of Incorporation' granted by the Registrar of Companies, N. C. T. of Delhi and Haryana on November 10, 2000. The name of our Company was changed to Pathnet India Limited pursuant to a 'Fresh Certificate of Incorporation Consequent upon Change of Name on Conversion to Public Limited Company' granted by the RoC on July 1, 2009. The name of our Company was changed to Metropolis Healthcare Limited pursuant to a 'Fresh Certificate of Incorporation Consequent upon Change of Name' granted by the RoC on September 23, 2009.

Corporate profile, business and management of our Company

For a description of our business activities, services offered, technology used, market and geographical segments, the growth of our business , details of foreign operations, the standing of our Company with reference to prominent competitors in connection with our services, management and managerial competence, major suppliers and customers, environmental issues, if any, etc., see "*Our Business*", "*Management's Discussion and Analysis of Financial Condition and Results of Operations*", *"Risk Factors"* and *"Our Management"* on pages 135, 492, 18 and 181, respectively.

As on the date of this Draft Red Herring Prospectus, our Company has 18 Shareholders (including nominee shareholders). For more details on the shareholding pattern, see "*Capital Structure*" on page 90.

Change in the Registered Office

Details of change in the address of our Registered Office is set forth below:

Change in Address		Date of change	Reason for change
At incorporation: 38, Uday Park, New Delhi 110 049	To: C-56 Neeti Bagh, Ground Floor, New Delhi 110 049	November 25, 2002	Automation and better office amenities

Change in Address		Date of change	Reason for change
From: C-56 Neeti Bagh, Ground Floor, New Delhi 110 049	To: C-755, New Friend Colony, New Delhi 110 065	September 12, 2005	Operational convenience
From: C-755, New Friend Colony, New Delhi 110 065	To: 15 Shopping Centre, Sidhartha Centre, New Delhi 110 014	February 15, 2006	Operational convenience
From: 15 Shopping Centre, Sidhartha Centre, New Delhi 110 014	To: NIL-26 AB Ground Floor, Malviya Nagar, New Delhi 110 017	March 26, 2007	Operational convenience
From: NIL-26 AB Ground Floor, Malviya Nagar, New Delhi 110 017	To: B-1/A-12, 2 Floor, Mohan Cooperative Industrial Estate, New Delhi 110 044	August 3, 2007	Operational convenience
From: B-1/A-12, 2 Floor, Mohan Cooperative Industrial Estate, New Delhi 110 044	To: 250D Udyog Bhavan, Worli, Mumbai, 400 030	March 21, 2009	Pursuant to Scheme of Amalgamation 2009 and for operational convenience

Main Objects of our Company

The main objects contained in the Memorandum of Association include the following:

To establish, run and provide all kinds of services to pathological, microbiological and immuno - biological laboratories and conduct other medical tests, analysis and research, formulation of medicare and provide all kinds of health maintenance plans.

To construct, build, establish, acquire, assist, maintain, run, purchase, get, sell convert, develop, improve, hold with absolute or limited rights or on lease and sublease, on franchise or otherwise hospitals, nursing homes, medical colleges, nursing colleges, sanitariums, medical centres and institutions, clinics, dispensaries, child welfare centres, health centres, health farms, therapies centres, operation theatres, maternity home, rehabilitation centres, pathological, analytical, testing and diagnostic laboratories, research, invention and development centres family planning and welfare centres, X - ray, convalescence centres, MRI , C T scan centres, bio¬-imaging centres, magnetic resonance imaging centres and radiological or any other type of facilities for the practice of any field, branch, discipline or system of medicines and surgeries and to work as dispensing chemist and manufacturers, suppliers, traders, distributors of medicines, drugs, pharmaceuticals, chemicals, cosmetics and general merchandise of all types and to manufacture, buy, sell, rent, lease, import ,export trade, take on hire, repair, maintain, develop and to acquire all, types of medical and surgical appliances and equipments.

To provide, conduct, assist, encourage, initiate or promote all type of research facilities for carrying on the research, discovery, improvement or development of new methods of diagnosis, understanding and prevention and treatment of diseases, basic and applied and to acquire any patent and licenses or protective devices relating to the results of any discovery, investigations, findings or researches and to acquire any process and to undertake manufacture of any such product developed, discovered or improved and/or to give licences for the manufacture of the same to others and either to market the same or grant licences to the others, to market the same and to provide funds for research works and for scholarships, stipend, remuneration and/or other payment or aid to any person or persons engaged in research work or works connected with or conducive to research and to endow research fellowship or grant financial assistance to persons or institutions engaged in medical researches.

The main objects as contained in the Memorandum of Association enable our Company to carry on the business presently being carried out. For further details, see "*Objects of the Offer*" on page 108.

Amendments to our Memorandum of Association

Set out below are the amendments to our Memorandum of Association since the incorporation of our Company:

Date of Shareholders' resolution	Particulars
March 30, 2001	The capital clause of the Memorandum of Association was substituted to reflect the increase in the authorised capital of our Company from ₹ 1,000,000 comprising of 100,000 Equity Shares of ₹ 10 each to ₹ 100,000,000 comprising of 10,000,000 Equity Shares of ₹ 10 each.
May 31, 2005	The capital clause of the Memorandum of Association was substituted to reflect the increase in the authorised capital of our Company from ₹ 100,000,000 comprising of 10,000,000 Equity Shares of ₹ 10 each to ₹ 550,000,000 comprising of 55,000,000 Equity Shares of ₹ 10 each.
June 2, 2009	The name clause of the Memorandum of Association was substituted to reflect the new name of our Company pursuant to the conversion of our Company from a private limited company to a public limited company – 'Pathnet India Limited'.
September 4, 2009	The name clause of the Memorandum of Association was substituted to reflect the new name of our Company – 'Metropolis Healthcare Limited'.
	Clause III (A) of the Memorandum of Association (main objects) were replaced and substituted by the following clause: 1. *To establish, run and provide all kinds of services to pathological, microbiological and immuno - biological laboratories and conduct other medical tests, analysis and research, formulation of medicare and provide all kinds of health maintenance plans.* 2. *To construct, build, establish, acquire, assist, maintain, run, purchase, get, sell convert, develop, improve, hold with absolute or limited rights or on lease and sublease, on franchise or otherwise hospitals, nursing homes, medical colleges, nursing colleges, sanitariums, medical centres and institutions, clinics, dispensaries, child welfare centres, health centres, health farms, therapies centres, operation theatres, maternity home, rehabilitation centres, pathological, analytical, testing and diagnostic laboratories, research, invention and development centres family planning and welfare centres, X - ray, convalescence centres, MRI , CT scan centres, bioimaging centres, magnetic resonance imaging centres and radiological or any other type of facilities for the practice of any field, branch, discipline or system of medicines and surgeries and to work as dispensing chemist and manufacturers, suppliers, traders, distributors of medicines, drugs, pharmaceuticals, chemicals, cosmetics and general merchandise of all types and to manufacture ,buy, sell rent, lease, import ,export trade, take on hire, repair, maintain, develop and to acquire all, types of medical and surgical appliances and equipments.* 3. *To provide, conduct, assist, encourage, initiate or promote all type of research facilities for carrying on the research, discovery, improvement or development of new methods of diagnosis, understanding and prevention and treatment of diseases, basic and applied and to acquire any patent and licenses or protective devices relating to the results of any discovery, investigations, findings or researches and to acquire any process and to undertake manufacture of any such product developed, discovered or improved and/or to give licenses for the manufacture of the same to others and either to market the same or grant licenses to the others, to market the same and to provide funds for research works and for scholarships, stipend, remuneration and/or other payment or aid to any person or persons engaged in research work or works connected with or conducive to research and to endow research fellowship or grant financial assistance to persons or institutions engaged in medical researches.*
	Clause III (B) of the Memorandum of Association (incidental objects) were replaced and substituted by the following clause: 1. *To act as agent, distributor, contractor, supplier in the field of medical equipment, medicine and pharmaceutical preparation and equipment and to carry on radiology networking solutions and systems, cardiology networking solutions and systems, computer radiology systems and solutions and mammography system.* 2. *To carry on business of Chemists, druggist and to run chemist shop, nursing home and hospitals.* 3. *To liaison with Judicial and quasi-Judicial authorities like courts, Department of company affairs, Income tax authorities, Reserve Bank of India and such other departments as may be required in connection with the business of the company.* 4. *To prepare, buy, deal, sell, import, export and generally to deal as a wholesaler or retailers of any commodities, substances, apparatus, plant, machinery, tools, goods, articles, or things pertaining to business as covered in the main object which in the opinion of the*

Date of Shareholders' resolution	Particulars
	company may be conveniently dealt with. 5. *To negotiate loans, under-writing contracts, mortgages, equity participation, cash credit, overdraft and other financial facilities from banks, financial institutions, Government and Semi Government Bodies, and others on behalf of the companies.* 6. *To promote, undertake and participate financially and otherwise in Joint ventures in India and abroad in association with Indian or overseas companies, either State owned or private, individuals and firms for and on behalf of the clients of the company.* 7. *To mortgage, hypothecate, pledge all or any of the property whether movable or immovable of any description whatsoever and other valuable securities of the company.* 8. *To invest and deal with the surplus moneys of the Company not immediately required in any manner as the Company may determine from time to time.* 9. *To draw, make, accept, endorse, discount, execute, and issue cheques, promissory notes, bills of exchange, bills of lading, warrants, debentures, and other negotiable or transferable instrument.* 10. *To amalgamate, enter into partnership or into any arrangement for sharing profits, union of interest, co-operation, joint venture, joint marketing or reciprocal concession, or for limiting competition with any person or company carrying on or engaged in or about to carry on or engage in, any business or transaction which the Company is authorised to carry on or engage in, or which can be carried on in conjunction therewith.* 11. *To receive money on deposit, other than public deposits, from its members, directors and their relatives, subject to the provisions of the Companies Act, 1956, not amounting to bank transactions or on loan and borrow or raise money from any person or Bank or Company or Governments in such manner and to extent as the Company thinks fit, and in particular by the issue of debentures, or debenture stock, perpetual or otherwise and to secure the repayment of any money borrowed, raised or owing by mortgage, charge or lien upon all or any of the property or assets of the Company (both present and future), including its uncalled capital, and also by a similar mortgage, charge or lien to secure and guarantee the performance by the Company or any other persons or Company, as the case may be. The Company shall, however, not carry on any banking business as laid down in Banking Act, 1949.* 12. *To establish and regulate branches or agencies of the Company at any place in India or elsewhere in the world and to operate the activities of the company from these place/s by appointing skilled, semi-skilled and managerial personnel.* 13. *To form, incorporate or promote any company or any branch / es of the companies whether in India or abroad, having objects which in the opinion of the Company could directly or indirectly assist the company in the management of its business or the development of its properties or otherwise prove advantageous to the Company and to pay all or any of the cost and expenses incurred in connection with any such promotion, establishment or incorporation and to remunerate any person or company in any manner it shall think fit for services rendered or to be rendered in the formation or promotion of the Company or the conduct of its business or in or about the promotion of any other branch of the company in which the company may have an interest.* 14. *To adopt such means of making known the business in which the Company deals or is interested as may seem expedient and in particular by advertising and giving publicity to the business of the company in all legitimate and proper way.* 15. *To promote, form and invest in Company(ies) in India and abroad directly or as joint ventures in Association with other appropriate bodies, organizations, Companies, Individuals, to achieve objects of the company.* 16. *To make investment of surplus finances when available in short terms and long terms assets, including marketable securities to achieve objects of the company.* 17. *To form, incorporate or promote any company or companies whether in India or abroad, having objects which .in the opinion of the Company could directly or indirectly assist the company in the management of its business or the development of its properties or otherwise prove advantageous to the Company and to pay all or any of the cost and expenses incurred in connection with any such promotion or incorporation and to remunerate any person or company in any manner it shall think fit for services rendered or to be rendered in the formation or promotion of the Company or the conduct of its*

Date of Shareholders' resolution	Particulars
	business or in or about the promotion of any other company in which the company may have a interest or in the issue of any securities of the company or any company promoted by this Company. 18. *To distribute among the members in specie any property of the company or any proceeds of sale or disposal of any property of the company.* 19. *To indemnify members, officers, directors, agents, and servants of the company against the proceedings, costs, damages, claims and demands in respect of the anything done by them for and in the interest of the company or any loss, damages, or misfortune whatever which shall happen in execution of the duties of their office or in relation thereto.* 20. *To acquire by purchase or otherwise lands, buildings or any interest in immovable property for the business of the company.* 21. *To acquire from any person, firm, body corporate or incorporate, whether in India or elsewhere, technical information, know-how, processes, engineering, and operating data plans, lay-out, and blue prints useful for the design, erection, operation of plant required for any of the businesses of the client company and to acquire license or any other rights and benefits in the forgoing matters and things.* 22. *To incur expenditure on market surveys or engage the services of agents/ brokers to achieve any or all the objectives set out herein.* 23. *To purchase, take on lease, hire or otherwise acquire, any real and personal property and any rights or privileges which the Company may think necessary or convenient for the purposes of its business or may enhance the value of any oilier property of the Company.* 24. *To apply for, purchase, or otherwise acquire and protect and renew in any part of the world any patents, patent-rights, invention, trade marks, designs, licenses, concessions and the like, conferring any exclusive or non-exclusive or limited right to their use, or any secret or other information as to any invention which may seem capable of being used for any of the business of the Company or to use, exercise, develop, or grant licenses in respect of, or otherwise turn to account the property, rights or information so acquired and to expend money in experimenting upon testing or improving any such patents, inventions or rights.* 25. *To acquire and undertake the whole or any part of the business, property, and or/ liabilities of any persons or company carrying on or proposing to carry on any business which the Company is authorised to carry on or possessed of property suitable for the business of the Company, or business which can be carried on in conjunction therewith.* 26. *To improve, manage, develop, grant right and privileges in respect of, or otherwise deal with, all or any part of property and rights of the Company.* 27. *To subscribe for, take or otherwise acquire, and hold shares, stock debentures or other securities of any other Company, Co-operative Society or Society registered under die Societies Registration Act 1860.* 28. *To lend, advance money or give credit to such persons or companies and on such terms as may seem to be expedient, and in particular to customers and others having dealings with the Company, and to guarantee the performance of any such contract or obligation and the payment of money of or by any such persons or companies, and generally to give guarantees and indemnities. The Company shall however not carry on any banking business as laid down in Banking Act, 1949.* 29. *To enter into any arrangements with any government or authorities, municipal, local or otherwise that may seem to be conducive to the objects of the Company, or any of them, and to obtain from any such Government authority, person or Company any rights, privilege, charters, contracts, licenses and concessions which the company may think it desirable to obtain and to carry out, exercise and comply therewith.* 30. *To establish and maintain or procure the establishment and maintenance of any contributory or non-contributory provident fund or pension or superannuation funds for the benefit of, and give or procure the giving of donations, gratuities pensions, allowances or emoluments to any persons who are or were at any time in the employment or service of the Company, or who are or were at any time Directors or Officers of the Company, widows, families and dependents of any such persons and to establish, subsidies and subscribe to any institutions, associations, clubs, or funds calculated by the Company to benefit of or to advance the interest and well-being of the employees of the Company, and make payments to or towards the insurance of any such persons as aforesaid.*

Date of Shareholders' resolution	Particulars
	31. To sell, lease, mortgage or otherwise dispose of the property, assets or undertakings of the Company or any part thereof for such consideration as the Company may think fit. *32. To act as agents, indenters or/and as trustees for any person or Company or government and to undertake and perform subcontracts and to do all or any of the above things in any part of the world, alone or jointly with others and either by or through agents, subcontractors, trustees or otherwise.* *33. To undertake and execute any trusts, the undertaking of which may seem to benefit the Company either gratuitously or otherwise.* *34. To collect and circulate statistics and other information relating to trade, commerce and industry.* *35. To create, or to contribute to, any depreciation fund, reserve fund, sinking fund, insurance fund, development or any other special fund including funds for payment of subsidies whether for depreciation or for repairing, improving, extending or maintaining any of the property of the Company or for amortisation of capital or for any other purpose conducive to the interest of the company.* *36. To employ and pay experts, Indian and foreign consultants, in connection with the business of the Company.* *37. To promote and undertake the formation of any institution or Company for the purpose of acquiring all or any of the property and liabilities of this Company or form any subsidiary company or companies.* *38. To dedicate, present or otherwise dispose of either voluntarily or for value any property of the Company deemed to be of national, public or local interest to any national trust, public body, museum, corporation or any of the same or of the public.* *39. To enter in to all sorts of the internal and/or external foreign collaborations, technical assistance, financial or commercial arrangements, including export, market survey, study of market conditions in India or outside India for fulfilment of any object herein contained.* *40. To acquire or secure membership, act or privileges either in the name of the company or its nominee or nominees in and of any association, market, club or other institution in India or in any part of the world for the furtherance of business of the company.* *41. To insure any of the persons, properties, undertakings, contracts, guarantees, or obligation or profits of the company of every nature and kind in any manner whatsoever.* *42. To refer any dispute, claim or demand by or against the company to arbitrators and to secure and perform the awards.* *43. To apply for, secure, acquire by grant, legislative enactment, assignments, transfer, purchase or otherwise and exercise, carry out and enjoy any charter, licenses, power, authority, franchise, concession, rights, or privileges, which any government or authority or any corporation or other public body may be empowered to grant and to pay for and in aid contribute towards carrying the same into effect.* *44. To accept gifts, bequests, devices and donations from members and others and to make gifts, to members and others in money, assets and properties of any kind, subject to the provisions of the Companies Act, 1956.* *45. To be interested in, promote joining and undertake the formation and establishment of such institutions, association, chamber or commerce, or other bodies, business with the object of the Company as may be considered to be conducive to the profit and interest of the Company and to acquire, promote, and/or subsidise any industry or undertaking.* *46. To do such other things that the company may consider are incidental to, or may think conducive to the attainment of the above objects or any of them*
	Clause III (C) of the Memorandum of Association (other objects) was replaced and substituted by the following clause; *1. To carry on and undertake the business of hire purchase, leasing and to finance lease operations of all kinds, purchasing, selling, hiring, or letting on hire all of imported and indigenous plant and machinery, equipments that the Company may think fit and assist in financing of all and-every kind and description of hire purchase or deferred payment or similar transaction and to subsidise, finance or assist subsidising of financing the sale and maintenance of any goods, articles in commodities of all and otherwise deal in all form of*

Date of Shareholders' resolution	Particulars
	immovable and movable property including land and buildings, plant and machinery, equipments, all consumers, commercial and industrial items, and to lease own, run, manage or otherwise deal with them in any manner whatsoever including resales thereof regardless of purchased and leased by new and/or used. 2. *To carry on business of and to buy, sell, import export, and deal in all types of health products including medicine items and all types of food items which are for health care including supplementary food items and other related herbal items.* 3. *To design, buy, sell, import, export, and deal in software packages, hardware parts, web sites on internet and to act as factors, assemblers, designers, agents, packers in computer and their accessories and upgrade the same and to provide total computer solutions and to undertake annual maintenance contract and also to develop, assist in development of e-commerce activities, Web T.V and Web Radio and to design, edit, write, print, publish and sell articles and software for print medium, web design, development of Art works and graphic designs, and to deal in and develop portals and other internet related products and services and to carry on activities of convergence of off line and online communications and to develop and provide software solutions in the field of communications, to equipment manufacturers, service providers, telecom administrators for the internet enabled systems, devices and services.* 4. *To carry on the business of exporters, importers, buyers, sellers, and general merchants, traders in goods, commodities, and to act as indenting agents, commission agent, and to deal in all kinds of goods manufactured and to act as manufacturers and traders representatives in India and abroad.* 5. *To carry on the business of buy, sell, import, export, deal in, lease of systems and applications software and hardware and to otherwise deal in systems design, develop, training, implement, assemble, install, repair, hire, erect, service, software programming, data processing equipment, all types of computers, accessories and spare parts, process controls and systems, monitors, devices, modems, magnetic barcodes, decoders, micro processor based instruments, printers including bar code printers and all kinds of scanners, electrical, electro-mechanical and telecommunication devices and to act as consultants and advisors on information /internet system and purveyors of information services and to promote, encourage, establish, develop, maintain, organise, undertake manage, operate, conduct and to run in India or abroad internet computer training centres, software consultancy, hardware consultancy, and other activities through internet and also to provide market and product service through internet for industrial, commercial, domestic, public utility, defence, government and other general customers or section of society.*
September 14, 2018	The capital clause of the Memorandum of Association was substituted to reflect the sub-division of Equity Shares of our Company from ₹ 591,508,030^ comprising of 59,150,803^ Equity Shares of ₹ 10 each to ₹ 591,508,030 comprising of 295,754,015 Equity Shares of ₹ 2 each

^*Note: In terms of the Scheme of Amalgamation 2018, the authorised capital of our Company was increased from ₹ 550,000,000 comprising of 55,000,000 Equity Shares of ₹ 10 each to ₹ 591,508,030 comprising of 59,150,803 Equity Shares of ₹ 10 each.*

Major events and milestones of our Company

The table below sets forth the key events in the history of our business:

Financial year	Particulars
2002	First major acquisition by our Company of Sudharma
2004	Our Company was accredited by National Accreditation Board for Testing and Calibration Laboratories (Department of Science & Technology, India)
2005	Our Company received accreditation from The College of American Pathologists
2006	Investment by The Western India Trustee and Executor Company in our Company

Financial year	Particulars
	Acquisition of M/s. Lister Laboratory and Research Centre Private Limited in Chennai
2007	Acquisition of Desai Clinical Laboratory in Surat
2008	Acquisition of R.V Diagnostics & Healthcare Center Private Limited in Bangalore
2009	Scheme of Amalgamation 2009
2010	Investment by Foxcreek Invesment Limited in our Company
2011	Acquisition of LabOne in Raipur
2012	Acquisition of Micron Laboratories in Mumbai
	Acquisition of subsidiary in Kenya
	Acquisition of Dr. Patel Pathology Laboratory Private Limited in Nashik
	Incorporation of subsidiary in Mauritius
2013	Acquisition of M/s. Ekopath Center-Pathology and Cytology Division in Guwahati
	Establishment of GRL in Mumbai
2014	Acquisition of subsidiary in Ghana
2015	Investment by CA Lotus Investments in our Company
	Incorporation of subsidiary in Uganda
	Incorporation of branch office in Zambia
2017	Acquisition of Sanjeevani Pathology Laboratory in Rajkot
2018	Public-Private partnership agreement executed with National AIDS Control Organisation, Government of India
2018	Scheme of Amalgamation 2018
2018	Incorporation of subsidiary in Tanzania

Awards, achievements and certifications

Our Company has received the following awards:

Sr. No.	Award	Year of award
1.	Our Company was awarded the "*Diagnostic Services Company of the Year*" by Frost & Sullivan	2010
2.	Our Company was felicitated for providing "*Outstanding Quality Diagnostic Services*" by HIV Congress 2012	2012
3.	Our Company was awarded the "*Most Promising Brand*" by the World Consulting and Research Corporation	2014
4.	Our Company was awarded as a "*Quality Brand*" by Quality Brands India	2014

Sr. No.	Award	Year of award
5.	Our Company was awarded the "*Best Diagnostic Company of the Year*" at the National Awards for Excellence in Healthcare 2015	2015
6.	Our Company was awarded the "*Diagnostic Services Company of the Year*" by the VCCircle Network	2015
7.	Our Company was awarded for "*Excellence in Productive Employment Creation*" by Business Today	2015
8.	Our Company was awarded for "*Best in Health and Fitness*" in the Digital Campaign Awards by LH Insights	2018
9.	Our Company was awarded for "*Excellence in Customer Service & Delivery*" by Biotrains	2018
10.	Our Company was awarded special jury mention for *"Service Excellence (Diagnostic Centre)*" by FICCI at the Healthcare Excellence Awards	2018

Our Holding Company

As on date of this Draft Red Herring Prospectus, our Company does not have a holding company.

Our Subsidiaries

For details of Subsidiaries, see "*Subsidiaries*" on page 171.

Capital raising activities through equity or debt

For details regarding our capital raising activities through equity, see "*Capital Structure*" on page 90. For details regarding our capital raising activities through debt, see "*Financial Indebtedness*" on page 512.

Injunctions or restraining order against our Company

Other than as disclosed in "*Outstanding Litigation and Other Material Developments*" of page 513, there are no injunctions or restraining orders against our Company as of the date of this Draft Red Herring Prospectus.

Strike and lock-outs

Our Company has not experienced any strikes, lock-outs or labour unrest in the past.

Changes in activities of our Company during the last five years

There has been no change in the activities of our Company during last five years, which may have had a material effect on the profits of our Company.

Time/cost overrun

There have been no significant or material time/cost overruns pertaining to our business operations since incorporation.

Defaults or rescheduling of borrowings with financial institutions/banks, conversion of loans into equity by our Company

(i) Our Company has not defaulted on repayment of any loan availed from any banks or financial institutions;

(ii) The tenure of repayment of any loan availed by our Company from banks or financial institutions has not been rescheduled; and

(iii) No loan availed by our Company has been converted into Equity Shares.

Details of Schemes of Amalgamation

Scheme of amalgamation between Pathnet India Private Limited and Metropolis Health Services (India) Limited, Metro Home Health Services Private Limited, Lister Metropolis Laboratory and Research Centre Private Limited, Tripoli Path Lab Private Limited and Diwanchand Metropolis Diagnostics Services Private Limited

On July 19, 2007, the board of directors of Diwanchand Metropolis Diagnostics Services Private Limited and Pathnet India Private Limited (the "**Transferee**"), at their respective meetings, approved a scheme of amalgamation under Sections 391 to 394 and other applicable provisions of the Companies Act, 1956 (the "**Scheme of Amalgamation 2009**"). The Scheme of Amalgamation 2009 provided for the consolidation of Metropolis Health Services (India) Limited, Metro Home Health Services Private Limited, Lister Metropolis Laboratory and Research Centre Private Limited, Tripoli Path Lab Private Limited and Diwanchand Metropolis Diagnostics Services Private Limited (together the "**Transferors**") with the Transferee. The appointed date for the Scheme of Amalgamation 2009 was April 1, 2006. The Scheme of Amalgamation 2009 was sanctioned by the High Court of Madras by its order dated November 14, 2008, High Court of Bombay by its order dated January 9, 2009 and High Court of Delhi by its order dated December 19, 2008. The Scheme of Amalgamation 2009 came into effect on January 30, 2009 which was the date on which a certified copy of the order of the High Court of Bombay sanctioning the Scheme of Amalgamation 2009 was filed with the Registrar of Companies, Maharashtra at Mumbai.

In terms of the Scheme of Amalgamation 2009, all Transferors shall stand amalgamated with the Transferee as a going concern and all assets, liabilities, cash and bank balances, contracts, arrangements, employees, permits, licences, records, approvals, etc. of the Transferors shall, without any further act, instrument or deed, stand transferred to and vested in or be deemed to have been transferred to and vested in the Transferee. Additionally, the Transferee substituted each of the Transferors in all pending and future contracts and legal proceedings involving the Transferor(s).

In consideration of the assets, liabilities, undertakings of the Transferors becoming the assets, liabilities and undertaking of the Transferee, the Transferee allotted:

(i) five equity shares of ₹ 10 each in the Transferee for every one equity share of ₹ 10 held in Metropolis Health Services (India) Limited

(ii) one equity share of ₹ 10 each in the Transferee for every one equity share of ₹ 10 held in Metro Home Health Services Private Limited

(iii) 180 equity shares of ₹ 10 each in the Transferee for every one equity share of ₹ 10 held in Lister Metropolis Laboratory and Research Centre Private Limited

(iv) one equity share of ₹ 10 each in the Transferee for every four equity shares of ₹ 10 held in Tripoli Path Lab Private Limited

(v) one equity share of ₹ 10 each in the Transferee for every 20 equity shares of ₹ 10 each and six equity shares of ₹ 10 each in the Transferee for every 100 preference shares of ₹ 10 each held in Diwanchand Metropolis Diagnostics Services Private Limited

Prior to the Scheme of Amalgamation 2009 coming into effect, Metro Home Health Services Private Limited, Lister Metropolis Laboratory and Research Centre Private Limited, Tripoli Path Lab Private Limited and Diwanchand Metropolis Diagnostics Services Private Limited became wholly owned subsidiaries of Metropolis Health Services (India) Limited. Accordingly, on February 6, 2009, the Transferee cumulatively issued and allotted 9,375,000 Equity Shares to the shareholders of Metropolis Health Services (India) Limited. The shareholding of Metropolis Health Services (India) Limited in Pathnet India Private Limited were cancelled upon the Scheme of Amalgamation 2009 coming into effect. For details, see "*Capital Structure – Notes to the capital structure – Equity Share capital history of our Company*" on page 90.

Scheme for reduction of share capital

The Shareholders, pursuant to their resolution dated August 1, 2012 approved the reduction of the share capital of our Company under Sections 100,101,102 and 103 of the Companies Act, 1956 by reducing the securities premium account by ₹ 58.72 million in order to adjust the diminution in the value of investments made by our Company in one of its erstwhile wholly owned subsidiaries – Final Diagnosis Private Limited (the "**Scheme**"). Subsequently, our Company filed a petition under Sections 100 to 103 read with Section 78 of the Companies

Act, 1956 before the High Court of Bombay, seeking approval for the Scheme. The High Court of Bombay, pursuant to its order dated September 25, 2012, approved the Scheme.

Scheme of amalgamation between our Company and Bacchus Hospitality Services and Real Estate Private Limited, Metropolis Healthcare (Chandigarh) Private Limited, Metropolis Healthcare (Jodhpur) Private Limited, Final Diagnosis Private Limited, Sanket Metropolis Health Services (India) Private Limited and Golwilkar Metropolis Health Services (India) Private Limited

On March 16, 2018 our Board approved a scheme of amalgamation under Section 230 to 232 and other applicable provisions of the Companies Act, 2013 (the "**Scheme of Amalgamation 2018**"), which provided for (i) Bacchus Hospitality Services and Real Estate Private Limited to amalgamate with our Company and (ii) consolidation of all the operations of our Company carried on through our wholly owned subsidiaries i.e. Metropolis Healthcare (Chandigarh) Private Limited, Metropolis Healthcare (Jodhpur) Private Limited, Final Diagnosis Private Limited, Sanket Metropolis Health Services (India) Private Limited and Golwilkar Metropolis Health Services (India) Private Limited, with our Company. The appointed date for the Scheme of Amalgamation 2018 was April 1, 2018. The Scheme of Amalgamation 2018 was sanctioned by the NCLT, Mumbai bench by its order dated August 30, 2018 and the NCLT, Ahmedabad bench by its order dated July 9, 2018, respectively. The Scheme of Amalgamation came into effect on September 8, 2018 which was the date on which a certified copy of the order of the NCLT, Mumbai bench sanctioning the Scheme of Amalgamation 2018 was filed with the RoC ("**Effective Date**").

In terms of the Scheme of Amalgamation 2018, Bacchus Hospitality Services and Real Estate Private Limited, Metropolis Healthcare (Chandigarh) Private Limited, Metropolis Healthcare (Jodhpur) Private Limited, Final Diagnosis Private Limited, Sanket Metropolis Health Services (India) Private Limited and Golwilkar Metropolis Health Services (India) Private Limited (together, the "**Transferors**") shall stand amalgamated with our Company as a going concern and all assets, liabilities, contracts, arrangements, employees, permits, licences, records, approvals, etc. of the Transferors shall, without any further act, instrument or deed, stand transferred to and vested in or be deemed to have been transferred to and vested in our Company. Additionally, the Transferee substituted each of the Transferors in all pending and future contracts and legal proceedings involving the Transferor(s).

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 were wholly owned subsidiaries of our Company and therefore there was no issue of shares by our Company as consideration for the amalgamation of these subsidiaries. Our Company has issued and allotted 957,713 Equity Shares for every 1,000,000 equity shares of ₹ 10 each held in Bacchus Hospitality Services and Real Estate Private Limited. Accordingly, on the Effective Date, our Company issued and allotted 2,657,731 Equity Shares to the shareholders of Bacchus Hospitality Services and Real Estate Private Limited, in proportion to their respective shareholding in Bacchus Hospitality Services and Real Estate Private Limited. The shareholding of Bacchus Hospitality Services and Real Estate Private Limited in our Company were cancelled upon the Scheme of Amalgamation 2018 coming into effect. For details, see "*Capital Structure – Notes to the capital structure – Equity Share capital history of our Company*" on page 90.

Details of shareholders' agreements

Shareholders' agreement dated September 8, 2015 amongst Ameera Sushil Shah, Dr. Sushil Kanubhai Shah, Dr. Duru Sushil Shah, Bacchus Hospitality Services and Real Estate Private Limited, Metz Advisory LLP, CA Lotus Investments and our Company, as amended by amendment agreement to the Shareholders' Agreement dated March 6, 2018 and amendment agreement to the shareholders' agreement dated September 24, 2018, a termination agreement dated September 24, 2018 and a deed of adherence dated February 16, 2016 executed by Metz Advisory LLP

A share purchase agreement dated August 5, 2015 (the "***Share Purchase Agreement***") was entered into between CA Lotus Investments and Dr. G.S.K Velu along with his relatives (collectively, the "**Sellers**"), pursuant to which CA Lotus Investments purchased 3,282,716 Equity Shares held by the Sellers.

Ameera Sushil Shah, Dr. Sushil Kanubhai Shah, Dr. Duru Sushil Shah, Bacchus Hospitality Services and Real Estate Private Limited (which has subsequently merged with our Company pursuant to the Scheme of Amalgamation 2018), CA Lotus Investments and our Company have executed a shareholders' agreement dated September 8, 2015, to which Metz Advisory LLP had become a party pursuant to a deed of adherence dated February 16, 2016, and as amended by amendment agreement to the shareholders' agreement dated March 6, 2018 and amendment agreement to the Shareholders' Agreement dated September 24, 2018 (together, the "**Shareholders' Agreement**"), to record the business related representations, warranties and indemnities provided by the Company for supporting CA Lotus Investments' investment under the Share Purchase Agreement and to define the mutual rights and obligations of the parties to the Shareholders' Agreement in relation to the management and governance of the Company.

In terms of the Shareholders' Agreement, CA Lotus Investments has, *inter alia*, the right to nominate two Directors on the Board ("**CA Lotus Director(s)**"), whilst Ameera Sushil Shah has the right to nominate five Directors on the Board. Further, as long as CA Lotus Investments shareholding in the Company (on a fully diluted basis) does not fall below 935,406 Equity Shares, decisions cannot be taken on certain reserved matters, without: (i) the affirmative vote or written confirmation of at least one CA Lotus Director, if such reserved matter is proposed at a Board meeting (or meeting of any committee of the Board); or (ii) the affirmative vote or the written confirmation of CA Lotus Investments, if such reserved matter is proposed at a general meeting of the Company. Such reserved matters include decisions pertaining to new line of business, merger, de-merger, re-organisation or dissolution of the Company, establishment of any subsidiaries, amendment to constitutional documents and issuance of securities by the company other than issuance pursuant to employee stock option schemes ("***Reserved Matters***"). Further, Shareholders' Agreement provide for certain restrictions of transferability of Equity Shares by the parties to the Shareholders' Agreement, including anti-dilution rights, tag along rights and drag along rights.

Further, the parties to the Shareholders' Agreement have entered into a second amendment to the Shareholders' Agreement dated September 24, 2018 (the "**Second Amendment Agreement**"). In terms of the Second Amendment Agreement, if no director is nominated by CA Lotus Investments, it shall be entitled to nominate an observer to attend and participate (but not vote) in meetings of the Board and any committees thereof. Further, Reserved Matters should have the written confirmation of CA Lotus Investments in a general meeting in case no director is nominated by CA Lotus Investment.

The parties to the Shareholders' Agreement have also entered into a termination agreement dated September 24, 2018 (the "**Termination Agreement**"), pursuant to which the Shareholders' Agreement, as amended, shall automatically terminate on and from the date of the listing and commencement of trading of the Equity Shares on the Stock Exchanges. Pursuant to the terms of the Termination Agreement, no parties rights under the Shareholder's Agreement, including the right to appoint a director or observer shall survive post listing and commencement of trading of the Equity Shares on the Stock Exchanges. The Termination Agreement will terminate if the Offer is not completed on or before March 31, 2019, or any other date as mutually agreed between the parties to the Termination Agreement.

Share Purchase Agreement dated September 27, 2018 entered into between Ameera Sushil Shah, Dr. Sushil Kanubhai Shah, Dr. Duru Sushil Shah, Metz Advisory LLP, CA Lotus Investments and our Company

Our Company, Ameera Sushil Shah, Dr. Sushil Kanubhai Shah, Dr. Duru Sushil Shah, Bacchus Hospitality Services and Real Estate Private Limited (which has subsequently merged with our Company pursuant to the Scheme of Amalgamation 2018), Metz Advisory LLP and CA Lotus Investments had entered into, and executed, an agreement on September 8, 2015 which was subsequently amended on October 21, 2015 (the "**2015 Agreement**") in terms of which the parties have agreed to certain rights of the Promoter vis a vis CA Lotus Investments.

Subsequently, the Parties have executed another share purchase agreement dated September 27, 2018 (the "**SPA**"), pursuant to which the 2015 Agreement has been superseded and replaced. Under the SPA, CA Lotus Investments (the "**Investor**") has agreed to sell and Metz Advisory LLP or any other person nominated by Metz Advisory LLP (the "**Purchaser**") has agreed to purchase 1,061,095 Equity Shares (the "**Purchase Shares**") for a total price of ₹ 526.26 million minus certain adjustments / reductions including with respect to Surplus Amount (defined below) as set out in the SPA and such purchase is subject to certain conditions precedent. The Purchase Shares, if sold by the Investor, will be transferred to the Purchaser between the filing of the Red Herring Prospectus and Prospectus with the RoC.

The Parties have agreed that in the event that the proceeds which the Investor would receive from either a pre-Offer sale or the Offer for Sale, exceeds a certain amount, the Purchaser shall be entitled for a proportionate amount as determined under the SPA ("**Surplus Amount**"). The SPA will terminate if the Offer is not completed on or before March 31, 2019, or any other date as mutually agreed between the Parties or if any of the conditions precedent are still pending completion on or before March 31, 2019. The 2015 Agreement will stand reinstated if the SPA is terminated.

Agreement dated September 27, 2018 entered into between Ameera Sushil Shah, Dr. Sushil Kanubhai Shah, Dr. Duru Sushil Shah, Metz Advisory LLP, CA Lotus Investments (the "Investor") (the "Agreement")

Ameera Sushil Shah, Dr. Sushil Kanubhai Shah, Dr. Duru Sushil Shah, Metz Advisory LLP and the Investor have entered into the Agreement pursuant to which Ameera Sushil Shah or any other person/entity as may be nominated by her has an unconditional and irrevocable right, but not an obligation , to purchase up to 8.75% of the Equity Shares held by the Investor immediately at the commencement of trading of the shares of the Company on the NSE and the BSE post IPO (the "**Purchase Shares**") on the last business day of the 13th month from the date of listing and trading of the Equity Shares offered under the IPO (the "**Purchase Date**"). The price for the Purchase Shares will be determined based on the following formula: purchase price = (USD 19 x A) – {CMP x (A-1)} where A is a fraction whose numerator is 1 and denominator is 35% and CMP is USD equivalent of the average of the 10 day volume weighted average price of the Equity Shares on the stock exchange having the highest volume during the 10 days immediately preceding the Purchase Date. USD equivalent means the US Dollars equivalent of such INR amount calculated as per the exchange rate available from the RBI as on the Purchase Date. The Agreement has been approved at the meetings of the Board of Directors and shareholders on September 27, 2018. The Agreement will automatically terminate if the Equity Shares are not listed by March 31, 2019 or any other mutually agreed date.

Other material agreements

Our Company has not entered into any material agreements in the last two years from the date of this Draft Red Herring Prospectus, which are not in the ordinary course of its business.

Financial and Strategic Partners

Our Company does not have any financial and strategic partners as of the date of filing this Draft Red Herring Prospectus.

Guarantees given by Promoter Selling Shareholder

Dr. Sushil Kanubhai Shah, the Promoter Selling Shareholder, has not provided any guarantees in favour of any third party in relation to contractual performance of obligation of our Company.

OUR SUBSIDIARIES

As on date of this Draft Red Herring Prospectus, our Company has the following Subsidiaries:

1. Desai Metropolis Health Services Private Limited;
2. Lab One Metropolis Healthcare Services Private Limited;
3. Micron Metropolis Healthcare Private Limited;
4. Amin's Pathology Laboratory Private Limited;
5. Ekopath Metropolis Lab Services Private Limited;
6. Sudharma Metropolis Health Services Private Limited;
7. Dr. Patel Metropolis Healthcare Private Limited;
8. R.V. Metropolis Diagnostic & Health Care Center Private Limited;
9. Metropolis Histoxpert Digital Services Private Limited;
10. Bokil Golwilkar Metropolis Health Care Private Limited;
11. Raj Metropolis Healthcare Private Limited;
12. Metropolis Healthcare (Mauritius) Limited;
13. Metropolis Star Lab Kenya Limited;
14. Metropolis Healthcare Lanka (Pvt) Limited;
15. Metropolis Bramser Lab Services (Mtius) Limited;
16. Metropolis Healthcare Ghana Ltd;
17. Metropolis Healthcare Uganda Limited; and
18. Metropolis Healthcare (Tanzania) Limited

Details of our Subsidiaries are below:

1. **Desai Metropolis Health Services Private Limited ("Desai Metropolis")**

Corporate Information

Desai Metropolis was originally formed as a partnership on November 16, 1973 and was reconstituted from time to time. Subsequently, it was converted into a private limited company under the Companies Act, 1956 pursuant to a certificate of incorporation dated January 8, 2008 granted by the Registrar of Companies, Gujarat, Dadra and Nagar Haveli. Its CIN is U85195GJ2008PTC052594 and its registered office is situated at 11-14, Maher Park, Tower A, 1st Floor, J P Road, Athwagate, Surat 395 001, Gujarat.

Nature of Business

The memorandum of association enables Desai Metropolis to carry on the business of, *inter alia*, running a pathological and clinical diagnostic laboratory and to act as consulting pathologists with a view to provide complete comprehensive ultra modern diagnostic services.

Capital structure and shareholding

The authorised share capital of Desai Metropolis is ₹ 10,000,000 divided into 100,000 equity shares of ₹ 100 each. The issued, subscribed and paid-up capital of Desai Metropolis is ₹ 100,00,000 divided into 100,000 equity shares of ₹ 100 each. Our Company holds 100,000 Equity Shares (including 2,000 shares held by nominees on behalf of our Company) which is 100% of the total issued and paid up capital of Desai Metropolis.

Pursuant to a share purchase and sale agreement dated September 6, 2018, our Company acquired 18,400 equity shares of Desai Metropolis, constituting 18.40 % of the total issued and paid up capital of Desai Metropolis, in lieu of allotment of 15,043 Equity Shares to Dr. Pranav Desai and 6,925 Equity Shares to Dr. Shefali Desai (pre Bonus Issue and Sub-Division).

2. **Lab One Metropolis Healthcare Services Private Limited ("Lab One")**

Corporate Information

Lab One was originally formed as a partnership on October 5, 2003 and was reconstituted from time to time. Subsequently, it was converted into a private limited company under the Companies Act, 1956 pursuant to a certificate of incorporation dated October 31, 2012 granted by the Registrar of Companies, Maharashtra. Its CIN is U93030MH2012PTC237337 and its registered office is situated at 250 D, Udyog Bhavan,Worli, Mumbai 400 030.

Nature of Business

The memorandum of association enables Lab One to carry on the business of, inter alia, running a pathological and clinical diagnostic investigation and research centre with a view to provide complete, comprehensive ultra modern diagnostic services.

Capital structure and shareholding

The authorised share capital of Lab One is ₹ 13,300,000 divided into 133,000 equity shares of ₹ 100 each. The issued, subscribed and paid-up capital of Lab One is ₹ 13,300,000 divided into 133,000 equity shares of ₹ 100 each. Our Company holds 133,000 Equity Shares (including 5,320 shares held by nominees on behalf of our Company) which which is 100% of the total issued and paid up capital of Lab One.

Pursuant to a share purchase and sale agreement dated September 6, 2018, our Company acquired 65,170 equity shares of Lab One, constituting 49 % of the total issued and paid up capital of Lab One, in lieu of allotment of 4,777 Equity Shares to Vinod Lath and 4,777 Equity Shares to Dr. Bharat Gupta (pre Bonus Issue and Sub-Division). Further, in terms of a side letter dated September 6, 2018 issued by our Company to the Purchasers, our Company may make a one-time payment to the Purchasers based on a formula which is calculated on the post-Offer price of Equity Shares on the Stock Exchanges.

3. **Micron Metropolis Healthcare Private Limited ("Micron")**

Corporate Information

Micron was incorporated as a private limited company under the Companies Act, 1956 pursuant to a certificate of incorporation dated December 15, 2011 granted by the Registrar of Companies, Maharashtra. Its CIN is U93000MH2011PTC224985 and its registered office is situated at 250 D, Udyog Bhavan, Worli, Mumbai 400 030.

Nature of Business

The memorandum of association enables Micron to carry on the business of, inter alia, running a pathological and clinical diagnostic laboratory and to act as consulting pathologists with a view to provide complete comprehensive ultra modern diagnostic services.

Capital structure and shareholding

The authorised share capital of Micron is ₹ 10,00,000 divided into 100,000 equity shares of ₹ 10 each. The issued, subscribed and paid-up capital of Micron is ₹ 10,00,000 divided into 100,000 equity shares of ₹ 10 each. Our Company holds 100,000 Equity Shares which is 100% of the total issued and paid up capital of Micron.

Pursuant to a share purchase and sale agreement dated September 6, 2018 , our Company acquired 15,000 equity shares of Micron, constituting 15 % of the total issued and paid up capital of Micron for a consideration of ₹ 23.30 million.

4. **Amin's Pathology Laboratory Private Limited ("Amin")**

Corporate Information

Amin was originally incorporated in the name of Metropolis Wellness Products Private Limited, a private limited company under the Companies Act, 1956, pursuant to a certificate of incorporation dated October 15, 2012 granted by the Registrar of Companies, Maharashtra. Its name was subsequently changed to Amin's Pathology Laboratory Private Limited on April 16, 2013. Its CIN is U52300MH2012PTC236779 and its registered office is situated at 250 D, Udyog Bhavan,Worli, Mumbai 400030.

Nature of Business

The memorandum of association enables Amin to carry on the business, inter alia, of in India and abroad of buying, selling, packaging, manufacturing distributing, transporting, storing of items such as pharmaceuticals, health or wellness products, drugs, medicines etc., and to run a pathological and clinical diagnostic laboratory and to act as consulting pathologists with a view to provide complete, comprehensive ultra-modern diagnostic services.

Capital structure and shareholding

The authorised share capital of Amin is ₹ 10,00,000 divided into 100,000 equity shares of ₹ 10 each. The issued, subscribed and paid-up capital of Amin is ₹ 10,00,000 divided into 100,000 equity shares of 10 each. Our Company holds 100,000 equity shares (including 1 share held by nominee on behalf of our Company) which is 100% of the total issued and paid up capital of Amin.

5. **Ekopath Metropolis Lab Services Private Limited ("Ekopath")**

Corporate Information

Ekopath was incorporated as a private limited company under the Companies Act, 1956 pursuant to a certificate of incorporation dated February 14, 2013 granted by the Registrar of Companies, Maharashtra at Mumbai. Its CIN is U93000MH2013PTC240481 and its registered office is situated at 4th Floor, Office (Entire Floor) Block 4.2, Kohinoor City, Kirol Road, Kurla (West) Off LBS Marg, Mumbai 400 070.

Nature of Business

The memorandum of association enables Ekopath to carry on the business of, inter alia, running a pathological, microbiological, immuno – biological laboratories and clinical diagnostic laboratory and to act as consulting pathologists with a view to provide complete, comprehensive ultra modern diagnostic services.

Capital structure and shareholding

The authorised share capital of Ekopath is ₹ 5,100,000 divided into 510,000 equity shares of ₹ 10 each. The issued, subscribed and paid-up capital of Ekopath is ₹ 5,100,000 divided into 510,000 equity shares of ₹ 10 each. Our Company holds 306,000 equity shares which is 60% of the total issued and paid up capital and Dr. Ronica Baruah holds 204,000 equity shares amounting to 40% of the total issued and paid up capital of Ekopath.

Our Company has entered into a shareholders' agreement dated March 1, 2013 with Dr. Ronica Baruah in respect of, *inter alia*, the manner in which the affairs of Ekopath shall be conducted (the "**Ekopath SHA**"). In terms of the Ekopath SHA, Dr. Ronica Baruah has the right to nominate one director on the board of three directors. Further, no obligation of Ekopath shall be entered into, no decision shall be made and no action shall be taken with respect to Ekopath in relation certain reserved matters such as alteration of constitutional documents, change in share capital, commencement of a new line of business, winding-up, buy-back of shares or bonus or rights issue, declaration of dividend, borrow money by way of loans debentures etc., unless the same is (i) in case of board meeting, approved by at least one nominee director of the Company and one nominee director of Dr. Ronica Baruah; and (ii) in case of a general meeting, approved by affirmative vote of both the parties. Further, in terms of the Ekopath SHA, neither the Company nor Dr. Ronica Baruah shall without the consent of the other party transfer the share held by it in Ekopath.

6. **Sudharma Metropolis Health Services Private Limited ("Sudharma")**

Corporate Information

Sudharma was originally incorporated as a private limited company in the name of Sudharma Laboratory for Medical Investigations and Research Private Limited under the Companies Act, 1956 pursuant to a certificate of incorporation dated October 26, 1983 granted by the Registrar of Companies, Kerala. Its name was subsequently changed to the present name on July 15, 2003. Its CIN is U85195KL1983PTC003809 and its registered office is situated at Patturikal Junction, Shornur Road, Thrissur 680 001, Kerala.

Nature of Business

The memorandum of association enables Sudharma to carry on the business of, inter alia, running a pathological and clinical diagnostic investigation and research centre with a view to provide complete, comprehensive ultramodern diagnostic services.

Capital structure and shareholding

The authorised share capital of Sudharma is ₹ 10,000,000 divided into 2,000 equity shares of ₹ 5,000 each. The issued, subscribed and paid-up capital of Sudharma is ₹ 6,750,000 divided into 1,350 equity shares of ₹ 5,000 each. Our Company holds 1,350 Equity Shares which is 100% of the total issued and paid up capital of Sudharma.

Pursuant to a share purchase and sale agreement dated September 6, 2018, our Company acquired 135 equity shares of Sudharma, constituting 10 % of the total issued and paid up capital of Sudharma in lieu of allotment of 12,853 Equity Shares to Dr. K. Ramesh Kumar (pre Bonus Issue and Sub-Division).

7. **Dr. Patel Metropolis Healthcare Private Limited ("Patel Metropolis")**

Corporate Information

Patel Metropolis was originally incorporated as a private limited company in the name of Dr. Patel Pathology Laboratory Private Limited under the Companies Act, 1956 pursuant to a certificate of incorporation dated April 11, 2009 granted by the Registrar of Companies, Maharashtra at Mumbai. Its name was subsequently change to the current name in April 2, 2012. Its CIN is U85195MH2009PTC191630 and its registered office is situated at 5, Godavari Society, H.P.T College Road, Nasik 422 005.

Nature of Business

The memorandum of association enables Patel to carry on the business of, inter alia, running a pathological and clinical diagnostic investigation and research centre with a view to provide complete, comprehensive ultramodern diagnostic services.

Capital structure and shareholding

The authorised share capital of Patel Metropolis is ₹ 500,000 divided into 50,000 equity shares of ₹ 10 each. The issued, subscribed and paid-up capital of Patel Metropolis is ₹ 500,000 divided into 50,000 equity shares of ₹ 10 each. Our Company holds 50,000 Equity Shares which is 100% of the total issued and paid up capital of Dr. Patel.

Pursuant to a share purchase and sale agreement dated September 6, 2018, our Company acquired 15,000 equity shares of Patel Metropolis, constituting 30% of the total issued and paid up capital of Patel Metropolis for a consideration of ₹ 76.7 million.

8. **R. V. Metropolis Diagnostic & Health Care Center Private Limited ("RV Metropolis")**

Corporate Information

RV Metropolis was originally incorporated as a private limited company in the name of R.V. Diagnostic and Health Care Centre Private Limited under the Companies Act, 1956 pursuant to a certificate of incorporation dated March 28, 2005 granted by the Registrar of Companies, Karnataka. Its name was subsequently changed to the current name in April 20, 2009. Its CIN is U85110KA2005PTC035919 and its registered office is situated at NO.21,10th Cross Yellappagarden Malleshwaram, Bangalore- 560003.

Nature of Business

The memorandum of association enables RV Metropolis to carry on the business, inter alia, to establish, build, organise, manage, operate, own, run medical diagnostic laboratories, centres, scan centres, clinical and pathological testing laboratories, x-ray and ECG clinics.

Capital structure and shareholding

The authorised share capital of RV Metropolis is ₹ 2,000,000 divided into 20,000 equity shares of ₹ 100 each. The issued, subscribed and paid-up capital of RV Metropolis is ₹ 337,500 divided into 3,375 equity shares of ₹ 100 each. Our Company holds 3,375 Equity Shares which is 100% of the total issued and paid up capital of R.V Metropolis.

Pursuant to a share purchase and sale agreement dated September 6, 2018, our Company had acquired 785 equity shares of R.V Metropolis, constituting 23.26 % of the total issued and paid up capital of R.V Metropolis in lieu of allotment of 9,119 Equity Shares to Dr. Ravi Kumar H.N and 11,102 Equity Shares to Dr. Vani Kumar (pre Bonus Issue and Sub-Division).

9. **Metropolis Histoxpert Digital Services Private Limited ("Histoxpert")**

Corporate Information

Histoxpert was incorporated as a private limited company under the Companies Act, 2013 pursuant to a certificate of incorporation dated February 8, 2018 granted by the Registrar of Companies, Maharashtra at Mumbai. Its CIN is U85320MH2018PTC304941 and its registered office is situated at 4th floor, Unit Nos. 409 to 416, Kohinoor City Mall, Kirol Road, Off LBS Marg, Kurla (West), Mumbai 400 070.

Nature of Business

The memorandum of association enables Histoxpert to carry on the business of *inter alia* providing all kinds of services to pathological, microbiological, immuno-biological laboratories & hospitals and to conduct other medical tests, services analysis & research and to develop, operate and maintain a business to provide outsourced/managed digital pathology services to hospitals, laboratories, clinics, doctors, diagnostics centres and walk in patients.

Capital structure and shareholding

The authorised share capital of Histoxpert is ₹ 50,000,000 divided into 5,000,000 equity shares of ₹ 10 each. The issued, subscribed and paid-up capital of Histoxpert is ₹ 30,000,000 divided into 30,00,00 equity shares of ₹ 10 each. Our Company holds 19,50,000 equity shares (including 1 share held by nominee on behalf of our Company) which is 65% of the total issued and paid up capital and Koninklijke Philips N.V. holds 1,050,000 equity shares amounting to 35% of the total issued and paid up capital of Histoxpert.

Our Company has entered into a shareholder's agreement dated July 2, 2018 with Koninklijke Philips N.V and Histoxpert in respect of, inter alia, the manner in which the business and affairs of Histoxpert shall be conducted (the "**Histoxpert SHA**"). In terms of the Histoxpert SHA, Koninklijke Philips N.V has the right to appoint one director on the board of five directors. Further, Koninklijke Philips N.V has the right to (i) exercise its right to "tag along" with our Company in the event that our Company chooses to exit its majority shareholding in Histoxpert; (ii) exercise its right to "drag along" our Company in the event that Koninklijke Philips N.V opts to exit its majority shareholding in Histoxpert ; (iv) exercise its "right of first refusal" against our Company in the event that our Company opts to transfer its shareholding to a third party; and (v) exercise a "put option" against our Company in the event of a "deadlock" – where the board of Histoxpert cannot reach a decision in accordance with the Histoxpert SHA. Further, no decision shall be implemented with respect to Hixtoxpert without the prior consent of at least one director appointed by Koninklijke Philips N.V in relation to certain reserved matters including commencement of a new line of business, winding up, reorganization and purchase of material assets.

10. **Bokil Golwilkar Metropolis Health Care Private Limited** ("**Bokil**")

Corporate Information

Bokil was incorporated as a private limited company in the name of Bokil Golwilkar Metropolis Health Care Private Limited under the Companies Act, 1956 pursuant to a certificate of incorporation dated August 30, 2013 granted by the Registrar of Companies, Maharashtra at Mumbai. Its CIN is U93000MH2013PTC247672 and its registered office is situated at 4th floor office, Block 4.2, Kohinoor City, Kirol Road Kurla (West), Off L.B.S Marg, Mumbai 400 070.

Nature of Business

The memorandum of association enables Bokil to carry on the business of, inter alia, running a pathological and clinical diagnostic investigation and research centre with a view to provide complete, comprehensive ultramodern diagnostic services.

Capital structure and shareholding

The authorized share capital of Bokil is ₹ 1,01,00,000 divided into 1,01,00,00 equity shares of ₹ 10 each. The issued, paid-up and subscribed capital of Bokil is ₹ 1,01,00,000 divided into 1,01,00,00 equity shares of ₹ 10 each. Our Company holds 7,67,600 equity shares which is 76% of the total issued and paid up capital and Shrikant Anant Bokil holds 2,42,400 equity shares which is 24% of the total issued and paid up capital of Bokil.

Golwilkar Metropolis Health Services (India) Private Limited ("**Golwilkar Metropolis**") which got amalgamated with our Company pursuant to the Scheme of Amalgamation 2018, had entered into a shareholder's agreement dated October 1, 2013 with Dr. Shrikant Bokil and Bokil Golwilkar Metropolis Healthcare Private Limited in respect of, *inter alia*, the manner in which the affairs of Bokil shall be conducted (the "**Bokil SHA**"). In terms of the Bokil SHA, Dr. Shrikant Bokil has the right to nominate two directors on the board of five directors of Bokil. Pursuant to the Scheme of Amalgamation 2018, our Company substituted Golwilkar Metropolis in the Bokil SHA. Accordingly, all rights and obligations pertaining to Golwilkar Metropolis in terms of the Bokil SHA, were conferred on our Company with effect from September 8, 2018.

11. **Raj Metropolis Healthcare Private Limited ("Raj Metropolis")**

Corporate Information

Raj Metropolis was originally formed as a partnership on July 1, 2011 and was re-constituted from time to time. It incorporated as a private limited company in the name of Raj Metropolis Health Care Private Limited under the Companies Act, 1956 pursuant to a certificate of incorporation dated February 6, 2012 granted by the Registrar of Companies, Gujarat, Dadra and Nagar Havelli. Its CIN is U85191GJ2012PTC068896 and its registered office is situated at 4, Shreenath Shopping Centre, S.T Workshop Road, Mehsana 384 002, Gujarat.

Nature of Business

The memorandum of association enables Raj Metropolis is to carry on the business of, inter alia, running a pathological and clinical diagnostic investigation and research centre with a view to provide complete, comprehensive ultramodern diagnostic services.

Capital structure and shareholding

The authorized share capital of Raj Metropolis is ₹ 2,00,000 divided into 20,000 equity shares of ₹ 10 each. The issued, paid-up and subscribed capital of Raj Metropolis is ₹ 1,81,500 divided into 18,150 equity shares of ₹ 10 each. Our Company holds 9,256 equity shares (including 400 shares held by nominees on behalf of our Company) which is 51 % of the total issued and paid up capital. Kirtikumar Trikamlal Joshi holds 4,447 equity shares which is 24.50% of the total issued and paid up capital and Shaileshbharthi Amruthbharthi Goswami holds 4,447 equity shares which is 24.50% of the total issued and paid up capital of Raj Metropolis.

Sanket Metropolis Health Services (India) Private Limited ("**Sanket Metropolis**"), which got amalgamated with our Company pursuant to the Scheme of Amalgamation 2018, had entered into a shareholder's agreement dated October 29, 2015 with Mr. Shaileshbharti Amrutbh Goswami, Kirtikumar Trilkamlal Joshi and Raj Metropolis (together, the "**Parties**") (the "**Raj Metropolis SHA**"), in respect of *inter alia*, certain rights and obligations of the Parties as per the terms and conditions of the Raj Metropolis SHA. As per the Raj Metropolis SHA, Sanket Metropolis has the right to acquire the shareholding of Mr. Shaileshbharti Amrutbh Goswami and Kirtikumar Trikamlal Joshi up till June 2020. Further, the adoption of any resolution by the board of Raj Metropolis requires the unanimous vote of directors appointed by Sanket Metropolis. Pursuant to the Scheme of Amalgamation 2018, our Company substituted Sanket Metropolis in the Raj Metropolis SHA. Accordingly, all rights and obligations pertaining to Sanket Metropolis in terms of the Raj Metropolis SHA, were conferred on our Company with effect from September 8, 2018.

12. **Metropolis Healthcare (Mauritius) Limited ("Metropolis Mauritius")**

Corporate Information

Metropolis Mauritius was incorporated on September 11, 2012 as a private limited company under the Companies Act 2001 (Mauritius). Its corporate identification/registration number is 112222 C1/GBL and its registered office is situated at c/o ML Administrators Ltd, 4th Floor, Hennessy Tower, Pope Hennessy Street, L Port Louis, Mauritius. Metropolis Mauritius has also set up a branch office in Zambia, namely, Metropolis Healthcare Zambia Limited, which was registered on February 3, 2015 as a foreign company of Metropolis Mauritius under the laws of Zambia.

Nature of Business

The constitutional documents of Metropolis Mauritius enable it to carry on the business of, *inter alia*,

1. All business activities, which are not prohibited under the laws of the Republic of Mauritius and the Laws of the countries where the company is transacting business. These objects will apply exclusively to Global Business Licence (Category 1) activities.

2. All such other things as are incidental to, or the company may think conductive, to the conduct, promotion or attainment of the objects of the company.

Capital structure and shareholding

The authorised share capital of Metropolis Mauritius is USD 225,100, divided into 225,100 equity shares of USD 1 each. The issued, subscribed and paid-up capital of Metropolis Mauritius is USD 225,100, divided into 225,000 equity shares of USD 1 each. Our Company holds 225,100 equity shares which is 100% of the issued and paid up capital of Metropolis Mauritius.

13. **Metropolis Star Lab Kenya Limited ("Metropolis Kenya")**

Corporate Information

Metropolis Kenya was incorporated on April 23, 2010 as a private limited company under The Companies Act (Kenya). Its corporate identification/registration number is CPR/2010/21944 and its registered office is situated at L. R. No. 209/15280 Mediplaza, 4th floor, 3rd Parklands Avenue, P.O. Box 39107 00623, Nairobi, Kenya. Metropolis Kenya is a direct subsidiary of Metropolis Mauritius.

Nature of Business

The constitutional documents of Metropolis Kenya enable it to carry on the business of *inter alia*, diagnostics and pathology.

Capital structure and shareholding

The authorised share capital of Metropolis Kenya is KES 10,00,000 divided into 1,000 equity shares of KES 1,000 each. The issued, subscribed and paid-up capital of Metropolis Kenya is KES 10,00,000 divided into 1,000 equity shares of KES 1,000 each. Metropolis Mauritius holds 999 equity shares which is 99.90% of the total issued and paid up capital and Ameera Sushil Shah holds 1 equity share which amounts to 0.10% of the total issued and paid up capital of Metropolis Kenya.

14. **Metropolis Healthcare Lanka (Pvt) Limited ("Metropolis Lanka")**

Corporate Information

Metropolis Lanka was incorporated on July 8, 2005 as a private limited company under The Companies Act 2007 (Sri Lanka). Its corporate identification/registration number is P.V. 6025 and its registered office is situated at No. 25, Narahenpita Road, Nawala, Sri Lanka.

Nature of Business

The constitutional documents of Metropolis Lanka enable it to carry on the business of *inter alia*, diagnostics and pathology.

Capital structure and shareholding

The authorised share capital of Metropolis Lanka is LKR 10,00,00,000, divided into 1,00,00,000 equity shares of LKR 10 each. The issued, subscribed and paid-up capital of Metropolis Lanka is LKR 25,00,000 divided into 250,000 equity shares of LKR 10 each. Our Company holds 250,000 equity shares which is 100% of the total issued and paid up capital of Metropolis Lanka.

15. **Metropolis Bramser Lab Services (Mtius) Limited ("Metropolis Bramser")**

Corporate Information

Metropolis Bramser was incorporated on June 8, 2012 as a private limited company under The Companies Act 2001 (Mauritius). Its corporate identification/registration number is 110318 and its registered office is situated at 25, Pope Hennessy Street, Port Louis, Mauritius. Metropolis Bramser is a direct subsidiary of Metropolis Mauritius.

Nature of Business

The constitutional documents of Metropolis Bramser enable it to carry on the business of *inter alia*, diagnostics and pathology.

Capital structure and shareholding

The authorised share capital of Metropolis Bramser is MUR 10,000 divided into 1,000 equity shares of MUR 10 each. The issued, subscribed and paid-up capital of Metropolis Bramser is MUR 10,000 divided into 1,000 equity shares of MUR 10 each. Metropolis Mauritius holds 1,000 equity shares which is 100% of the issued and paid up capital of Metropolis Bramser.

16. **Metropolis Healthcare Ghana Limited ("Metropolis Ghana")**

Corporate Information

Metropolis Ghana was incorporated on September 26, 2008 as a private limited company under the Companies Act, 1963 (Ghana). Its corporate identification/registration number is CS344072014 and its registered office is situated at 1st Floor, Pyramid Building, Ring Road, AMA, Greater Accra, P.O. Box no 3368, Accra, Ghana. Metropolis Ghana is a direct subsidiary of Metropolis Mauritius.

Nature of Business

The constitutional documents of Metropolis Ghana enable it to carry on the business of *inter alia*, diagnostics and pathology.

Capital structure and shareholding

The authorised share capital of Metropolis Ghana is GHS 1,000,000,000 divided into 1,000,000,000 equity shares of GHS 1 each. The issued, subscribed and paid-up capital of Metropolis Ghana is GHS 789,714 equity shares divided into 789,714 equity shares of GHS 1 each. Metropolis Mauritius holds 789,714 equity shares which is 100% of the issued and paid up capital of Metropolis Ghana.

17. **Metropolis Healthcare Uganda Limited ("Metropolis Uganda")**

Corporate Information

Metropolis Uganda was incorporated on July 22, 2015 as a private limited company under the Companies Act, 2012 (Uganda). Its corporate identification/registration number is 205262 and its registered office is situated at Plot 78, Kampala Road, Kampala, Uganda. Metropolis Uganda is a direct subsidiary of Metropolis Mauritius.

Nature of Business

The constitutional documents of Metropolis Uganda enable it to carry on the business of *inter alia*, diagnostics and pathology.

Capital structure and shareholding

The authorised share capital of Metropolis Uganda is 25,000,000 UGX divided into 25,000 equity shares of 1,000 UGX each. The issued capital of Metropolis Uganda is 25,000,000 UGX divided into 25,000 equity shares of 1,000 UGX each. Metropolis Mauritius holds 24,999 Ordinary shares which is 99.99% of the total issued capital. Ameera Sushil Shah holds 1 equity share amounting to 0.01% of the total issued capital.

18. **Metropolis Healthcare Tanzania Limited ("Metropolis Tanzania")**

Corporate Information

Metropolis Tanzania was incorporated on August 19, 2018 as a private limited company under the Companies Act, 2002 (Tanzania). Its corporate identification/registration number is 137400197 and its registered office is situated at House Number 8, Block Number 8, Plot Number 687, Mindu Road, Upanga Mashariki ward, Dar Es Salam region, Tanzania. Metropolis Tanzania is a direct subsidiary of Metropolis Mauritius.

Nature of Business

The constitutional documents of Metropolis Tanzania enable it to carry on the business of inter alia, diagnostics and pathology.

Capital structure and shareholding

The share capital of Metropolis Tanzania is 20,000,000 TZS divided into 1000 equity shares of 20,000 TZS each. The issued capital of Metropolis Tanzania is 20,000,000 TZS divided into 1000 equity shares of 20,000 TZS each. Metropolis Mauritius holds 999 Ordinary shares which is 99.90% of the total issued capital and Ameera Sushil Shah holds 1 equity share amounting to 0.10% of the total issued capital of Metropolis Tanzania.

For financial performance of our Subsidiaries, see "*Financial Statements*" on page 203.

None of our Subsidiaries is a 'material subsidiary' in terms of the SEBI Listing Regulations and accordingly none of our Independent Directors are on the board of our Subsidiaries.

Significant sale or purchase between our Company and Subsidiaries

Except as disclosed in the "*Related Party Transactions*" on page 201, none of our Subsidiaries are involved in any sales or purchase transaction with our Company where such transaction exceeds in value in the aggregate of 10% of the total sales or purchases of our Company, during last five fiscals.

Common pursuits

Our Subsidiaries undertake the businesses that are similar to that undertaken by our Company and accordingly, there are certain common pursuits amongst our Subsidiaries and our Company.

As on the date of this Draft Red Herring Prospectus, there is no conflict of interest between our Company and our Subsidiaries.

Related business transactions within our Subsidiaries and significance on the financial performance of our Company

For details of transactions between our Company and Subsidiaries, see "*Related Party Transactions*" on page 201, during last five fiscals.

Business interest between our Company and our Subsidiaries

Except in the ordinary course of business and as stated in "*Our Business*" and "*Related Party Transactions*" on pages 135 and 201, respectively, during last five fiscals, none of our Subsidiaries have any business interest in our Company.

Other confirmations

Listing

None of our Subsidiaries are listed on any stock exchange in India or abroad.

Accumulated profits or losses

There are no accumulated profits or losses of any of our Subsidiaries that has not been accounted for by our Company.

Sale or purchase of shares of our Subsidiaries during the last six months

Neither our Promoters, nor the members of our Promoter Group nor our Directors nor their relatives have sold or purchased securities of our Subsidiaries during the six months preceding the date of the Draft Red Herring Prospectus.

OUR MANAGEMENT

Board of Directors

In terms of our Articles of Association, our Company is required to have a minimum of three and a maximum of 15 Directors on the Board. Our Company currently has six Directors, comprising of three Independent Directors, two Executive Directors, including one woman Director and one Non-Executive Director.

The following table sets forth details of our Board:

Name, designation, address, occupation, nationality, term and DIN	Age (years)	Other directorships
Dr. Sushil Kanubhai Shah *Designation:* Chairman and Executive Director *Address:* 71, Apurva Apartment, 5 Napeansea Road, Mumbai 400 036 *Occupation:* Business *Nationality:* Indian *Term:* From September 4, 2015 to September 3, 2020 (liable to retire by rotation) *DIN:* 00179918	71	1. Span Divergent Limited; 2. Centre for Digestive and Kidney Diseases (India) Private Limited; 3. Sudharma Metropolis Health Services Private Limited; 4. Metronome Publication Private Limited (in the process of strike-off); 5. Nitrolabs Technology Private Limited; 6. Metropolis Star Lab Kenya Limited; 7. Metropolis Healthcare Lanka (Pvt) Limited; 8. Metropolis Bramser Lab Services (Mtius) Limited; 9. Metropolis Healthcare Ghana Limited; 10. Metropolis Healthcare Uganda Limited; and 11. Star Metropolis Health Services Middle East LLC
Ameera Sushil Shah *Designation:* Managing Director *Address:* 71, Apurva Apartment, 5 Napeansea Road, Mumbai 400 036 *Occupation:* Business *Nationality:* Indian *Term:* From March 18, 2016 to March 17, 2021 (liable to retire by rotation) *DIN:* 00208095	39	1. Kaya Limited; 2. R. V. Metropolis Diagnostic & Health Care Centre Private Limited; 3. Star Metropolis Health Services Middle East LLC; 4. Desai Metropolis Health Services Private Limited; 5. Sudharma Metropolis Health Services Private Limited; 6. Metropolis Healthcare (Mauritius) Limited; 7. Metropolis Star Lab Kenya Limited; 8. Metropolis Healthcare Lanka (Pvt) Limited; 9. Metropolis Bramser Lab Services (Mtius) Limited; 10. Metropolis Healthcare Ghana Limited; 11. Metropolis Healthcare Uganda Limited; 12. Metropolis Healthcare (Zambia) Limited; 13. Shopper's Stop Limited; 14. Torrent Pharmaceuticals Limited; 15. Metropolis Histoxpert Digital Services Private Limited;

Name, designation, address, occupation, nationality, term and DIN	Age (years)	Other directorships
		16. Micron Metropolis Healthcare Private Limited; and 17. Bokil Golwilkar Metropolis Healthcare Private Limited
Mihir Jagdish Doshi* *Designation:* Non-Executive and Non-Independent Director *Address:* 4th Floor, Flat 41, Meher Apartments, 6/8 Anstey Road, 26WB, Mumbai 400 026 *Occupation:* Service *Nationality:* United States of America *Term:* Liable to retire by rotation *DIN:* 01283331	56	1. Credit Suisse Securities (India) Private Limited; and 2. Asia Society India Centre
Vivek Gambhir *Designation:* Independent Director *Address:* D-84, Malcha Marg, Ground Floor, Chanakyapuri, New Delhi 110 021 *Occupation:* Professional *Nationality:* United States of America *Term:* From September 7, 2018 to September 6, 2023 *DIN:* 06527810	49	1. Godrej Consumer Products Limited; 2. Philips India Limited; 3. Godrej Consumer Products U.K Ltd; 4. Strength of Nature LLC; 5. Harvard Business School Club of India; and 6. Home Insect Control Association
Sanjay Bhatnagar *Designation:* Independent Director *Address:* 3407 Williams Glen Drive, Sugar Land, Texas 774 79 *Occupation:* Professional *Nationality:* Indian *Term:* From September 7, 2018 to September 6, 2023 *DIN:* 00867848	57	1. EMCO Limited; 2. WaterHealth International Publishing Inc.; and 3. Tango Publishing Inc
Milind Shripad Sarwate *Designation:* Independent Director *Address:* E/ 201-202, Sita Vihar, Near Damani Estate, LBS Marg, Naupada, Thane (West), Maharashtra 400 602 *Occupation:* Professional *Nationality:* Indian	59	1. Eternis Fine Chemicals Limited; 2. International Paper APPM Limited; 3. Matrimony.com Limited; 4. House of Anita Dongre Limited; 5. Glenmark Pharmaceuticals Limited; 6. Mindtree Limited; 7. Nilgiris Franchise Private Limited; 8. WheelsEMI Private Limited; and

Name, designation, address, occupation, nationality, term and DIN	Age (years)	Other directorships
Term: From September 7, 2018 to September 6, 2023 *DIN:* 00109854		9. Halite Personal Care India Private Limited

[*]Mihir Jagdish Doshi is the chief executive officer and a director on the board of directors of Credit Suisse Securities (India) Private Limited as well as a director on the Board of the Company. As a result, Credit Suisse Securities (India) Private Limited is an 'associate' of the Company pursuant to Regulation 21A(1) of the Securities and Exchange Board of India (Merchant Bankers) Regulations, 1992 and will, therefore, be involved as a merchant banker only in the marketing of the Offer.

Relationship between our Directors

Dr. Sushil Kanubhai Shah is the father of Ameera Sushil Shah. None of our other Directors are related to each other.

Brief biographies of Directors

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

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

Mihir Jagdish Doshi is a Non-Executive, Non-Independent Director of our Company. 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. Prior to joining our Company, he has worked with the Morgan Stanley group of companies. He currently serves as the managing director (country management India department) of Credit Suisse Securities (India) Private Limited. He has over three decades of experience in finance. He has been a Director on our Board since 2015.

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

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

Milind Shripad Sarwate is an Independent Director of our Company. He holds a bachelor's degree in Commerce from the University of Bombay and is an associate of the ICAI, the Institute of Company Secretaries of India and the Institute of Costs and Works Accountants of India. Prior to joining our Company, he has worked with Godrej

Soaps Limited and Marico Limited. He was also a participant at the Fulbright -CII fellowship for leadership in management programme at the Carnegie Mellon Graduate School of Industrial Administration, U.SA. He was a recipient of the "*Best Performing CFO*" award by CNBC TV18 and was also inducted into the CFO India Hall of Fame by the CFO India magazine. He was also awarded the ICAI Award 2011 in CFO - FMCG Sector category. He is also a designated partner of Increate Value Advisors LLP. He has over three decades of experience in consumer products and services. He has been a Director on our Board since 2018.

Confirmations

None of our Directors is or was a director of any listed company during the last five years preceding the date of this Draft Red Herring Prospectus, whose shares have been, or were suspended from being traded on BSE or NSE.

None of our Directors is or was a director of any listed company which has been or was delisted from any recognised stock exchange.

None of our Directors have been or were identified as wilful defaulters as defined under the SEBI ICDR Regulations.

None of our Directors have committed any violation of securities laws in the past and no such proceedings, initiated by SEBI or otherwise, are pending against any Director. No consideration either in cash or shares or otherwise has been paid or agreed to be paid to any of our Directors or to the firms or companies in which they are interested, by any person, either to induce any director to become, or to help such director to qualify as a Director, or otherwise for services rendered by him/ her or by the firm or company in which he/ she is interested, in connection with the promotion or formation of our Company.

Terms of appointment of Executive Directors

Dr. Sushil Kanubhai Shah was appointed as an Executive Director pursuant to the resolutions of the Board and the Shareholders both dated September 4, 2015, for a period from September 4, 2015 to September 3, 2020. Subsequently, in terms of the resolution of the Board dated September 7, 2018 and resolution of the Shareholders dated September 10, 2018, Dr. Sushil Kanubhai Shah is liable to retire by rotation.

The terms of appointment of Dr. Sushil Kanubhai Shah are set forth below, which are applicable as on date of this Draft Red Herring Prospectus:

Sr. No.	Category	Remuneration
1.	Salary	₹1.00 million per month (including medical allowance, house rent allowance, additional allowance, bonus, reimbursement, education allowance and leave travel allowance)

The terms of appointment of Dr. Sushil Kanubhai Shah have been revised pursuant to the resolution dated September 10, 2018 of the Shareholders, with effect from October 1, 2018 till the remainder period of his tenure. The terms of appointment of Dr. Sushil Kanubhai Shah are set forth below:

Sr. No.	Category	Remuneration
2.	Salary (basic pay)	₹ 18.00 million per annum (including medical allowance, house rent allowance, additional allowance, bonus, reimbursement, education allowance and leave travel allowance)

Ameera Sushil Shah was appointed as the Managing Director pursuant to the resolutions of the Board and the Shareholders, both dated March 16, 2016, for a period from March 18, 2016 to March 17, 2021. Subsequently, in terms of the resolution of the Board dated September 7, 2018 and resolution of the Shareholders dated September 10, 2018, Ameera Sushil Shah is liable to retire by rotation.

The terms of appointment of Ameera Sushil Shah were revised pursuant to the resolution dated September 22, 2016 of the Shareholders, with effect from April 1, 2016 till March 17, 2021, details of which are set forth below, which are applicable as on date of this Draft Red Herring Prospectus:

Sr. No.	Category	Remuneration
1.	Salary	₹ 4.46 million per month (including medical allowance and leave travel

Sr. No.	Category	Remuneration
		allowance)
2.	Other benefits	Provident fund, superannuation fund, gratuity and encashment of leaves
3.	Performance linked bonus	Up to ₹14.40 million per annum on achievement of key result areas as set out by the Nomination and Remuneration Committee or the Board

The terms of appointment of Ameera Sushil Shah have been revised pursuant to the resolution dated September 10, 2018 of the Shareholders, with effect from October 1, 2018 till the remainder period of her tenure, which are set forth below:

Sr. No.	Category	Remuneration
1.	Salary	₹ 53.60 million per annum (including medical allowance and leave travel allowance)
2.	Other benefits	Provident fund, superannuation fund, gratuity and encashment of leaves
3.	Performance linked bonus	Up to ₹ 8.40 million per annum on achievement of key result areas as set out by the Nomination and Remuneration Committee or the Board

Remuneration to Executive Directors:

Remuneration paid to the Executive Directors during Fiscal 2018 (including any contingent or deferred compensation accrued for the year, even if the compensation is payable at a later date) are set forth in the table below:

Name of the Director	Total Remuneration (in ₹ million)
Dr. Sushil Kanubhai Shah	3.12[*]
Ameera Sushil Shah	32.84[^]

[*]*Note: Dr. Sushil Kanubhai Shah had waived ₹9.36 million in the Fiscal 2018.*
[*]*Note: Ameera Sushil Shah had waived ₹35.15 million in the Fiscal 2018.*

There are no contracts appointing or fixing the remuneration of the Executive Directors of our Company entered into within, or more than the last two years before the date of this Draft Red Herring Prospectus.

Payment or benefit to Directors

Each Non-Executive Director and Independent Director is entitled to receive the following sitting fees pursuant to a resolution of the Board dated September 7, 2018 for attending meetings of the Board/ committee of the Board as specified below, within the limits prescribed under the Companies Act, 2013:

Board/ Committee	Sitting fee (in ₹)
Board	100,000
Audit Committee	75,000
NRC	50,000
Stakeholders' Relationship Committee	25,000
Corporate Social Responsibility Committee	25,000

The travel expenses for attending meetings of the Board or a committee thereof, site visits and other Company related expenses are borne by our Company, from time to time.

Remuneration to Non-Executive Directors, including Nominee Directors and Independent Directors:

The sitting fees paid to the Non-Executive Directors and Independent Directors during Fiscal 2018 (including any contingent or deferred compensation accrued for the year, even if the compensation is payable at a later date) are set forth in the table below:

Name of the Director	Sitting Fees (in ₹ million)
Dr. Duru Sushil Shah	0.07
Mihir Jagdish Doshi	1.05
Rajiv Sahney	0.75
Neeraj Bharadwaj	-

Arrangement or understanding with major Shareholders, customers, suppliers or others

There is no arrangement or understanding with major Shareholders, customers, suppliers or others, pursuant to which any of our Directors have been appointed on the Board or as a member of the senior management.

Shareholding of Directors

As per our Articles of Association, our Directors are not required to hold any qualification Equity Shares.

The table below sets forth details of Equity Shares held by the Directors as on date of this Draft Red Herring Prospectus:

Name of the Director	Number of Equity Shares
Dr. Sushil Kanubhai Shah	9,997,580^
Ameera Sushil Shah	181,845*

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

Interest of Directors

All our Non-Executive Directors, including the Independent Directors, may be deemed to be interested to the extent of sitting fees payable to them for attending meetings of our Board and committees thereof, and reimbursement of expenses payable to them under our Articles of Association, as approved by our Board. Our Independent Directors may be deemed to be interested to the extent of commission payable to them, if any. Our Executive Director may be deemed to be interested to the extent of other remuneration and reimbursement of expenses payable to him under our Articles of Association, and to the extent of remuneration paid for services rendered as an officer of our Company.

The Directors may also be deemed to be interested to the extent of the Equity Shares, if any, held by them, directly or indirectly, and in any dividend and other distribution which may be made by our Company in the future in respect of such holding. The Directors may also be regarded as interested in Equity Shares held by or that may be subscribed by and allotted to the companies, firms and/or trust, in which they are interested as directors, members, partners and/or trustees. For further details, please see "*Capital Structure"* on page 90.

Other than Dr. Sushil Kanubhai Shah and Ameera Sushil Shah, none of our Directors are interested in the promotion of our Company, except in the ordinary course of business.

Our Company has not entered into any service contracts with our Directors which provide for benefits upon termination of employment of our Directors.

Our Company has entered into a leave and license agreement dated December 2, 2016 with Dr. Sushil Kanubhai Shah in respect of leave and license of a property owned by Dr. Sushil Kanubhai Shah, which is valid till October 31, 2019. For details, see "*Related Party Transactions*" on page 201.

Except as disclosed herein, our Directors have no interest in any property acquired within two years from this date of the Draft Red Herring Prospectus or proposed to be acquired by our Company. Except as stated in "*Related Party Transactions*" on page 201, our Directors do not have any other interest in our Company or in any transaction by our Company including, for acquisition of land, construction of buildings or supply of machinery.

Except as disclosed herein, no amount or benefit has been paid or given within the two years preceding the date of this Draft Red Herring Prospectus or is intended to be paid or given to any of our Directors.

No loans have been availed by the Directors or Key Management Personnel from our Company.

Other than as disclosed under "- *Terms of appointment of Executive Directors*" on page 184, none of the Directors are parties to any bonus or profit sharing plan of our Company.

Except as disclosed in "*Related Party Transactions*" on page 201, none of the sundry debtors are related to our Directors. Further, except in respect of statutory benefits upon termination of their employment in our Company or on retirement, no officer of our Company, including our Directors and the Key Management Personnel have entered into a service contract with our Company pursuant to which they are entitled to any benefits upon termination of employment.

Changes in our Board in the last three years

Name	Date of appointment/ change/cessation	Reason for change
Shailesh Haribhakti	October 17, 2016	Cessation
Rajiv Sahney	December 5, 2016	Cessation
Rajiv Sahney	December 7, 2016	Appointment
Rajiv Sahney	September 7, 2018	Cessation
Dr. Duru Sushil Shah	September 7, 2018	Cessation
Vivek Gambhir	September 7, 2018	Appointment
Sanjay Bhatnagar	September 7, 2018	Appointment
Milind Shripad Sarwate	September 7, 2018	Appointment
Neeraj Bharadwaj	September 24, 2018	Cessation

Borrowing Powers of Board

In accordance with the provisions of the Articles of Association, the Board may, borrow or raise any monies required for the purpose of our Company upon such terms and in such manner with or without security as it may determine. In this regard, our Company, at its meeting of the Board dated June 14, 2017 and its meeting of the Shareholders dated September 18, 2017 has resolved that subject to the provisions of the Companies Act, 2013 including without limitation Section 180(1)(c) of the Companies Act, 2013 and the rules and regulations issued thereunder, the Board is authorised to borrow money for the purpose of the business of our Company up to an amount of ₹ 5000 million.

Corporate Governance

The Corporate Governance provisions of the SEBI Listing Regulations will be applicable to us immediately upon listing of the Equity Shares on the Stock Exchanges. We are in compliance with the requirements of applicable regulations, including the SEBI Listing Regulations, the Companies Act and the SEBI ICDR Regulations, in respect of constitution of our Board and committees thereof. The corporate governance framework is based on an effective independent Board, separation of the Board's supervisory role from the executive management team and constitution of the Board committees, as required under law.

Our Board has been constituted in compliance with the Companies Act and the SEBI Listing Regulations and in accordance with best practices in corporate governance. The Board function either as a full board, or through various committees constituted to oversee specific operational areas. The executive management of our Company provides the Board detailed reports on its performance periodically.

Currently, our Board has six Directors comprising of three Independent Directors, two Executive Directors, including one woman Director and one Non-Executive Director.

Committees of the Board

In addition to the committees of the Board detailed below, our Board of Directors may, from time to time, constitute committees for various functions.

(A) ***Audit Committee***

The members of the Audit Committee are:

1. Milind Shripad Sarwate, Chairman;

2. Sanjay Bhatnagar;

3. Mihir Jagdish Doshi; and

4. Vivek Gambhir

The Audit Committee was constituted by a meeting of our Board held on March 2, 2009 and last re-constituted on September 7, 2018. The scope and function of the Audit Committee is in accordance with Section 177 of the Companies Act, 2013 and the SEBI Listing Regulations, and its terms of reference include the following:

(a) 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;

(b) Recommendation for appointment, re-appointment and replacement, remuneration and terms of appointment of auditors of the Company;

(c) Approval of payment of statutory auditors for any other services rendered by the statutory auditors;

(d) Reviewing, with the management, the annual financial statements and auditor's report thereon before submission to the Board for approval, with particular reference to:

    (i) 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;

    (ii) Changes, if any, in accounting policies and practices and reasons for the same;

    (iii) Major accounting entries involving estimates based on the exercise of judgment by management;

    (iv) Significant adjustments made in the financial statements arising out of audit findings;

    (v) Compliance with listing and other legal requirements relating to financial statements;

    (vi) Disclosure of any related party transactions; and

    (vii) Modified opinion(s) in the draft audit report.

(e) Reviewing, with the management, the quarterly half-yearly and annual financial statements before submission to the Board of Director for approval;

(f) 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;

(g) Reviewing and monitoring the statutory auditor's independence and performance, and effectiveness of audit process;

(h) Approval or any subsequent modifications of transactions of the Company with related parties;

(i) Scrutiny of inter-corporate loans and investments;

(j) Valuation of undertakings or assets of the Company, wherever it is necessary;

(k) Evaluation of internal financial controls and risk management systems;

(l) Monitoring the end use of funds raised through public offers and related matters;

(m) Reviewing with the management, the performance of statutory and internal auditors, and adequacy of the internal control systems;

(n) 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;

(o) Discussion with the internal auditors on any significant findings and follow up there on;

(p) 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;

(q) 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;

(r) 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;

(s) To review the functioning of the whistle blower mechanism;

(t) 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;

(u) Carrying out any other terms of reference as may be decided by the Board or specified/ provided under the Companies Act, 2013 or the SEBI Listing Regulations or by any other regulatory authority; and

(v) Review of (1) management discussion and analysis of financial condition and results of operations; (2) statement of significant related party transactions (as defined by the Audit Committee), submitted by management; (3) management letters/letters of internal control weaknesses issued by the statutory auditors; (4) internal audit reports relating to internal control weaknesses; (5) the appointment, removal and terms of remuneration of the chief internal auditor shall be subject to review by the audit committee; (6) statement of deviations including (a) quarterly statement of deviation(s) including report of monitoring agency, if applicable, submitted to stock exchange(s) in terms of Regulation 32(1) of the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015, as amended; (b) annual statement of funds utilized for purposes other than those stated in the offer document/prospectus/notice in terms of Regulation 32(7) of the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015."

(B) ***Nomination and Remuneration Committee***

The members of the Nomination and Remuneration Committee are:

1. Sanjay Bhatnagar, Chairman;

2. Mihir Jagdish Doshi; and

3. Vivek Gambhir.

The Nomination and Remuneration Committee was constituted by a meeting of our Board held on September 14, 2010 and was last reconstituted by our Board at their meeting held on September 7, 2018.The scope and functions of the Nomination and Remuneration Committee is in accordance with Section 178 of the Companies Act, 2013 and the SEBI Listing Regulations. The terms of reference of the Nomination and Remuneration Committee include:

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

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

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

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

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

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

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

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

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

(j) Perform such functions as required to be performed by the Nomination and Remuneration Committee under the SEBI ESOP Regulations;

(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:

1. The Securities and Exchange Board of India (Prohibition of Insider Trading) Regulations, 1992
2. The Securities and Exchange Board of India (Prohibition of Fraudulent and Unfair Trade Practices relating to the Securities Market) Regulations, 2003

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

*(C)**Stakeholders' Relationship Committee***

The members of the Stakeholders' Relationship Committee are:

1. Vivek Gambhir, Chairman;
2. Ameera Sushil Shah; and
3. Dr. Sushil Kanubhai Shah.

The Stakeholders' Relationship Committee was constituted by our Board at their meeting held on September 7, 2018. The scope and function of the Stakeholders' Relationship Committee is in accordance with Section 178 of the Companies Act, 2013 and the SEBI Listing Regulations. The terms of reference are as follows:

(a) Considering and resolving grievances of security holders of the Company, including complaints related to transfer of shares, balance sheets of our company non-receipt of annual report and non-receipt of declared dividends;

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

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

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

(D) ***Corporate Social Responsibility Committee***

The members of the Corporate Social Responsibility Committee are:

1. Vivek Gambhir, Chairman;

2. Ameera Sushil Shah; and

3. Milind Shripad Sarwate.

The Corporate Social Responsibility Committee was constituted by our Board at their meeting held on March 26, 2014 and was last reconstituted by our Board at their meeting held on September 7, 2018. The scope and function of the Corporate Social Responsibility Committee is in accordance with Section 135 of the Companies Act, 2013. The terms of reference of the Corporate Social Responsibility Committee of our Company include the following:

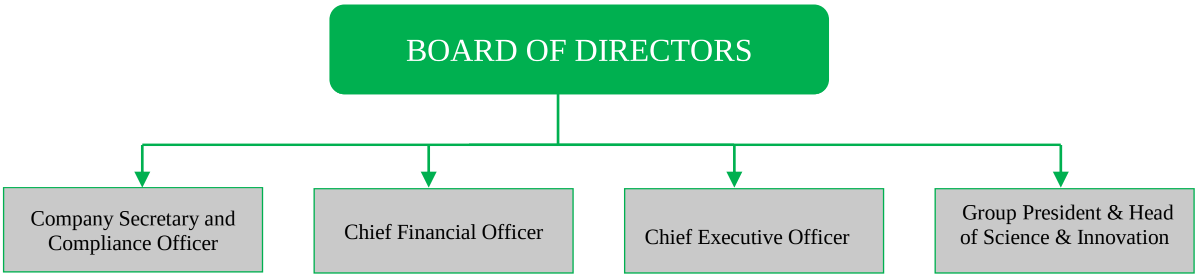
(a) To formulate and recommend to the Board, a CSR policy which shall indicate the activities to be undertaken by the Company as per the Companies Act, 2013;

(b) To review and recommend the amount of expenditure to be incurred on the activities to be undertaken by the company;

(c) To monitor the CSR policy of the Company from time to time; and

(d) 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.

Management Organisation Chart



Key Management Personnel

In addition to our Executive Directors, the details of the Key Management Personnel of our Company are as follows:

Vijender Singh is the Chief Executive Officer and is responsible for overseeing the operations, business development and compliances of our Company. He holds a bachelor's degree in Science from Kurukshetra University. He has additionally completed an Executive Education Programme in "*Accelerated Management Programme-Increasing Managerial Effectiveness*" from the Indian School of Business, Hyderabad and has been a participant at the Global Advanced Management Programme in "*Disruptive Innovation & Open Business Models in the Changing Global Landscape*" organised by the All India Management Association. Prior to joining our Company, he has worked with Dr. Lal Path Labs Limited, Ranbaxy Laboratories Limited, Bausch & Lomb India Private Limited and Blow Plast Limited. He has over 30 years of experience in business operations and business development. He has been associated with our Company since January 14, 2016 and was appointed as the Chief Executive Officer with effect from March 14, 2016. During the last fiscal, he was paid a compensation of ₹ 11.09 million.

Tushar Karnik is the Chief Financial Officer and is responsible for overseeing the accounting and finance departments of our Company. He holds a bachelor's degree in Commerce from the University of Mumbai. He is also an associate member of the ICAI. Prior to joining our Company, he has worked with Prime Focus

Technologies Private Limited, Reliance Mediaworks Limited, SGS India Private Limited, A.F. Ferguson & Company and Gajambuja Cement (a unit of Gujarat Ambuja Cements Limited). He has over 25 years of experience in finance. He has been associated with our Company since January 18, 2016 and was appointed as the Chief Financial Officer with effect from March 16, 2016. The remuneration paid to him for Fiscal 2018 (including any contingent or deferred compensation accrued for the year, even if the compensation is payable at a later date) was ₹ 7.20 million.

Jayant Prakash is the Head Legal, Company Secretary, and Compliance Officer of our Company. He is responsible for the legal, secretarial and compliance and mergers and acquisitions of our Company. He holds a bachelor's degree in Law from the University of Delhi as well as a bachelor's degree in Corporate Secretaryship from Pondicherry University. He also holds a master's degree in Business Administration from The Institute of Chartered Financial Analysts of India University, Tripura. He is a fellow member of the Institute of Company Secretaries, India. Prior to joining our Company, he has worked with L&T Fincorp Limited, Elara Capital (India) Private Limited, Sushil Financial Services Private Limited, Vivro Financial Services Private Limited, Fact Enterprise Limited, Chemicals International Limited and Machino Plastics Limited. He has over 14 years of experience in legal, secretarial and compliance and investment banking. He has been associated with our Company since July 1, 2016 and was appointed as the Company Secretary with effect from September 22, 2016. The remuneration paid to him for Fiscal 2018 (including any contingent or deferred compensation accrued for the year, even if the compensation is payable at a later date) was ₹ 2.91 million.

Dr. Nilesh Shah is the Group President and Head of Science & Innovation of our Company. He is responsible for quality, technical operations, innovation and procurement for our Company. He holds a bachelor's degree in Science from the University of Mumbai and a Diploma in Medical Laboratory Technology from K.J Somaiya Collegew of Science. He also holds a Ph.D. from Alternative Medical Council, Calcutta. He has over 30 years of experience in science and innovation. He has been associated with our Company since July 1, 1987 and was appointed as the Group President and Head of Science & Innovation with effect from April 1, 2014. The remuneration paid to him for Fiscal 2018 (including any contingent or deferred compensation accrued for the year, even if the compensation is payable at a later date) was ₹ 5.64 million.

Other than our Executive Directors, none of our Key Management Personnel are related to each other.

All our Key Management Personnel are permanent employees of our Company.

Shareholding of Key Management Personnel

The table below sets forth details of Equity Shares held by the Key Management Personnel as on date of this Draft Red Herring Prospectus:

Name of the Director	Number of Equity Shares
Dr. Sushil Kanubhai Shah	9,997,580^
Ameera Sushil Shah	181,845*
Dr. Nilesh Shah	11,050#

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

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

#Excludes five Equity Shares (post Sub-Division) held as nominee of Dr. Sushil Kanubhai Shah

For details pertaining to options granted under MESOS 2015 to Key Management Personnel, see "*Capital Structure – Employee Stock Option Plan*" on page 98.

Bonus or profit sharing plans

None of the Key Management Personnel are party to any bonus or profit sharing plan of our Company other than the performance linked incentives given to Key Management Personnel.

Interests of Key Management Personnel

The Key Management Personnel do not have any interest in our Company other than to the extent of the remuneration or benefits to which they are entitled to as per their terms of appointment and reimbursement of expenses incurred by them in the ordinary course of business. The Key Management Personnel may also be deemed to be interested to the extent of any dividend payable to them and other distributions in respect of Equity Shares held by them in our Company, if any.

Except as disclosed herein, none of the Key Management Personnel have been paid any consideration of any nature from our Company on whose rolls they are employed, other than their remuneration.

Further, there is no arrangement or understanding with the major Shareholders, customers, suppliers or others, pursuant to which any Key Management Personnel was selected as member of senior management.

Changes in the Key Management Personnel

The changes in the Key Management Personnel (other than the Executive Directors) in the last three years are as follows:

Name	Designation	Date of change	Reason for change
Vijender Singh	Chief Executive Officer	March 16, 2016	Appointment
Mangesh Kulkarni	Chief Financial Officer	March 16, 2016	Cessation
Tushar Karnik	Chief Financial Officer	March 16, 2016	Appointment
Sanket Shah	Company Secretary	September 22, 2016	Cessation
Jayant Prakash	Head Legal, Company Secretary and Compliance Officer	September 22, 2016	Appointment

Payment or Benefit to officers of our Company

Except as disclosed herein, no amount or benefit, other than remuneration, has been paid or given or is intended to be paid or given to any of our Company's employees including the Key Management Personnel within the two years preceding the date of filing of this Draft Red Herring Prospectus.

Employees Stock Options

For details in relation to employee stock option plans of our Company, see "*Capital Structure*" on page 90.

OUR PROMOTERS AND PROMOTER GROUP

The Promoters of our Company are Dr. Sushil Kanubhai Shah, Ameera Sushil Shah and Metz Advisory LLP. As on the date of this Draft Red Herring Prospectus, our Promoters (including through their nominees) collectively hold 2,48,09,555[*^#] Equity Shares, i.e., 49.44% % of the issued, subscribed, and paid-up Equity Share capital of our Company. For details, please see the section titled "*Capital Structure – Shareholding of our Promoters and Promoter Group*" on page 96.

[*] *In terms of the SPA, CA Lotus Investments shall sell 1,061,095 Equity Shares to Metz Advisory LLP or any other person nominated by Metz Advisory LLP between, the Red Herring Prospectus and the Prospectus, for a total consideration of ₹ 526.26 million, payment of which is subject to certain adjustments. For further details, see "History and Certain Corporate Matters" on page 158. Accordingly, if such Equity Shares are transferred to Metz Advisory LLP, the shareholding of Metz Advisory LLP shall increase from 1,46,30,120 Equity Shares (as of the date of this Draft Red Herring Prospectus) to 1,56,91,215 Equity Shares.*

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

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

Our Company confirms that the PAN, bank account number, and passport number of our individual Promoters and details of the PANs and bank account numbers of Metz Advisory LLP shall be submitted to the Stock Exchanges at the time of filing of this Draft Red Herring Prospectus with the Stock Exchanges.

Details of our Promoters

Individual Promoters

1. Dr. Sushil Kanubhai Shah

Dr. Sushil Kanubhai Shah, aged 71 years, is one of our Promoters and is also the Chairman and Executive Director

Address: 71, Apurva Apartment, 5 Napeansea Road, Mumbai 400 036

Voter ID: ISD1544246

Driving License: MH0120090056985

For the complete profile of Dr. Sushil Kanubhai Shah along with details of his educational qualifications, professional experience, position/posts held in the past, directorships held, special achievements and business and financial activities, see "*Our Management – Board of Directors*" on page 181.

2. Ameera Sushil Shah

Ameera Sushil Shah, aged 39 years, is one of our Promoters and is also the Managing Director

Address: 71, Apurva Apartment, 5 Napeansea Road, Mumbai 400 036

Voter ID: Not available

Driving License: MH0120050057330

For the complete profile of Ameera Sushil Shah along with details of her educational qualifications, professional experience, position/posts held in the past, directorships held, special achievements and business and financial activities, see "*Our Management – Board of Directors*" on page 181.

Corporate Promoters

3. Metz Advisory LLP

Corporate information and history

Metz Advisory LLP, a limited liability partnership, is one of our Promoters and is registered under the Limited Liability Partnership Act, 2008. The principal place of office of Metz Advisory LLP is Mumbai.

Partners of Metz Advisory LLP

Details of designated partners of Metz Advisory LLP is as below:

Sr. No.	Partner	Partner's capital (in ₹)
1.	Ameera Sushil Shah	12,066,053
2.	Dr. Duru Sushil Shah	121,880

Currently, Metz Advisory LLP is not involved in any business activity.

There has been no change in control or partnership of Metz Advisory LLP since its inception.

Financial Information

The following information has been derived from the financial statements of Metz Advisory LLP for the last two Fiscals:

(in ₹ million, except per share data)

Particulars	For the Fiscals	
	2018	2017
Partner's Capital Account	(190.64)	(10.54)
Sales	-	-
Profit/(loss) after tax	(180.10)	(10.65)
Reserves (excluding revaluation reserves) and surplus	-	-
Basic earnings per share	-	-
Diluted earnings per share	-	-
Net asset value per share	-	-

Financial statements of Metz Advisory LLP are not required to be audited under applicable laws.

Interests of our Promoters

Our Promoters are interested in our Company to the extent that they have promoted our Company, to the extent of their shareholding in our Company and the dividends payable, if any, and any other distributions in respect of the Equity Shares held by them. For details of Equity Shares held by our Promoters, see "*Capital Structure-Notes to Capital Structure*" on page 90. Further, certain of our Promoters are also interested in our Company as Managing Director and Executive Directors, for further details, see "*Our Management*" on page 181.

Except as mentioned in this section and sections titled "*Our Business*", "*History and Certain Corporate Matters*", "*Our Management*" and "*Related Party Transactions*" on pages 135, 158, 181 and 201, respectively, our Promoters do not have any other interest in our Company.

Our Company has entered into a leave and license agreement dated December 2, 2016 with Dr. Sushil Kanubhai Shah in respect of leave and license of a property owned by Dr. Sushil Kanubhai Shah, which is valid till October 31, 2019. For details, see "*Related Party Transactions*" on page 201.

Except as disclosed herein, and in the normal course of business and as stated in the *"Related Party Transactions"* and "*Our Management*" on pages 201 and 181, respectively, our Company has not entered into any contract, agreements or arrangements in which our Promoters are directly or indirectly interested, and no payments have been made to our Promoters in respect of the contracts, agreements or arrangements which are proposed to be made with it.

Except as disclosed herein, our Promoters do not have any interest, whether direct or indirect, in any property acquired by our Company in the two years preceding the date of this Draft Red Herring Prospectus or proposed to be acquired by our Company, or in any transaction by our Company for acquisition of land, construction of building or supply of machinery.

Our Company has neither made any payments in cash or otherwise to our Promoters or to firms or companies in which our Promoters are interested as a member, director or promoter nor have our Promoters been offered any inducements to become or to qualify him as a director or otherwise to become interested in any firm or company, in connection with the promotion or formation of our Company.
Our Promoters are not interested in any entity which holds any intellectual property rights that are used by our Company.

Companies or firms with which our Promoters have disassociated in the last three years

Except for the following, none of our Promoters have disassociated itself from any other company or firm in the last three years preceding the date of this Draft Red Herring Prospectus:

Sr. No.	Name of the entity	Promoter	Date of disassociation	Reason
1.	KRD Real Estate Private Limited	Dr. Sushil Kanubhai Shah	May 4, 2018	Strike-off

Other confirmations

Other than in certain of our Subsidiaries and members of our Promoter Group, none of our Promoters have any interest in any venture that is involved in activities similar to those conducted by our Company.

There has been no change in control or management of Metz Advisory LLP since its incorporation.

Promoter Group

In addition to our Promoter, the following persons/ entities form a part of our Promoter Group:

Natural persons who are part of the Promoter Group

1. Dr. Duru Sushil Shah;
2. Aparna Rajadhyaksha;
3. Mayur Kanubhai Shah;
4. Raikumari Kishindas Bajaj;
5. Amar Bajaj;
6. Ratan Bajaj;
7. Shakun Nagdev; and
8. Kamal Sheth.

Entities forming part of the Promoter Group

1. M/s. Metropolis Laboratory;
2. M/s. KRD Partnership;
3. MHPRPL;
4. M/s. Better Options;

5. The Gameute Services;

6. Dr. Sushil Kanubhai Shah HUF;

7. M/s. Gynaec World;

8. Women Empowerment Trust;

9. Armor Plast Limited;

10. Cannula Plus India Private Limited;

11. Metronome Publication Private Limited (in the process of strike-off);

12. Shram Logistics Private Limited; and

13. Dr. Aparna Family Private Trust.

Payment or benefits to our Promoters or Promoter Group in the last two years

Except as disclosed herein and in the ordinary course of business and as stated in *"Related Party Transactions"* on page 201, there has been no payment or benefits by our Company to our Promoters and members of the Promoter Group during the two years preceding the date of this Draft Red Herring Prospectus nor is there any intention to pay or give any benefit to our Promoters or Promoter Group as on the date of this Draft Red Herring Prospectus.

Shareholding of the Promoter Group in our Company

For details of shareholding of members of the Promoter Group as on the date of this Draft Red Herring Prospectus, see section titled "*Capital Structure – Notes to Capital Structure*" on page 90.

OUR GROUP COMPANIES

Pursuant to resolution dated September 24, 2018, our Board has noted that 'Group Companies' shall mean and include (a) only those companies which constitute part of the related parties of our Company under the relevant accounting standards, as per the latest Restated Consolidated Summary Statements and (b) such other companies as considered material by our Board. For the purposes of (b) above, our Board has approved that for the purpose of disclosure in connection with the Offer, a company shall be considered material (i) if such company is a member of the Promoter Group of our Company; and (ii) such company has entered into one or more transactions with the Company during the last completed financial year, which individually or cumulatively in value exceeds 10% of the consolidated revenue of the Company as per the Restated Consolidated Summary Statements of our Company as at March 31, 2018.

For avoidance of doubt, it is clarified that the companies which, subsequent to the latest Restated Summary Statements have ceased to be related parties of the Company, have not been considered as 'Group Companies'. Further, companies which are consolidated in the Restated Consolidated Summary Statements have not been considered as 'Group Companies'. Also, partnership firms/ HUFs forming part of related parties have not been considered as 'Group Companies'. Bacchus Hospitality Services and Real Estate Private Limited, which got amalgamated with our Company pursuant to the Scheme of Amalgamation 2018, has not been considered as a 'Group Company'.

Accordingly, set forth below are our Group Companies as of the date of filing of this Draft Red Herring Prospectus.

1. Star Metropolis Health Services (Middle East) LLC ("Star Metropolis")

Corporate Information

Star Metropolis was incorporated on February 11, 2006 under the laws of Dubai as a limited liability company. The registered office of Star Metropolis is located at Office 708, Iskan House, Al Motina, Land 123-582, Dubai, United Arab Emirates.

Our Company has entered into a shareholder's agreement dated May 23, 2005 with ETA Star Healthcare LLC ("**ETA Star**") (together, with our Company, the "**Parties**") in respect of *inter alia*, the manner in which the business and affairs of Star Metropolis shall be conducted (the "**Dubai JV SHA**"). In terms of the Dubai JV SHA, ETA Star has the right to nominate three directors and our Company has the right to nominate two directors, on a board of five directors. Further, the Dubai JV SHA contemplates the following mutual contractual obligations between the Parties: (i) right of first refusal in relation to transfer of shareholding; (ii) tag along right in relation to transfer of shareholding; (iii) non-compete in relation to carrying out any conflicting business activity in the Middle East. Further, no decision shall be made and no action shall be taken by or with respect to Star Metropolis without the prior consent of at least one director appointed by each of our Company and ETA Star, as the case may be, in relation to certain reserved matters, *inter alia*, commencement of a new line of business or abandoning any of the existing segments of business, winding up, shifting the registered office of Star Metropolis, alteration of share capital, sale or disposition of assets having any aggregate value exceeding 15% of the total book value of the net fixed assets of Star Metropolis and buy-back of shares.

Nature of business

Star Metropolis is presently not engaged in any business.

Interest of our Promoter

Our Promoters do not hold any shares in Star Metropolis.

Financial Information

We have been informed that Star Metropolis is dormant and its trade license expired on February 10, 2007. As a result, Star Metropolis has not prepared audited financials for the last three fiscal years.

2. Metropolis Health Products Retail Private Limited ("MHPRPL")

Corporate Information

MHPRPL was incorporated on March 4, 2013 under the Companies Act, 1956 as a private limited company. The registered office of MHPRPL is located at 4th Floor, Block 4.2, Kohinoor City, Kirol Road, Off LBS Marg, Kurla (West), Mumbai 400 070.

Nature of business

MHPRPL is presently not engaged in any business.

Interest of our Promoter

Metz Advisory LLP holds 100,000 equity shares (including one share held by Ameera Sushil Shah as nominee shareholder) of MHPRPL constituting 100% of its issued and paid up equity share capital.

Financial Information

The following information has been derived from the audited financial statements of MHPRPL for the last three Fiscals:

(in ₹ million, except per share data)

Particulars	For the Fiscals		
	2018	2017	2016
Equity capital	1.00	1.00	1.00
Sales	Nil	0.49	3.14
Profit/(loss) after tax	(0.19)	(1.20)	(2.75)
Reserves (excluding revaluation reserves) and surplus	(9.46)	(9.27)	(8.07)
Basic earnings per share	(1.88)	(11.99)	(28.61)
Diluted earnings per share	(1.88)	(11.99)	(28.61)
Net asset value per share	(84.6)	(82.7)	(70.7)

There are no significant notes of the auditors in relation to the aforementioned financial statements for the last three years.

Performance vis-à-vis objects

None of our Group Companies are listed on any stock exchange in India or overseas. Accordingly, the requirement to disclose shortfall in terms of performance vis-a-vis objects for any of the previous issues does not apply.

Nature and extent of interest of our Group Companies

1. ***In the promotion of our Company***

   Our Group Companies have no interest in the promotion of our Company.

2. ***In the properties acquired by our Company in the past two years before filing the Draft Red Herring Prospectus or proposed to be acquired by our Company***

   Our Group Companies are not interested in the properties acquired by our Company in the two years preceding the filing of the Draft Red Herring Prospectus or proposed to be acquired by our Company.

3. ***In transactions for acquisition of land, construction of building and supply of machinery, etc.***

   Our Group Companies are not interested in any transactions for acquisition of land, construction of building or supply of machinery, etc.

Common pursuits among our Group Companies and our Company

There are no common pursuits amongst our Group Companies and our Company.

Related business transactions with our Group Companies and significance on the financial performance of our Company

For details of related business transactions, see "*Related Party Transactions*" on page 201, during last five fiscals.

Significant sale / purchase between our Group Companies and our Company

Our Group Companies are not involved in any sales or purchase transaction with our Company where such transaction exceeds in value in the aggregate of 10% of the total sales or purchases of our Company.

Business interest of our Group Companies

Except in the ordinary course of business and as stated in "*Related Party Transactions*" on pages 201, during last five fiscals, our Group Companies did not have any business interest in our Company.

Defunct company

Our Group Companies are not defunct, and no application has been made to the Registrar of Companies for striking off the name of MHPRPL during the five years preceding the date of the Draft Red Herring Prospectus.

Sick company and winding up

MHPRPL does not fall under the definition of sick companies under the erstwhile SICA and is not under winding up. Further, there are no pending proceedings under the Insolvency and Bankruptcy Code, 2016 in respect MHPRPL.

Negative net worth

MHPRPL has had negative net worth in the last three Fiscals.

Loss making company

MHPRPL has had incurred losses in the last three Fiscals.

Confirmations

Our Group Companies are not listed on any stock exchanges in India or overseas. Our Group Companies have not made any public or rights issue of securities in the preceding three years.

RELATED PARTY TRANSACTIONS

For details of the related party transactions, during the last five Fiscals, as per the requirements under the relevant accounting standards and as reported in the Restated Summary Statements, see "*Financial Statements*", on page 203.

DIVIDEND POLICY

As on the date of this Draft Red Herring Prospectus, our Company does not have a formal dividend policy. The declaration and payment of dividend on our Equity Shares, if any, will be recommended by our Board and approved by our Shareholders, at their discretion, in accordance with provisions of our Articles of Association and applicable law, including the Companies Act.

The dividend, if any, will depend on a number of factors, including but not limited to our earnings, capital requirements, contractual obligations, results of operations, financial condition, cash requirements, business prospects and any other financing arrangements, applicable legal restrictions and overall financial position of our Company. Our Board may also, from time to time, declare interim dividends from the profits of the Fiscal in which such interim dividend is sought to be declared.

Except as disclosed below, our Company has not declared any dividends during the last five Fiscals on the Equity Shares:

Particulars	For the Fiscal				
	2018	**2017**	**2016**	**2015**	**2014**
Face value per share (in ₹)	2.00	2.00	2.00	2.00	2.00
Total dividend including dividend distribution tax (in ` millions)	-	589.19	941.45	-	16.16
Dividend per Equity Share (in ₹)	-	10.08	15.46	-	0.27
Rate of Dividend (%)	-	503.76	773.19	-	13.46
Dividend Tax (%)	-	20.36	20.36	-	17.00

Note: Adjusted for the Bonus Issue and Sub-Division.

The past trend in relation to our payment of dividends is not necessarily indicative of our dividend trend or dividend policy, if any, in the future, and there is no guarantee that any dividends will be declared or paid in the future. For details in relation to the risk involved, see "*Risk Factors*" on page 18.

SECTION V – FINANCIAL INFORMATION

FINANCIAL STATEMENTS

Independent Auditor's Report on Restated Consolidated Financial Information

The Board of Directors
Metropolis Healthcare Limited
250D, Udyog Bhavan,
Hind Cycle Lane, Worli
Mumbai – 400 030

24 September 2018

Dear Sirs and Madam,

1. We have examined the attached Restated Consolidated Financial Information of Metropolis Healthcare Limited (the "Holding Company") and its subsidiaries (referred to collectively as the "Group"), its associate and its joint ventures which comprise of the Restated Consolidated Statement of Assets and Liabilities as at 31 March 2018, 31 March 2017, 31 March 2016, 31 March 2015 and 31 March 2014, the Restated Consolidated Statement of Profit and Loss and Restated Consolidated Statement of Changes in Equity for each of the years ended 31 March 2018, 31 March 2017 and 31 March 2016, the Restated Consolidated Statement of Profit and Loss for the years ended 31 March 2015 and 31 March 2014 and the Restated Consolidated Statement of Cash Flows for the years ended 31 March 2018, 31 March 2017, 31 March 2016, 31 March 2015 and 31 March 2014 and the summary of significant accounting policies read together with the annexures and notes thereto and other restated financial information explained in paragraph 7 below, as approved by the Board of Directors of the Holding Company at their meeting held on 24 September 2018, for the purpose of inclusion in the Draft Red Herring Prospectus ("DRHP") prepared by the Holding Company in connection with its proposed Initial Public Offer of equity shares ("IPO") prepared in terms of the requirements of:

   a) Section 26 of Part I of Chapter III of the Companies Act, 2013 ("the Act");

   b) the Securities and Exchange Board of India (Issue of Capital and Disclosure Requirements) Regulations, 2009 as amended from time to time in pursuance of provisions of Securities and Exchange Board of India Act, 1992 ("ICDR Regulations"); and

   c) The Guidance Note on Reports in Company Prospectuses (Revised 2016) issued by the Institute of Chartered Accountants of India (ICAI) as amended from time to time (the "Guidance Note").

2. The preparation of the Restated Consolidated Financial Information is the responsibility of the management of the Holding Company for the purpose set out in paragraph 10 below. The management's responsibility includes designing, implementing and maintaining adequate internal control relevant to the preparation and presentation of the Restated Consolidated Financial Information. The management is also responsible for identifying and ensuring that the Holding Company complies with the Act, ICDR Regulations and the Guidance Note. Our responsibility is to examine the Restated Consolidated Financial Information and confirm whether such Restated Consolidated Financial Information comply with the requirements of the Act, ICDR Regulations and the Guidance Note.

Independent Auditor's Report on Restated Consolidated Financial Information *(Continued)*

3. We have examined such Restated Consolidated Financial Information taking into consideration:

   a) The terms of reference and terms of our engagement agreed upon with you in accordance with our engagement letter dated 10 September 2018 in connection with the proposed IPO of the Company; and

   b) The Guidance Note

4. These Restated Consolidated Financial Information have been compiled by the management from:

   a) As at and for the year ended 31 March 2018: The audited consolidated Ind AS financial statements of the Group as at and for the year ended 31 March 2018, prepared in accordance with the Indian Accounting Standards (Ind AS) prescribed under Section 133 of the Act, read with the Companies (Indian Accounting Standards) Rules, 2015 and the Companies (Indian Accounting Standards) (Amendment) Rules, 2016 and other relevant provisions of the Act, which have been approved by the Board of Directors at their Board meeting held on 7 September 2018;

   b) As at and for the year ended 31 March 2017: The audited consolidated financial statements of the Group as at and for the year ended 31 March 2017, prepared in accordance with Accounting Standards prescribed under Section 133 of the Act read with Rule 7 of the Companies (Accounts) Rules 2014, and the other relevant provisions of the Act ("Previous GAAP"), which has been approved by the Board of Directors at their Board meeting held on 14 June 2017. These consolidated financial statements have been translated into figures as per Ind AS to align accounting policies, exemptions and disclosures as adopted by the Group on its first time adoption of Ind AS as on 1 April 2016 ('transition date') and are disclosed as the comparative figures for the year ended 31 March 2018, which have also been audited by us;

   c) As at and for the year ended 31 March 2016: The audited consolidated financial statements of the Group as at and for the year ended 31 March 2016, prepared in accordance with Previous GAAP audited by Walker Chandiok & Co. LLP, Chartered Accountants (Previous Auditors), and approved by the Board of Directors at their Board meeting held on 22 September 2016. These consolidated financial statements have been translated into figures as per Ind AS to align accounting policies, exemptions and disclosures as adopted by the Group on transition to Ind AS, which have been audited by us; and

   d) As at and for the year ended 31 March 2015 and 31 March 2014: Audited consolidated financial statements of the Group as at and for the year ended 31 March 2015 prepared in accordance with Previous GAAP and for the year ended 31 March 2014 prepared in accordance with the accounting standards prescribed under Section 211(3C) of the Companies Act, 1956. These consolidated financial statements were audited by Previous Auditors and approved by the Board of Directors at their Board meeting held on 5 July 2016 and 30 June 2016 respectively.

Independent Auditor's Report on Restated Consolidated Financial Information *(Continued)*

e) Audit of the consolidated financial statements for the financial years ended 31 March 2016, 31 March 2015 and 31 March 2014 were audited by Previous Auditors, whose reports have been furnished to us by the management of the Holding Company. Our opinion on the examination of the restated financial information, for the years ended 31 March 2015 and 31 March 2014, included in the Restated Consolidated Financial Information are on the basis of the report issued by the Previous Auditor. Further, for the year ended 31 March 2016, consolidated financial statements have been translated into figures as per Ind AS to align accounting policies, exemptions and disclosures as adopted by the Group on transition to Ind AS, which have been audited by us.

Previous Auditors have also confirmed that on the restated consolidated financial information as at and for the years ended 31 March 2015 and 31 March 2014:

(a) have been made after incorporating adjustments for the changes in accounting policies retrospectively in respective financial years to reflect the same accounting treatment as per changed accounting policy for all the reporting years;

(b) have been made after incorporating adjustments for the material amounts in the respective financial years to which they relate; and

(c) do not contain any extra-ordinary items that need to be disclosed separately, other than those presented in the Restated Consolidated Financial Information; and

(d) do not have any qualifications which require any corrective adjustment in the Restated Consolidated Financial Information except for the following qualifications included in the Previous Auditors report on the consolidated financial statements for the years ended 31 March 2015 and 31 March 2014, which have been adjusted/ unadjusted in these Restated Consolidated Financial Information as further detailed in Annexure IVA.

Adjusted qualification

As at and for the years ended 31 March 2015 and 31 March 2014

(i) Attention is drawn to Annexure IV(A) sub note (3) of the restated consolidated financial information, wherein it is stated that the Holding Company's non-current investment as at 31 March 2015 and 31 March 2014 include an investment amounting to Rs 12.98 million in its joint venture company, Star Metropolis Health Services Middle East LLC, and trade receivables as at that date include Rs 64.09 million due from the aforesaid joint venture company; both being considered good and recoverable by the management. However, in the absence of sufficient appropriate audit evidence, we are unable to comment upon the carrying value if this investment, recoverability of the aforesaid trade receivable and the consequential impact, if any, on the financial statements.

Independent Auditor's Report on Restated Consolidated Financial Information *(Continued)*

Unadjusted qualification

As at and for the years ended 31 March 2015 and 31 March 2014

(ii) As explained in Annexure IV(A)sub note(3)(E) to the restated consolidated financial information, the Holding Company has not consolidated the financial statements of a joint venture company, Star Metropolis Health Services Middle East LLC, because of non- availability of adequate information, which is not in accordance with Accounting Standard (AS) - 27: Financial Reporting of Interests in Joint Venture. Had the joint venture been consolidated, many elements in the accompanying financial statements would have been affected. These effects on the consolidated financial statements of the failure to consolidate have not been determined. Our opinion on the consolidated financial statements for the years ended 31 March 2015 and 31 March 2014 was qualified in respect of this matter.

5. We did not audit the financial statements of certain subsidiaries and joint ventures for the financial years ended 31 March 2018 and 31 March 2017 whose share of total assets, total revenue and net cash flows and the Group's share of net profit included in the Restated Consolidated Financial Information for each of those years is tabulated below. These financial statements have been audited by other auditors, as set out in Appendix I, whose reports have been furnished to us and our opinion in so far as it relates to the amounts included in these Restated Consolidated Financial Information are based solely on the report of the other auditors.

(Amount in Rs million)

As at and for the year ended 31 March	Total Assets	Total revenue	Net cash flows	Group's share of net profit
2018	403.14	370.24	35.94	NA
2017	345.19	278.61	30.45	25.86

We did not audit the financial statements of a subsidiary and a joint venture for the financial years ended 31 March 2018 and 31 March 2017, whose share of total assets, total revenue and Group's share of net profit included in the Restated Consolidated Financial Information for each of those years is tabulated below. These financial statements are unaudited and have been furnished to us by the management and our opinion in so far as it relates to the amounts included in the Restated Consolidated Financial Information, is based solely on such unaudited financial statements. In our opinion and according to the information and explanations given to us by the Management, these financial statements are not material to the Group and the financial statements are unaudited since the shares in these entities were sold during the respective years.

(Amount in Rs million)

As at and for the year ended 31 March	Total Assets	Total revenue	Group's share of net profit
2018	NA	7.55	NA
2017	NA	NA	0.67

Independent Auditor's Report on Restated Consolidated Financial Information *(Continued)*

6. Based on our examination and in accordance with the requirements of the Act, ICDR Regulations, the Guidance Note and terms of our engagement agreed with you, read together with paragraph 4 above and for reliance placed on the reports of the Previous Auditors, we report that:

   a) The Restated Consolidated Statement of Assets and Liabilities of the Holding Company as at 31 March 2018, 31 March 2017 and 31 March 2016 under Ind AS, as set out in Annexure-I to this report after making adjustments and regrouping/reclassifications as in our opinion were appropriate and more fully described in Annexure VII: Statement of Adjustments to Audited Consolidated Financial Statements; and as at 31 March 2015 and 31 March 2014 under Previous GAAP, as set out in Annexure – IA to this report, are after making adjustments and regrouping/reclassifications as in our opinion were appropriate and more fully described in Annexure IVA : Statement of Notes to the Restated Consolidated Financial Information.

   b) The Restated Consolidated Statement of Profit and Loss of the Holding Company for the years ended 31 March 2018, 31 March 2017 and 31 March 2016 under Ind AS, as set out in Annexure-II to this report after making adjustments and regrouping/reclassifications as in our opinion were appropriate and more fully described in Annexure VII: Statement of Adjustments to Audited Consolidated Financial Statements; and Restated Consolidated Statement of Profit and Loss for the years ended 31 March 2015 and 31 March 2014 under Previous GAAP, as set out in Annexure – IIA to this report, are after making adjustments and regrouping/reclassifications as in our opinion were appropriate and more fully described in Annexure IVA : Statement of Notes to the Restated Consolidated Financial Information.

   c) The Restated Consolidated Statement of Changes in Equity of the Holding Company for the years ended 31 March 2018, 31 March 2017 and 31 March 2016 under Ind AS, as set out in Annexure-III to this report are after making adjustments and regrouping/reclassifications as in our opinion were appropriate and more fully described in Annexure VII: Statement of Adjustments to Audited Consolidated Financial Statements.

   d) The Restated Consolidated Statement of Cash Flows of the Holding Company for the years ended 31 March 2018, 31 March 2017 and 31 March 2016 under Ind AS, as set out in Annexure-IV to this report after making adjustments and regrouping/reclassifications as in our opinion were appropriate and more fully described in Annexure VII: Statement of Adjustments to Audited Consolidated Financial Statements; and as at 31 March 2015 and 31 March 2014 under Previous GAAP, as set out in Annexure – IIIA to this report, are after making adjustments and regrouping/reclassifications as in our opinion were appropriate and more fully described in Annexure IVA : Statement of Notes to the Restated Consolidated Financial Information

   e) Based on the above, according to the information and explanations given to us and also as per the reliance placed on the reports submitted by the Previous Auditors for the respective years, we further report that the Restated Consolidated Financial Information:

      a) have been made after incorporating adjustments for change in accounting policies retrospectively in respective financial years to reflect the same accounting treatment as per changed accounting policy for all the reporting years;

      b) have been made after incorporating adjustments for the material amounts in the respective financial years to which they relate;

Independent Auditor's Report on Restated Consolidated Financial Information *(Continued)*

c) do not contain any extra-ordinary items that need to be disclosed separately, other than those presented in the Restated Consolidated Financial Information and

d) do not have any qualifications which require any corrective adjustment in the Restated Consolidated Financial Information except for the following qualifications included in the our / Previous Auditors report on the consolidated financial statements, which have been adjusted/ unadjusted in these Restated Consolidated Financial Information as further detailed in note below.

Adjusted qualification

As at and for the years ended 31 March 2015 and 31 March 2014

(i) Attention is drawn to Annexure IV(A) sub note (3) of the restated consolidated financial information, wherein it is stated that the Holding Company's non-current investment as at 31 March 2015 and 31 March 2014 include an investment amounting to Rs 12.98 million in its joint venture company, Star Metropolis Health Services Middle East LLC, and trade receivables as at 31 March 2015 and 31 March 2014 include Rs 64.09 million due from the aforesaid joint venture company; both being considered good and recoverable by the management. However, in the absence of sufficient appropriate audit evidence, we are unable to comment upon the carrying value if this investment, recoverability of the aforesaid trade receivable and the consequential impact, if any, on the financial statements.

Unadjusted qualification

As at and for the years ended 31 March 2018, 31 March 2017 and 31 March 2016:

(i) As explained in note 53 to the restated consolidated financial information, the Holding Company has not consolidated the financial statements of an associate company, Star Metropolis Health Services Middle East LLC, because of non- availability of adequate information, which is not in accordance with (Ind AS) - 28: Investments in Associates and Joint Ventures Had the associate been consolidated, many elements in the accompanying financial statements would have been affected. These effects on the consolidated Ind AS financial statements of the failure to consolidate have not been determined.

As at and for the years ended 31 March 2015 and 31 March 2014

(ii) As explained in Annexure IV(A) sub note (3)(E) to the restated consolidated financial information, the Holding Company has not consolidated the financial statements of a joint venture entity, Star Metropolis Health Services Middle East LLC, because of non-availability of adequate information, which is not in accordance with Accounting Standard (AS) -27: Financial Reporting of Interests in Joint Venture. Had the joint venture been consolidated, many elements in the accompanying financial statements would have been affected. These effects on the consolidated financial statements of the failure to consolidate have not been determined.

Independent Auditor's Report on Restated Consolidated Financial Information *(Continued)*

7. We have also examined the following restated consolidated other financial information of the Holding Company set out in the following Annexures, proposed to be included in the DRHP, prepared by the management and approved by the Board of Directors on 24 September 2018 for the years ended 31 March 2018, 31 March 2017, 31 March 2016, 31 March 2015 and 31 March 2014. In respect of the years ended 31 March 2015 and 31 March 2014 these information have been included based upon the report submitted by previous auditors and relied upon by us:

   As at and for the years ended 31 March 2018, 31 March 2017 and 31 March 2016

   i. Basis of preparation and significant accounting policies as enclosed in Annexure V
   ii. Notes to Restated Consolidated Financial Information as enclosed in Annexure VI
   iii. Statement of Adjustments to Audited Consolidated Financial Statements as enclosed in Annexure VII
   iv. Restated Consolidated Statement of Accounting ratios, as enclosed in Annexure VIII;
   v. Restated Consolidated Statement of Capitalization, as enclosed in Annexure IX
   vi. Restated Consolidated Statement of Dividend Paid as enclosed in Annexure X and
   vii. Restated Consolidated Statement of Other Income, as enclosed in Annexure XI

   As at and for the years ended 31 March 2015 and 31 March 2014

   i. Basis of preparation and significant accounting policies as enclosed in Annexure IV(A)(2)
   ii. Statement of Notes to the Restated Consolidated Financial Information as enclosed Annexure IVA to XXXIA.
   iii. Statement of Adjustments to Audited Consolidated Financial Statements as enclosed in Annexure- IV(A)(3)
   iv. Restated Consolidated Statement of Accounting and other ratios, as Annexure XXXIIIA;
   v. Restated Consolidated Statement of Capitalisation as at 31 March 2015 as Annexure XXXVA.
   vi. Restated Statement of Dividend declared by the Company, as Annexure XXXIIA; and
   vii. Restated Consolidated Statement of Other Income, as enclosed in Annexure XXVIA

   According to the information and explanations given to us and also as per the reliance placed on the report submitted by the Previous Auditors, in our opinion, the Restated Consolidated Financial Information and the above Restated Consolidated other financial information contained in Annexures I to XI and Annexures IA to XXXVA accompanying this report, read with Summary of Significant Accounting Policies disclosed in Annexure- V and Statement of Notes to the Restated Consolidated Financial Information in Annexure IVA are prepared after making adjustments and regroupings/reclassifications as considered appropriate, and have been prepared in accordance with the Act, the ICDR Regulations and the Guidance Note.

Independent Auditor's Report on Restated Consolidated Financial Information *(Continued)*

8. This report should not in any way be construed as a reissuance or re-dating of any of the previous audit reports issued by us, nor should this report be construed as a new opinion on any of the financial statements referred to herein.

9. We have no responsibility to update our report for events and circumstances occurring after the date of the report.

10. Our report is intended solely for use of the management for inclusion in the DRHP to be filed with Securities and Exchange Board of India, the stock exchanges where the equity shares of the Holding Company are proposed to be listed ("Stock Exchanges") and the relevant Registrar of Companies in India in connection with the proposed issue of equity shares of the Holding Company, as the case may be. Our report should not be used, referred to or distributed for any other purpose except with our prior consent in writing.

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

Akeel Master
Partner
Membership No: 046768

Independent Auditor's Report on Restated Consolidated Financial Information *(Continued)*

Appendix 1: Details of Auditors for the year ended 31 March 2018, 31 March 2017, 31 March 2016, 31 March 2015 and 31 March 2014.

Sr. No.	Name of the Company	Name of the Auditors	Financial Years
1.	Metropolis Healthcare Limited	Walker Chandiok & Co. LLP	2015-16 2014-15 2013-14
2.	Metropolis Healthcare (Chandigarh) Private Limited	S. Ramanand Aiyar & Co.	2017-18 2016-17 2015-16
3.	Final Diagnosis Private Limited	S. Ramanand Aiyar & Co.	2017-18 2016-17 2015-16
4.	Metropolis Healthcare (Jodhpur) Private Limited	S. Ramanand Aiyar & Co.	2017-18 2016-17 2015-16
5.	Mulay Metropolis Healthcare Private Limited	V.D. Abhyankar & Associates	2016-17 2015-16
6.	Metropolis Healthcare Mauritius Limited	M. C Jain & Co. KPNB & Associates KPNB & Associates	2017-18 2016-17 2015-16
7.	Metropolis Healthcare Lanka (private) Ltd (Formerly known as Nawaloka Metropolis Laboratories (Private) Limited)	M. C Jain & Co KPNB & Associates KPNB & Associates	2017-18 2016-17 2015-16
8.	Metropolis Star Lab Kenya Limited	M. C Jain & Co KPNB & Associates KPNB & Associates	2017-18 2016-17 2015-16
9.	Metropolis Bramser Lab Services (Mtius) Limited	M. C Jain & Co KPNB & Associates KPNB & Associates	2017-18 2016-17 2015-16
10.	Metropolis Healthcare Ghana Limited	M. C Jain & Co KPNB & Associates KPNB & Associates	2017-18 2016-17 2015-16
11.	Amin's Pathology Laboratory Private Limited	Walker Chandiok & Co. LLP	2015-16
12.	Bokil Golwilkar Metropolis Healthcare Private Limited	R.U. Kamath & Co.	2015-16
13.	Desai Metropolis Health Services Private Limited	Walker Chandiok & Co. LLP	2015-16
14.	Ekopath Metropolis Lab Services Private Limited	NMAH & Associates LLP	2015-16
15.	Golwilkar Metropolis Health Services (India) Private Limited	Walker Chandiok & Co. LLP	2015-16
16.	Lab One Metropolis Healthcare Services Private Limited	R. U. Kamath & Co.	2015-16
17.	Micron Metropolis Healthcare Private Limited	R. U. Kamath & Co.	2015-16

Independent Auditor's Report on Restated Consolidated Financial Information *(Continued)*

Appendix 1: Details of Auditors for the year ended 31 March 2018, 31 March 2017, 31 March 2016, 31 March 2015 and 31 March 2014. *(Continued)*

Sr. No.	Name of the Company	Name of the Auditors	Financial Years
18.	R.V. Metropolis Diagnostic & Health Care Center Private Limited	Walker Chandiok & Co. LLP	2015-16
19.	Raj Metropolis Healthcare Private Limited	Ashvin K. Yagnik & Co.	2015-16
20.	Sanket Metropolis Health Services (India) Private Limited	Walker Chandiok & Co. LLP	2015-16
21.	Sudharma Metropolis Health Services Private Limited	Walker Chandiok & Co. LLP	2015-16
22.	Metropolis Health Services (South Africa)(Pty) Limited	KPNB & Associates	2015-16

Metropolis Healthcare Limited

Restated Consolidated Statement of Assets and Liabilities

as at 31 March 2018

(Rs. in million)

Particulars	Notes to Annexure VI	March 31, 2018	March 31, 2017	March 31, 2016 (Proforma)
ASSETS				
Non current assets				
Property, plant and equipment	3	1,122.96	1,051.58	1,055.95
Capital work-in-progress		-	9.53	5.58
Goodwill	4	783.69	824.61	351.04
Other intangible assets	4	167.74	147.36	9.57
Equity accounted investees	45	0.07	60.30	53.88
Financial Assets				
i. Investments	5	17.56	17.56	17.56
ii. Loans	6	33.21	37.23	83.02
iii. Other non current financial assets	7	83.34	22.36	0.42
Deferred tax assets (net)	37	52.97	34.31	52.49
Other non current assets	8	19.60	85.76	58.42
Non-current tax assets (net)	9	16.66	9.80	18.05
Total non current assets		**2,297.80**	**2,300.40**	**1,705.98**
Current assets				
Inventories	10	211.87	141.30	155.71
Financial Assets				
i. Investments	11	1,004.23	1,340.52	942.42
ii. Trade receivables	12	1,006.84	802.88	702.00
iii. Cash and cash equivalents	13	434.68	255.09	268.32
iv. Bank balances other than cash and cash equivalents	14	166.68	150.03	67.64
v. Loans	15	108.21	96.07	72.54
vi. Other current financial assets	16	13.52	5.46	5.49
Other current assets	17	57.05	58.85	36.41
Current tax assets (net)	18	2.51	0.98	2.64
Total current assets		**3,005.59**	**2,851.18**	**2,253.17**
Total Assets		**5,303.39**	**5,151.58**	**3,959.15**
EQUITY AND LIABILITIES				
Equity				
Equity Share Capital	19	95.44	95.44	95.44
Other Equity	20	4,052.24	3,136.29	2,691.75
Equity attributable to equity holders of the Company		**4,147.68**	**3,231.73**	**2,787.19**
Non Controlling Interests		143.64	209.82	151.61
Total Equity		**4,291.32**	**3,441.55**	**2,938.80**
Liabilities				
Non current liabilities				
Financial liabilities				
i. Borrowings	21	2.01	3.64	4.59
ii. Other non-current financial liabilities	22	24.31	86.62	2.91
Provisions	23	35.19	31.52	24.42
Deferred tax liabilities (net)	37	44.44	69.71	78.86
Total non current liabilities		**105.95**	**191.49**	**110.78**
Current liabilities				
Financial liabilities				
i. Borrowings	24	3.70	4.01	4.41
ii. Trade payables	25	353.38	359.06	328.05
iii. Other current financial liabilities	26	347.06	883.46	229.20
Other current liabilities	27	77.21	140.95	210.94
Provisions	23	43.72	36.79	36.65
Current tax liabilities (net)	28	81.05	94.27	100.32
Total current liabilities		**906.12**	**1,518.54**	**909.57**
Total liabilities		**1,012.07**	**1,710.03**	**1,020.35**
Total Equity and Liabilities		**5,303.39**	**5,151.58**	**3,959.15**

Note:

The above statement should be read with Basis of Preparation and Significant Accounting Policies appearing in Annexure - V, Notes to Restated Consolidated Financial Information in Annexure VI and Statement of Adjustment to the audited Consolidated Financial Statements in Annexure VII.

As per our examination 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
U73100MH2000PLC192798

Akeel Master
Partner
Membership No: 046768

Dr. Sushil Shah
Chairman & Executive Director
DIN: 00179918

Ameera Shah
Managing Director
DIN: 00208095

Vijender Singh
Chief Executive Officer

Tushar Karnik
Chief Financial Officer
Membership No: 046817

Jayant Prakash
Company Secretary
Membership No: FCS 6742

Place: Mumbai
Date: 24th September 2018

Place: Mumbai
Date: 24th September 2018

Place: Mumbai
Date: 24th September 2018

Restated Consolidated Statement of Profit and Loss
for the year ended March 31, 2018

(Rs. in million)

Annexure - II

	Notes to Annexure VI	March 31, 2018	March 31, 2017	March 31, 2016 (Proforma)
Revenue from operations	29	6,435.67	5,447.24	4,754.69
Other income	30	79.88	229.35	151.65
Total Income		**6,515.55**	**5,676.59**	**4,906.34**
Expenses				
Cost of material consumed	31	1,458.98	1,351.04	1,245.93
Laboratory testing charges	32	56.75	24.70	31.46
Employee benefits expense	33	1,473.68	1,276.95	1,081.77
Finance costs	34	12.08	3.87	7.98
Depreciation and amortisation expense	35	190.17	172.27	166.41
Other expenses	36	1,720.88	1,275.08	1,130.67
Total Expenses		**4,912.54**	**4,103.91**	**3,664.22**
Profit before share of profit for equity accounted investees and income tax		**1,603.01**	**1,572.68**	**1,242.12**
Share of profit for equity accounted investees (net of tax)		-	26.53	33.10
Profit before tax		**1,603.01**	**1,599.21**	**1,275.22**
Tax expense	37			
1. Current tax		553.16	516.53	484.21
2. Deferred tax (income) /expense		(47.62)	10.11	(28.54)
Total tax expense		**505.54**	**526.64**	**455.67**
Profit for the year		**1,097.47**	**1,072.57**	**819.55**
Other Comprehensive Income				
(i) Items that will not be reclassified subsequently to profit and loss				
Remeasurements of the defined benefit plans		(3.01)	(1.22)	(3.49)
Income tax on above		0.70	0.51	1.32
Share of OCI for equity accounted investees, net of tax		-	(0.76)	0.06
		(2.31)	(1.47)	(2.11)
(ii) Items that will be subsequently reclassified to profit and loss				
Exchange differences in translating financial statements of foreign operations		10.21	7.62	(13.58)
Debt instruments through Other Comprehensive Income (OCI)- net change in fair value		0.04	-	-
Income tax on above		(0.01)	-	-
Share of OCI for equity accounted investees, net of tax		-	(3.56)	(3.56)
		10.24	4.06	(17.14)
Other comprehensive income for the year (net of tax)		**7.93**	**2.59**	**(19.25)**
Total comprehensive income for the year		**1,105.40**	**1,075.16**	**800.30**
Profit attributable to:				
Owners of the Company		1,022.67	1,016.57	767.96
Non-controlling interest		74.80	56.00	51.59
Other comprehensive income attributable to:				
Owners of the Company		7.98	2.75	(17.48)
Non-controlling interest		(0.05)	(0.16)	(1.77)
Total comprehensive income attributable to:				
Owners of the Company		1,030.65	1,019.32	750.48
Non-controlling interest		74.75	55.84	49.82
Earnings per equity share	**38**			
Basic earnings per share (Rs.)		**20.61**	**20.48**	**15.25**
Diluted earnings per share (Rs.)		**20.49**	**20.35**	**15.14**

Note:
The above statement should be read with Basis of Preparation and Significant Accounting Policies appearing in Annexure - V, Notes to Restated Consolidated Financial Information in Annexure VI and Statement of Adjustment to the audited Consolidated Financial Statements in Annexure VII.

As per our examination 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
U73100MH2000PLC192798

Akeel Master
Partner
Membership No: 046768

Dr. Sushil Shah
Chairman & Executive Director
DIN: 00179918

Ameera Shah
Managing Director
DIN: 00208095

Vijender Singh
Chief Executive Officer

Tushar Karnik
Chief Financial Officer
Membership No: 46817

Jayant Prakash
Company Secretary
Membership No: FCS 6742

Place: Mumbai
Date: 24th September 2018

Place: Mumbai
Date: 24th September 2018

Metropolis Healthcare Limited

Restated Consolidated Statement of Changes in Equity

for the year ended March 31, 2018

(Rs. in million)

Annexure - III

A. Changes in Equity Share Capital (Refer Note 19)

Particulars	**Number of shares**	**Amount (Rs Million)**
Equity Share Capital		
Balance as at April 1, 2015 (Proforma)	**9,864,130**	**98.64**
Changes in equity share capital during the year		
Shares bought back during the year	(320,484)	(3.20)
Balance as at March 31, 2016 (Proforma)	**9,543,646**	**95.44**
Changes in equity share capital during the year	-	-
Balance as at March 31, 2017	**9,543,646**	**95.44**
Changes in equity share capital during the year	-	-
Balance as at March 31, 2018	**9,543,646**	**95.44**

B. Other Equity (Refer Note 20)

Particulars	**Fully convertible share warrants (Refer Note 55)**	**Reserves & Surplus**						**Other comprehensive income**		**Total other Equity attributable to owners of Company**	**Non- controlling Interest**	**Total other equity**
		Securities premium account	**Capital redemption reserve**	**General reserve**	**Capital reserve**	**Employee stock options reserve**	**Retained earnings**	**Foreign Currency Translation reserves**	**Debt instruments fair valued through OCI**			
Balance as at April 1, 2015 *(Proforma)*		**583.16**	**0.03**	**175.10**	**1.00**	**-**	**2,894.96**	**-**	**-**	**3,654.25**	**183.99**	**3,838.24**
Profit for the year	-	-	-	-	-	-	767.96	-	-	767.96	51.59	819.55
Gain/loss on re-measurement of defined benefit plans	-	-	-	-	-	-	(2.12)	-	-	(2.12)	(1.77)	(3.89)
Other comprehensive income	-	-	-	-	-	-	-	(15.36)	-	(15.36)	-	(15.36)
Total comprehensive income	-	-	-	-	-	-	765.84	(15.36)	-	750.48	49.82	800.30
Interim dividend paid	-	-	-	-	-	-	(767.43)	-	-	(767.43)	(61.51)	(828.94)
Tax on dividend	-	-	-	-	-	-	(174.02)	-	-	(174.02)	(11.34)	(185.36)
Transfer to capital redemption reserve	-	-	3.21	-	-	-	(3.21)	-	-	-	-	-
Acquisition of stake from NCI (refer note 43 (d) (i) (ii) (iii))	-	-	-	-	-	-	(36.96)	-	-	(36.96)	(9.35)	(46.31)
Premium on buy-back of equity shares	-	-	-	-	-	-	(600.00)	-	-	(600.00)	-	(600.00)
Tax on buy-back of equity shares	-	-	-	-	-	-	(135.23)	-	-	(135.23)	-	(135.23)
Preacquisition profit on purchase of additional stake in subsidiaries	-	-	-	-	-	-	(1.09)	-	-	(1.09)	-	(1.09)
Written put options over NCI	-	-	-	-	-	-	1.75	-	-	1.75	-	1.75
Balance as at March 31, 2016 *(Proforma)*	**-**	**583.16**	**3.24**	**175.10**	**1.00**	**-**	**1,944.61**	**(15.36)**	**-**	**2,691.75**	**151.61**	**2,843.36**

Metropolis Healthcare Limited

Restated Consolidated Statement of Changes in Equity

for the year ended March 31, 2018

(Rs. in million)

Annexure - III

Balance as at April 1, 2016	**0.02**	**583.16**	**3.24**	**175.10**	**-**	**-**	**1,948.63**	**-**	**-**	**2,710.15**	**152.92**	**2,863.07**
Profit for the year	-	-	-	-	-	-	1,016.57	-	-	1,016.57	56.00	1,072.57
Gain/loss on re-measurement of defined benefit plans	-	-	-	-	-	-	(1.38)	-	-	(1.38)	-	(1.38)
Other comprehensive income	-	-	-	-	-	-	-	4.13	-	4.13	(0.16)	3.97
Total comprehensive income	-	-	-	-	-	-	1,015.19	4.13	-	1,019.32	55.84	1,075.16
Interim dividend paid	-	-	-	-	-	-	(500.00)	-	-	(500.00)	(2.99)	(502.99)
Tax on dividend	-	-	-	-	-	-	(89.19)	-	-	(89.19)	(0.22)	(89.41)
Acquisition of stake from NCI (refer 43(d)(iv))	-	-	-	-	-	-	(4.30)	-	-	(4.30)	4.27	(0.03)
Transfer on account of sale of joint venture	-	-	-	-	-	-	3.55	-	-	3.55	-	3.55
Written put options over NCI	-	-	-	-	-	-	(3.67)	-	-	(3.67)	-	(3.67)
Share based payments (refer note 33)	-	-	-	-	-	0.43	-	-	-	0.43	-	0.43
Balance as at March 31, 2017	**0.02**	**583.16**	**3.24**	**175.10**	**-**	**0.43**	**2,370.21**	**4.13**	**-**	**3,136.29**	**209.82**	**3,346.11**
Profit for the year	-	-	-	-	-	-	1,022.67	-	-	1,022.67	74.80	1,097.47
Gain/loss on re-measurement of defined benefit plans	-	-	-	-	-	-	(2.26)	-	-	(2.26)	-	(2.26)
Other comprehensive income	-	-	-	-	-	-	-	10.21	0.03	10.24	(0.05)	10.19
Total comprehensive income	-	-	-	-	-	-	1,020.41	10.21	0.03	1,030.65	74.75	1,105.40
Interim dividend paid	-	-	-	-	-	-	-	-	-		(27.48)	(27.48)
Tax on dividend	-	-	-	-	-	-	(19.63)	-	-	(19.63)	(5.58)	(25.21)
Acquisition of stake from NCI (refer note 43 (d) (v) (vi) (viii))	-	-	-	-	-	-	(127.07)	-	-	(127.07)	(102.55)	(229.62)
Acquisition of subsidiary ((refer note 43c)	-	-	-	-	6.91	-	-	-	-	6.91	-	6.91
Sale of subsidiary	-	-	-	-	-	-	-	-	-	-	(5.32)	(5.32)
Written put options over NCI	-	-	-	-	-	-	8.49	-	-	8.49	-	8.49
Share based payments (refer note 33)	-	-	-	-	-	16.60	-	-	-	16.60	-	16.60
Balance as at March 31, 2018	**0.02**	**583.16**	**3.24**	**175.10**	**6.91**	**17.03**	**3,252.41**	**14.34**	**0.03**	**4,052.24**	**143.64**	**4,195.88**

Note:

The above statement should be read with Basis of Preparation and Significant Accounting Policies appearing in Annexure - V, Notes to Restated Consolidated Financial Information in Annexure VI and Statement of Adjustment to the audited Consolidated Financial Statements in Annexure VII.

As per our examination 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
U73100MH2000PLC192798

Akeel Master
Partner
Membership No: 046768

Dr. Sushil Shah
Chairman & Executive Director
DIN: 00179918

Ameera Shah
Managing Director
DIN: 00208095

Vijender Singh
Chief Executive Officer

Tushar Karnik
Chief Financial Officer
Membership No: 046817

Jayant Prakash
Company Secretary
Membership No: FCS 6742

Place: Mumbai
Date: 24th September 2018

Place: Mumbai
Date: 24th September 2018

Metropolis Healthcare Limited

Restated Consolidated Statement of Cash Flow

for the year ended 31 March 2018

(Rs. in million)

Annexure - IV

Particulars	**March 31, 2018**	March 31, 2017	March 31, 2016 (Proforma)
A. Cash Flow from Operating Activities			
Profit before tax	1,603.01	1,599.21	1,275.22
Adjustments for :			
Depreciation and amortisation expense	190.17	172.27	166.41
(Profit)/ Loss on sale of property plant and equipments (net)	(2.72)	(1.42)	5.18
Gain on redemption of mutual fund investment	(67.33)	(135.87)	(170.82)
Loss / ((Profit) on sale of subsidiary	18.41	-	(6.02)
Profit on sale of Joint Venture	-	(70.58)	-
Provision for doubtful advances written back	-	(9.41)	
Provision for bad and doubtful debts	34.66	23.49	23.80
Provision for bad and doubtful advances	0.34	-	5.86
Foreign exchange loss (net)	3.76	10.80	8.14
Employee share based payment expense	16.60	0.43	-
Bad debts written off	11.60	4.36	7.58
Interest income	(23.69)	(50.14)	(16.00)
Loss on impairment of Goodwill	27.50	-	-
Changes in fair value of current investments	35.89	74.90	61.80
Dividend income from mutual fund	(16.35)	(26.18)	(14.95)
Fair value of equity accounted investment	2.54	-	-
Share of profit of equity accounted investment	-	(26.53)	(33.10)
Interest expense	12.08	3.86	7.98
Operating profit before working capital changes	**1,846.47**	1,569.19	1,321.08
Working capital adjustments:			
(Increase) / Decrease in loans	(5.43)	19.34	(7.53)
(Increase) / Decrease in inventories	(54.05)	11.00	3.54
(Increase) in trade receivables	(203.96)	(82.48)	(108.06)
Decrease/(Increase) in other assets	2.63	(11.12)	(2.38)
Increase in provisions	0.57	2.07	4.99
(Decrease) / Increase in trade payables	(17.93)	44.13	49.76
Increase in other financial liabilities	24.71	2.28	41.70
Increase/(Decrease) in other liabilities	22.03	(24.21)	13.81
Cash generated from operating activities	**1,615.04**	1,530.20	1,316.91
Income Taxes (paid)	**(575.73)**	(512.67)	(402.75)
Net cash generated from operating activities (A)	**1,039.31**	1,017.53	914.16
B. Cash flows from investing activities			
Purchase of property, plant and equipment and capital work-in-progress (Including capital advances)	(156.64)	(165.63)	(164.25)
Proceeds from sale of property, plant and equipment	16.89	8.11	60.27
Purchase consideration paid towards acquisition of business	(124.27)	(410.13)	(17.47)
Purchase of other intangible assets	(42.31)	(0.33)	(2.94)
Proceeds from sale of other intangible assets	-	-	0.01
Proceeds from sale of joint venture	0.04	68.50	-
Proceeds from sale of Subsidiary	6.22	-	0.10
Proceeds from sale of current investments	4,602.39	1,259.82	2,038.53
Purchase of current investments	(4,234.98)	(1,596.99)	(988.55)
Purchase of stake in joint venture	(0.10)	-	-
Interest received	12.86	47.39	15.16
Dividend received	16.35	35.75	36.05
Net investments in bank deposits (having original maturity of more than three months)	(77.63)	(104.34)	(13.30)
Net cash generated from/ (used in) investing activities (B)	**18.82**	(857.85)	963.61

Metropolis Healthcare Limited

Restated Consolidated Statement of Cash Flow *(Continued)*

for the year ended 31 March 2018

(Rs. in million)

Annexure - IV (Continued)

Particulars	**March 31, 2018**	'March 31, 2017	March 31, 2016 (Proforma)
C. Cash Flow from Financing Activities			
Repayment of long-term borrowings	(2.69)	(37.34)	(56.67)
Repayment of short-term borrowings	-	(0.25)	(0.00)
Payment of dividend	(527.48)	(2.99)	(828.94)
Payment of dividend tax	(111.64)	(130.61)	(59.45)
Payments for shares bought back	-	-	(603.20)
Tax on buy back of shares	-	(0.15)	(135.08)
Acquisition of non-controlling interests	(229.62)	(0.03)	(46.31)
Interest expense	(0.50)	(1.63)	(7.98)
Payment towards buy back of shares by group company	(1.10)	-	-
Net cash (used in) Financing activities (C)	**(873.03)**	(173.00)	(1,737.63)
Net Increase/(decrease) in cash and cash equivalents (A) + (B) + (C)	**185.10**	(13.32)	140.14
Effect of exchange rate changes on cash and cash equivalents	2.34	(0.10)	0.10
Cash and cash equivalents taken over on acquisition of subsidiary	1.86	0.19	-
Less: cash and cash equivalents held on sale of subsidiary	(9.71)	-	(0.83)
Net Increase/(decrease) in cash and cash equivalents	**179.59**	(13.23)	139.41
Cash and Cash Equivalents at the beginning of the year	255.09	268.32	128.91
Cash and Cash Equivalents at the end of the year	**434.68**	255.09	268.32

Notes:

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

	March 31, 2018	March 31, 2017	March 31, 2016 (Proforma)
Balance as at the beginning of the year	9.25	46.99	104.01
Cashflows	(1.61)	(37.59)	(56.67)
Non cash changes	(0.30)	(0.15)	(0.35)
Balance as at the end of the year	**7.34**	9.25	46.99

Note:

The above statement should be read with Basis of Preparation and Significant Accounting Policies appearing in Annexure - V, Notes to Restated Consolidated Financial Information in Annexure VI, Statement of Adjustment to the audited Consolidated Financial Statements in Annexure VII.

As per our examination 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
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Chief Financial Officer
Membership No: 046817

Jayant Prakash
Company Secretary
Membership No: FCS 6742

Place: Mumbai
Date: 24th September 2018

Place: Mumbai
Date: 24th September 2018

(Rs. in million)

Annexure V- Basis of preparation and significant accounting policies

1 Corporate information

Metropolis Healthcare Limited (the 'Company' or the 'Holding Company'), was incorporated as Pathnet India Private Limited in the year 2000. These consolidated financial statements comprise the Company and its subsidiaries (referred to collectively as the 'Group') and the Group's interest in associate and joint ventures. The Group is primarily involved in providing pathology and related healthcare services.
The registered office of the Company is located at 250-D, Udyog Bhavan, Hind Cycle Marg, Worli, Mumbai.

2 Basis of preparation, measurement and significant accounting policies

2.1 Basis of preparation and measurement

a Statement of compliance

(i) The Restated Consolidated Statement of Assets and Liabilities of the Group as at March 31, 2018, March 31, 2017 and March 31, 2016, Restated Consolidated Statement of Profit and Loss, Restated Consolidated Statement of Changes in Equity and Restated Consolidated Statement of Cash Flows for the years ended March 31, 2018, March 31, 2017 and March 31, 2016 , the summary of significant accounting policies and Restated Other Consolidated Financial Information from Annexure VI to XI (hereinafter collectively referred to as "Restated Consolidated Financial Information") have been prepared under Indian Accounting Standards ("Ind AS") notified under the Companies (Indian Accounting Standards) Rules, 2015 (as amended) read with Section 133 of the Companies Act, 2013 and other relevant provisions of the Act to the extent applicable.

The Restated Consolidated Financial Information has been compiled by the Group from audited consolidated financial statements of the Group for the year ended March 31, 2018 which includes the comparative Ind AS consolidated financial statements for the year ended March 31, 2017 prepared in accordance with Ind AS and for the year ended March 2016 have been compiled based on Audited Consolidated Financial Statements prepared under previous generally accepted accounting principles (Previous GAAP or Indian GAAP) (hereinafter collectively referred to as "Audited Consolidated Financial Statements") adjusted in conformity with Ind AS.

(ii) The Restated Consolidated Financial Information have been prepared by the management for the purpose of inclusion in the Draft Red Herring Prospectus (DRHP), Red Herring Prospectus ("RHP") and Prospectus (collectively referred to as the "Offer Documents") in connection with the proposed listing of equity shares of the Holding Company by way of an initial public offer, which is to be filed by the Holding Company with the Securities and Exchange Board of India ("SEBI"), the Registrar of Companies, Mumbai and the concerned Stock Exchanges in accordance with the requirements of:

a) Section 26 of Part I of Chapter III of the Companies Act, 2013 ("the Act");
b) The Securities and Exchange Board of India (Issue of Capital and Disclosure Requirements) Regulations, 2009 as amended from time to time in pursuance of provisions of Securities and Exchange Board of India Act, 1992 ("ICDR Regulations"); and
c) Guidance note on reports in Company prospectuses (revised 2016) (the "Guidance Note") issued by the Institute of Chartered Accountants of India (the "ICAI").

(iii) These Restated Consolidated Financial Information have been complied by the Management from the Audited Consolidated Financial Statements and :
• there is one unadjusted audit qualification on consolidation of an associate entity Star Metropolis Health Services Middle East LLC under Ind AS 28: Investments in Associates and Joint Ventures. The Holding Company has not consolidated the financial statements of an associate entity Star Metropolis Health Services Middle East LLC, because of non- availability of adequate information. Had the associate been accounted as per Ind AS 28 - Investment in Associate and Joint Ventures using equity method, investments, profit and loss and reserves in the consolidated restated financial statements would have been affected. The effects on the consolidated restated financial statements on account of the failure to consolidate have not been determined. There are no other audit qualifications on these consolidated restated financial statements;
• there were no changes in accounting policies during the years of these financial statements;
• material amounts relating to adjustments for previous years (if any) in arriving at profit/loss of the years to which they relate, have been appropriately adjusted;
•adjustments for reclassification of the corresponding items of income, expenses, assets and liabilities, in order to bring them in line with the groupings as per the audited Consolidated financial statements of the Group as at and for the year ended March 31, 2018 and the requirements of the SEBI Regulations; and
• the resultant tax impact on above adjustments has been appropriately adjusted in deferred tax in the respective years and the impact of current tax in respect of short/excess income tax arising out of assessments, appeals, revised income tax returns, etc., has been adjusted in the current tax of respective years to which they relate.

(iv) The restated consolidated financial information for the year ended March 31, 2016 has been prepared on Proforma basis (i.e. "Proforma Consolidated Ind AS financial information") in accordance with requirements of SEBI Circular SEBI/HO/CFD/DIL/CIR/P/2016/47 dated March 31, 2016 ("SEBI Circular") and Guidance Note on Reports in Company Prospectus (Revised 2016) issued by ICAI ("Guidance Note"). As envisaged by the SEBI Circular, the Group has followed the same accounting policy choices (both mandatory exceptions and optional exemptions availed as per Ind AS 101) as initially adopted on its Ind AS transition date (i.e. April 1, 2016) while preparing proforma financial information for the Financial Year 2015-16 and accordingly suitable restatement adjustments (both remeasurements and reclassifications) in the accounting heads have been made in the proforma financial information. This proforma consolidated financial information have been prepared by making Ind AS adjustments to the audited Indian GAAP financial statements as at and for the year ended March 31, 2016.

As specified in the Guidance Note, the equity balance computed under proforma consolidated financial statements for the year ended March 31, 2016 and equity balance computed in opening Ind AS Balance sheet as at transition date (i.e. April 1, 2016), prepared for filing under Companies Act, 2013, differs due to restatement adjustments made as at April 1, 2015 and for the year ended 2015-16. Accordingly, the closing equity balance as at March 31, 2016 of the Proforma Ind AS financial statements has not been carried forward to opening Ind AS Balance sheet as at transition date already adopted for reporting under Companies Act, 2013. Reconciliation of the same is disclosed in Annexure VI Note 60.

Notes to Restated Consolidated Financial Information

for the year ended 31 March 2018

(Rs. in million)

2 Annexure V - *(Continued)*

2.1 Basis of preparation and measurement *(Continued)*

a Statement of compliance *(Continued)*

(v) Compliance with Ind AS:

These financial statements comply in all material aspects with Indian Accounting Standards (Ind AS) notified under Section 133 of the Companies Act, 2013 (the Act) (Companies(Indian Accounting Standards) Rules, 2015) as amended and other relevant provisions of the Act.

The financial statements up to year ended March 31, 2017 were prepared in accordance with the accounting standards notified under Companies (Accounts) Rules, 2014 as amended and other relevant provisions of the Act ("Indian GAAP" or "Previous GAAP").

Financial statements for the year ended March 31, 2018 were the first set of Ind AS financial statements issued by the Group, hence were covered by Ind AS 101, 'First Time Adoption of Indian Accounting Standards'. The transition to Ind AS has been carried out from the accounting principles generally accepted in India ('Indian GAAP'), which is considered as the Previous GAAP, for the purposes of Ind AS 101. Reconciliations and explanations of the effect of the transition from Previous GAAP to Ind AS on the Group`s Equity, Statement of Profit and Loss and Cash Flow Statement are provided in Note 60 to Annexure VI.
The consolidated Ind AS financial Information were authorized for issue by the Company's Board of Directors on 24th September 2018.

The financial statements of all subsidiaries considered in the consolidated financial statements, are drawn upto March 31, 2018 except for Metropolis Bramser Lab Services (Mtius) Limited, Metropolis Healthcare Ghana Limited and Metropolis Star Kenya Limited which are drawn upto 31 December 2017. The financial statements of Metropolis Bramser Lab Services (Mtius) Limited, Metropolis Healthcare Ghana Limited and Metropolis Star Kenya Limited are not adjusted for the period between 31 December 2017 and the date of the Holding Company's financial statements being March 31, 2018 since there were no significant transactions and events that occured in this period.

b Current vs non-current classification:

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

Assets:
An asset is classified as current when it satisfies any of the following criteria:
a) it is expected to be realised in, or is intended for sale or consumption in, the Group's normal operating cycle;
b) it is held primarily for the purpose of being traded;
c) it is expected to be realised within twelve months after the reporting date; or
d) it is cash or cash equivalent unless it is restricted from being exchanged or used to settle a liability for at least twelve months after the reporting date.

Liabilities:
A liability is classified as current when it satisfies any of the following criteria:
a) it is expected to be settled in the Group's normal operating cycle;
b) it is held primarily for the purpose of being traded;
c) it is due to be settled within twelve months after the reporting date; or
d) the Group does not have an unconditional right to defer settlement of the liability for at least twelve months after the reporting date. Terms of a liability that could, at the option of the counterparty, result in its settlement by the issue of equity instruments do not affect its classification.

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

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:

- Star Labs Kenya – 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 (GH₵)
- Metropolis Healthcare Lanka Private Limited – Sri Lankan Rupees

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

d Basis of measurement

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

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

(Rs. in million)

Annexure V - *(Continued)*

e Use of estimates and judgements

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

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

The areas involving critical estimates or judgements are:

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

f Measurement of fair values

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

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

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

Level 1: quoted prices (unadjusted) in active markets for identical assets or liabilities.
Level 2: inputs other than quoted prices included in Level 1 that are observable for the asset or liability, either directly (i.e. as prices) or indirectly (i.e. derived from prices).
Level 3: inputs for the asset or liability that are not based on observable market data (unobservable inputs).

If the inputs used to measure the fair value of an asset or a liability fall into different levels of the fair 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 39)
- Share-based payment arrangements (Note 49)
- Business combination (Note 43)
- Written put option (Note 39)

g Standards issued but not yet effective

Appendix B to Ind AS 21, Foreign currency transactions and advance consideration:

On March 28, 2018, Ministry of Corporate Affairs ("MCA") has notified the Companies (Indian Accounting Standards) Amendment Rules, 2018 containing Appendix B to Ind AS 21, Foreign currency transactions and advance consideration which clarifies the date of the transaction for the purpose of determining the exchange rate to use on initial recognition of the related asset, expense or income, when an entity has received or paid advance consideration in a foreign currency. The amendment will come into force from April 1, 2018. The Group does not expect any material impact on account of this change.

Ind AS 115- Revenue from Contract with Customers:

Ministry of Corporate Affairs ('MCA') has notified Ind AS 115 'Revenue from Contract with Customers' which is effective from April 1, 2018.
Ind AS 115 introduces a new framework of five step model for the analysis of revenue transactions. The model specifies that revenue should be recognised when (or as) an entity transfer control of goods or services to a customer at the amount to which the entity expects to be entitled as against the current guidance which is based on risk and rewards. The Group does not expect any material impact on account of this change.

(Rs. in million)

Annexure V - *(Continued)*

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 42(a) for subsidiaries considered for consolidation.

Non-controlling interests (NCI):

NCI are measured at their proportionate share of the acquiree's net identifiable assets at the date of acquisition.

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

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

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

Written put option:

For a written put option with non controlling interest, the Group uses present access method to recognise put liability with debit to other equity since the risk and rewards of ownership substantially remains with the non controlling interest during the contract period. Such put options are recognised as financial liabilities at present value of the expected payments. Subsequent changes in measurement of the liability is recorded through equity.

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 42(b) & (c) for joint ventures and associates considered for consolidation.

(Rs. in million)

Annexure V - *(Continued)*
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 debt or 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 profit and loss during the reporting period 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-stan, Ultrasound , ECG monitors.)	13 years	10 years
Computers	6 years	3 years
Furniture and Fixtures	15 years	10 years
Vehicles	10 years	8 years

Leasehold improvement are depreciated over the tenure of lease term.

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.

(Rs. in million)

Annexure V - *(Continued)*

c) Intangible assets

Goodwill

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

In respect of business combinations that occurred prior to April 1 2016, goodwill is included on the basis of its deemed cost, which represents the amount recorded under previous GAAP, adjusted for the reclassification of certain intangibles

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 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 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 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.

1 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

Annexure V - (Continued)

Amortized cost :

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

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

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

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

Initial recognition and measurement

Financial liabilities are initially 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 recognized 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 statement of profit or loss.

(Rs. in million)

Annexure V - (Continued)
Financial Instruments
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.

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.

i) Revenue Recognition

Revenue comprise of revenue from providing healthcare services such as health check up and laboratory services.

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.

Revenue is measured at the fair value of the consideration received or receivable, taking into account the amount of any discounts allowed by the Group.

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 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 is recorded separately for each vesting portion of the award as if the award ,in substance, was multiple awards.

When the terms of an equity-settled award are modified, the minimum expense recognised is the expense had the terms had not been modified, if the original terms of the awards are met. An additional expense is recognised for any modification that increases the total fair value of the share-based payment transaction, or is otherwise beneficial to the employee as measured at the date of modification.

(Rs. in million)

Annexure V - (Continued)
Offsetting of financial instruments

(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, together with adjustments for unrecognised acturial gain losses and past service costs. The defined benefit/obligation are calculated at balance sheet date by an independent actuary using the projected unit credit method.

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

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

l) Leases:

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

Operating lease:

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

m) Income-tax

Income tax expense /income comprises current tax expense income and deferred tax expense income. It is 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.

<u>Current Tax</u>

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

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

<u>Deferred Tax</u>

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 period.

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.

(Rs. in million)

Annexure V - (Continued)

n) Foreign currency

Foreign currency transactions:

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

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

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

Foreign operations:

The assets and liabilities of foreign operations (subsidiaries, associates, joint arrangements) including goodwill and fair value adjustments arising on acquisition, are translated into Indian Rupees, the functional currency of the Company, at the exchange rates at the reporting date. The income and expenses of foreign operations are translated into Indian 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 period, 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 period

p) Earnings per share:

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

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".

Refer Note 50 in the financial statements for additional disclosures on segment reporting.

Annexure VI- Notes to Restated Consolidated Financial Information
as at March 31, 2018

(Rs. in million)

3 Property, plant and equipment

Particulars	Freehold land	Building	Leasehold improvement	Furniture & fixtures	Laboratory equipments	Office equipment	Computers	Vehicles	Total
Cost as at April 1, 2017	103.54	471.83	35.48	121.70	312.71	82.28	71.21	18.81	1,217.56
Additions	-	49.60	9.06	28.70	79.90	30.33	13.74	10.16	221.49
Disposals	-	-	-	(2.37)	(15.77)	(0.01)	(1.27)	(0.66)	(20.08)
Additions on account of business combination (Refer Note 43)	-	5.00	-	5.76	28.37	-	1.87	3.08	44.08
Disposal on sale of subsidiary (Refer Note 46)	-	-	-	(0.09)	(3.50)	(0.04)	(0.19)	(0.00)	(3.82)
Exchange differences on translation of foreign operations	-	(0.58)	-	(0.54)	(1.62)	(0.09)	(0.25)	(0.30)	(3.38)
Cost as at March 31, 2018 (A)	**103.54**	**525.85**	**44.54**	**153.16**	**400.09**	**112.47**	**85.11**	**31.09**	**1,455.86**
Accumulated depreciation as at April 1, 2017	-	24.07	9.58	23.00	58.33	21.40	24.86	4.74	165.98
Depreciation charged during the year	-	25.08	8.33	22.72	63.27	23.27	18.85	6.72	168.24
Disposals	-	-	-	(0.64)	(4.53)	(0.01)	(0.45)	(0.27)	(5.90)
Additions on account of business combination (Refer Note 43)	-	0.22	-	0.73	3.89	-	0.53	0.58	5.95
Disposal on sale of subsidiary (Refer Note 46)	-	-	-	(0.02)	(0.52)	(0.02)	(0.07)	(0.00)	(0.63)
Exchange differences on translation of foreign operations	-	(0.03)	-	(0.12)	(0.39)	(0.01)	(0.11)	(0.09)	(0.76)
Accumulated depreciation as at March 31, 2018 (B)	**-**	**49.35**	**17.91**	**45.67**	**120.05**	**44.63**	**43.61**	**11.68**	**332.89**
Net carrying amount as at March 31, 2018 (A) - (B)	**103.54**	**476.50**	**26.62**	**107.49**	**280.04**	**67.84**	**41.50**	**19.41**	**1,122.96**

As at March 31, 2017

Particulars	Freehold land	Building	Leasehold improvement	Furniture & fixtures	Laboratory equipments	Office equipment	Computers	Vehicles	Total
Deemed Cost as at April 1, 2016	103.54	471.11	30.14	87.49	246.19	48.35	51.70	17.43	1,055.95
Additions	-	1.29	6.39	34.27	56.05	33.14	19.11	1.47	151.72
Disposals	-	(0.47)	(1.01)	(0.38)	(5.34)	(0.17)	(0.09)	(0.34)	(7.80)
Additions on account of business combination (Refer Note 43)	-	-	-	-	14.02	0.97	0.15	0.06	15.20
Exchange differences on translation of foreign operations	-	(0.10)	(0.04)	0.32	1.79	(0.01)	0.34	0.19	2.49
Cost as at March 31, 2017 (A)	**103.54**	**471.83**	**35.48**	**121.70**	**312.71**	**82.28**	**71.21**	**18.81**	**1,217.56**
Accumulated depreciation as at April 1, 2016									
Depreciation charged during the year	-	24.05	10.44	22.74	56.65	21.41	24.56	4.59	164.44
Disposals	-	(0.02)	(0.86)	(0.03)	(0.13)	(0.01)	(0.00)	(0.06)	(1.11)
Exchange differences on translation of foreign operations	-	0.04	(0.00)	0.29	1.81	(0.00)	0.30	0.21	2.65
Accumulated depreciation as at March 31, 2017 (B)	**-**	**24.07**	**9.58**	**23.00**	**58.33**	**21.40**	**24.86**	**4.74**	**165.98**
Net carrying amount as at March 31, 2017 (A)- (B)	**103.54**	**447.76**	**25.90**	**98.70**	**254.38**	**60.88**	**46.35**	**14.07**	**1,051.58**

Annexure VI- Notes to Restated Consolidated Financial Information
as at March 31, 2018

(Rs. in million)

3 Property, plant and equipment *(Continued)*

As at March 31, 2016 (Proforma)

Particulars	Freehold land	Building	Leasehold improvement	Furniture & fixtures	Laboratory equipments	Office equipment	Computers	Vehicles	Total
Deemed Cost as at April 1, 2015 (Proforma)	103.54	563.71	36.88	74.60	232.19	48.75	51.96	11.72	1,123.35
Additions	-	1.51	5.48	28.99	64.28	21.05	24.06	10.90	156.27
Disposals	-	(66.34)	-	(0.30)	(2.03)	(0.45)	(0.22)	(0.43)	(69.77)
Disposal on sale of subsidiary (Refer Note 46)	-	-	(0.96)	(0.01)	-	-	-	-	(0.97)
Additions on account of business combination (Refer Note 43)	-	-	-	1.29	4.89	-	0.17	-	6.35
Exchange differences on translation of foreign operations	-	(0.36)	-	(0.22)	(0.75)	(0.02)	(0.17)	(0.08)	(1.60)
Cost as at March 31, 2016 (A) (Proforma)	**103.54**	**498.52**	**41.40**	**104.35**	**298.58**	**69.33**	**75.80**	**22.11**	**1,213.63**
Accumulated depreciation as at April 1, 2015 (Proforma)	-	-	-	-	-	-	-	-	-
Depreciation charged during the year	-	29.34	11.47	17.11	53.87	21.35	24.30	4.75	162.19
Disposals	-	(1.93)	-	(0.24)	(1.50)	(0.37)	(0.20)	(0.07)	(4.31)
Disposal on sale of subsidiary (Refer Note 46)	-	-	(0.21)	(0.00)	-	-	-	-	(0.21)
Exchange differences on translation of foreign operations	-	0.00	-	(0.01)	0.01	0.00	(0.00)	0.00	0.01
Accumulated depreciation as at March 31, 2016 (B) (Proforma)	**-**	**27.41**	**11.26**	**16.86**	**52.39**	**20.98**	**24.10**	**4.68**	**157.68**
Net carrying amount as at March 31, 2016 (A)- (B) (Proforma)	**103.54**	**471.11**	**30.14**	**87.49**	**246.19**	**48.35**	**51.70**	**17.43**	**1,055.95**

On transition to Ind AS, the Group has elected to continue with the net carrying value of all of its property, plant and equipment (PPE) recognised as at April 1, 2016 measured as per the previous GAAP and use that net carrying value as the deemed cost of the PPE. While preparing Proforma Ind AS restated financial information for the year ended March 31, 2016, the Group has opted the same accounting policy choice as adopted on transition date and accordingly the net carrying value of its PPE as at March 31, 2015 has been used as deemed cost of PPE as at April 1, 2015.

As at April 1, 2015 (Proforma)

Particulars	Freehold land	Building	Leasehold improvement	Furniture & fixtures	Laboratory equipments	Office equipment	Computers	Vehicles	Total
Gross Block	103.54	752.23	65.10	152.02	538.57	139.09	193.97	35.20	1,979.72
Accumulated Depreciation	-	188.52	28.22	77.42	306.38	90.34	142.01	23.48	856.37
Net Block	**103.54**	**563.71**	**36.88**	**74.60**	**232.19**	**48.75**	**51.96**	**11.72**	**1,123.35**

Metropolis Healthcare Limited

Annexure VI- Notes to Restated Consolidated Financial Information
as at March 31, 2018

(Rs. in million)

3 Property, plant and equipment *(Continued)*

As at April 1, 2016

Particulars	Freehold land	Building	Leasehold improvement	Furniture & fixtures	Laboratory equipments	Office equipment	Computers	Vehicles	Total
Gross Block	103.54	679.16	69.62	181.63	603.37	159.00	217.62	43.89	2,057.83
Accumulated Depreciation	-	208.05	39.48	94.14	357.18	110.65	165.92	26.46	1,001.88
Net Block	**103.54**	**471.11**	**30.14**	**87.49**	**246.19**	**48.35**	**51.70**	**17.43**	**1,055.95**

(Rs. in million)

4 Intangible assets

Particulars	Goodwill	Other intangible assets Computer Software	Brand name	Customer Relationships	Total other intangible assets
Cost as at April 1, 2017	824.61	7.09	117.00	31.10	155.19
Additions	-	42.31	-	-	42.31
Disposal on sale of subsidiary (Refer Note 46)	(12.20)	-	-	-	-
Exchange differences on translation of foreign operations	(1.22)	-	-	-	-
Cost as at March 31, 2018 (A)	**811.19**	**49.40**	**117.00**	**31.10**	**197.50**
Accumulated amortisation as at April 1, 2017	-	4.84	1.95	1.04	7.83
Amortisation recognised for the year	-	4.01	11.70	6.22	21.93
Disposal on sale of subsidiary (Refer Note 46)	-	-	-	-	-
Impairment during the year	27.50	-	-	-	-
Exchange differences on translation of foreign operations	-	-	-	-	-
Accumulated amortisation as at March 31, 2018 (B)	**27.50**	**8.85**	**13.65**	**7.26**	**29.76**
Net carrying amount as at March 31, 2018 (A) - (B)	**783.69**	**40.55**	**103.35**	**23.84**	**167.74**

As at March 31, 2017

Particulars	Goodwill	Other intangible assets Computer Software	Brand name	Customer Relationships	Total other intangible assets
Deemed Cost as at April 1, 2016	362.67	9.57	-	-	9.57
Additions during the year	-	0.33	-	-	0.33
Additions on account of business combination (Refer Note 43)	459.39	-	117.00	31.10	148.10
Disposals during the year	-	-	-	-	-
Exchange differences on translation of foreign operations	2.55	(2.81)	-	-	(2.81)
Cost as at March 31, 2017 (A)	**824.61**	**7.09**	**117.00**	**31.10**	**155.19**
Accumulated amortisation as at April 1, 2016	-	-	-	-	-
Amortisation recognised for the year	-	4.84	1.95	1.04	7.83
Disposals during the year	-	-	-	-	-
Exchange differences on translation of foreign operations	-	-	-	-	-
Accumulated amortisation as at March 31, 2017 (B)	**-**	**4.84**	**1.95**	**1.04**	**7.83**
Net carrying amount as at March 31, 2017 (A)- (B)	**824.61**	**2.25**	**115.05**	**30.06**	**147.36**

As at March 31, 2016 (Proforma)

Particulars	Goodwill	Computer Software	Total other intangible assets
Deemed Cost as at April 1, 2015 (Proforma)	332.15	10.87	10.87
Additions during the year	-	2.94	2.94
Additions on account of business combination (Refer Note 43)	18.89	-	-
Disposals	-	(0.04)	(0.04)
Cost as at March 31, 2016 (A) (Proforma)	**351.04**	**13.77**	**13.77**
Accumulated amortisation as at April 1, 2015 (Proforma)			
Amortisation recognised for the year	-	4.22	4.22
Additions on account of business combination (Refer Note 43)	-	-	-
Disposals during the year	-	(0.02)	(0.02)
Accumulated amortisation as at March 31, 2016 (B)	**-**	**4.20**	**4.20**
Net carrying amount as at March 31, 2016 (A)- (B)	**351.04**	**9.57**	**9.57**

(Rs. in million)

4 Intangible assets *(Continued)*

Transition to Ind AS:
On transition to Ind AS, the Group has elected to continue with the net carrying value of all of its intangible assets recognised as at April 1, 2016 measured as per the previous GAAP and use that net carrying value as the deemed cost of the intangible asset. While preparing Proforma Ind AS restated financial information for the year ended March 31, 2016, the Group has opted the same accounting policy choice as adopted on transition date and accordingly the net carrying value of its intangibles as at March 31, 2015 has been used as deemed cost of intangible assets as at April 1, 2015.

April 1, 2015 (Proforma):

Particulars	Goodwill	Computer Software	Total other intangible assets
Gross Block	440.21	44.12	44.12
Accumulated amortisation	108.06	33.25	33.25
Net Block	**332.15**	**10.87**	**10.87**

April 1, 2016:

Particulars	Goodwill	Computer Software	Total other intangible assets
Gross Block	496.80	47.01	47.01
Accumulated amortisation	134.13	37.44	37.44
Net Block	**362.67**	**9.57**	**9.57**

Impairment
Carrying amount of goodwill which is allocated to the pathology division as at March 31, 2018 is Rs. 783.69 million (March 31, 2017- Rs. 824.61 million, March 31, 2016 - Rs. 351.04 million and April 1, 2015- Rs.332.15 million). 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.

Entity	March 31, 2018	March 31, 2017	March 31, 2016 (Proforma)
Metropolis Healthcare Limited	**459.39**	459.39	-
Sudharma Metropolis Health Services Private Limited	**5.77**	5.77	9.81
Sanket Metropolis Health Services (India) Private Limited*	**-**	21.69	22.29
Desai Metropolis Health Services Private Limited	**83.69**	83.69	75.66
R.V. Metropolis Diagnostic & Health Care Center Private	**25.88**	25.88	25.88
Golwilkar Metropolis Health Services (India) Private Limited*	**28.70**	28.70	28.70
Metropolis Healthcare (Jodhpur) Private Limited*	**-**	3.00	3.52
Metropolis Healthcare (Chandigarh) Private Limited*	**-**	2.81	2.81
Micron Metropolis Healthcare Private Limited	**32.00**	32.00	7.53
Mulay Metropolis Healthcare Private Limited	**-**	12.20	12.20
Dr. Patel Metropolis Healthcare Private Limited	**9.07**	9.07	9.07
Raj Metropolis Healthcare Private Limited	**3.04**	3.04	3.04
Lab One Metropolis Healthcare Services Private Limited	**27.83**	27.83	27.83
Metropolis Bramser Lab Services (Mtius) Limited	**0.01**	0.01	0.01
Metropolis Healthcare Ghana Limited	**4.18**	4.18	-
Metropolis Healthcare (Mauritius) Limited	**0.18**	0.18	0.18
Metropolis Star Lab Kenya Limited	**25.97**	27.19	25.37
Amins Pathology Laboratory Private Limited	**58.82**	58.82	74.17
Ekopath Metropolis Lab Services Private Limited	**4.40**	4.40	5.04
Bokil Golwilkar Metropolis Healthcare Private Limited	**14.76**	14.76	17.93
Total	**783.69**	824.61	351.04

(Rs. in million)

4 Intangible assets *(Continued)*

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

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

Key assumptions used in the value-in-use calculations

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

Particulars	**March 31, 2018**	March 31, 2017	March 31, 2016 (Proforma)
Pre tax risk adjusted discount rate	**12.50%**	12.50%	12.50%
Terminal value growth rate	**6.00%**	6.00%	6.00%
Budgeted EBITDA growth rate	**15-20%**	15-20%	15-20%

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

As at March 31, 2017 and March 31, 2016, the estimated recoverable amount of the CGU exceeded its carrying amount and accordingly, no impairment was recognized.

As at March 31, 2018, an impairment loss of Rs. 27.50 million is recognised in relation to goodwill allocated to Sanket Metropolis Health Services (India) Private Limited of Rs. 21.69 million, Metropolis Healthcare (Jodhpur) Private Limited of Rs. 3.00 million and Metropolis Healthcare (Chandigarh) Pvt Ltd of Rs. 2.81 million. The Loss is mainly on account of uncontrollable adverse local market conditions which has diluted the credit worthiness of the CGUs (Refer note 36)

Further Metropolis Healthcare Limited sold Mulay Metropolis Healthcare Private Limited during the year. Accordingly goodwill of Rs. 12.20 million which was created on consolidation was reversed.

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

Annexure VI- Notes to Restated Consolidated Financial Information *(Continued)*

as at March 31, 2018

(Rs. in million)

		March 31, 2018	March 31, 2017	March 31, 2016 (Proforma)
5	**Non-current investments**			
	Unquoted equity shares at Fair Value through Other comprehensive income			
	Centre for Digestive and Kidney Disease Private Limited	**17.50**	17.50	17.50
	1,750,000 (March 31, 2017: 1,750,000; March 31, 2016: 1,750,000) Equity shares (Face value of Rs 10 each)			
	Textiles Traders Co-operative Bank Limited	**0.03**	0.03	0.03
	1,100 (March 31, 2017: 1,100; March 31, 2016: 1,100) Equity shares (Face value of Rs 25 each)			
	The Saraswat Co-operative Bank Limited	**0.03**	0.03	-
	2,500 (March 31, 2017: 2,500; March 31, 2016: Nil) Equity shares (Face value of Rs 10 each)			
	Surat People's Co-operative Bank Limited	**-**	-	0.03
	Nil (March 31, 2017: Nil; March 31, 2016: 1) Equity shares (Face value of Rs 100 each)			
	Total	**17.56**	17.56	17.56
	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	**17.56**	17.56	17.56
	Aggregate amount of impairment in value of investments	**-**	-	-
6	**Non-current loans**			
	(Unsecured,considered good)			
	Security deposits	**24.29**	23.62	30.21
	Other advances	**8.92**	12.62	14.39
	Loan to related parties* (Refer Note 41)	**-**	0.99	38.42
		33.21	37.23	83.02
	(Unsecured,considered doubtful)			
	Security deposits	**6.11**	5.88	4.13
		6.11	5.88	4.13
	Less : Provision for doubtful advances	**(6.11)**	(5.88)	(4.13)
	Total	**33.21**	37.23	83.02

* Unsecured loans given to related parties are repayable within 3 to 5 years and carry interest in the range of 6-10%.

		March 31, 2018	March 31, 2017	March 31, 2016 (Proforma)
7	**Other non-current financial assets**			
	(Unsecured,considered good)			
	Fixed Deposits with banks^	**83.34**	22.36	0.42
		83.34	22.36	0.42
	(Unsecured,considered doubtful)			
	Subscription money pending allotment	**-**	-	13.00
		-	-	13.00
	Less : Provision for doubtful advances	**-**	-	(13.00)
	Total	**83.34**	22.36	0.42

^ Includes Rs. 82.44 million (March 31, 2017: Rs. 0.33 million; March 31, 2016 : Rs. Nil) of fixed deposits under lien

Metropolis Healthcare Limited

Annexure VI- Notes to Restated Consolidated Financial Information *(Continued)*
as at March 31, 2018

(Rs. in million)

		March 31, 2018	March 31, 2017	March 31, 2016 (Proforma)
8	**Other non current assets**			
	(Unsecured, considered good unless otherwise stated)			
	Capital advances	**16.87**	83.86	54.19
	Other advances	**-**	-	0.88
	Prepaid expenses	**2.73**	1.90	3.35
	Total	**19.60**	85.76	58.42
9	**Non-current tax assets (net)**			
	Advance taxes (net of provision for taxes)	**16.66**	9.80	18.05
	Total	**16.66**	9.80	18.05
10	**Inventories**			
	(At lower of cost and net realisable value)			
	Raw materials (Reagents, chemicals, diagnostic kits and consumables)	**211.87**	141.30	155.71
	Total	**211.87**	141.30	155.71
11	**Current Investments**			
	Investments in mutual funds			
	(Non-trade, Unquoted at Fair Value through Profit or Loss)			
	Axis - Liquid Fund - Daily Dividend Reinvestment- 3,963 (March 31, 2017 - 3,793, March 31, 2016 - 3,619) Units of Face Value Rs 1000 each	**3.97**	3.80	3.62
	Birla SL - Cash Manager - Daily Dividend - Regular Plan - Reinvestment- Nil (March 31, 2017 - 302,497, March 31, 2016 - Nil) Units of Face Value Rs.100 each	**-**	30.44	-
	BSL Cash Manager Growth Plan- 16,484 (March 31, 2017 -Nil, March 31, 2016 - Nil) Units of Face Value Rs.100 each	**6.88**	-	-
	Birla SL - Fixed Term Plan - Nil (March 31, 2017 -3,150,000, March 31, 2016 - 10,700,000) Units of Face Value Rs.10 each	**-**	40.21	130.84
	Birla SL - ST Opportunities Fund Reg (G) 213,422 (March 31, 2017 - 213,422, March 31, 2016 : 213,422) Units of Face Value of Rs. 10 each	**6.16**	5.79	5.29
	Birla Sun Life Cash Plus Growth - 7,473.38 (March 31, 2017 - 7,473.38, March 31, 2016 - 7,473.38) Units of Face Value Rs.100 each	**2.08**	1.95	1.81
	Birla Sunlife Life Income Plus (Growth) - 192,079 (March 31, 2017 - 192,079, March 31, 2016 - 192,079) Units of Face Value Rs.100 each	**14.60**	14.08	12.69
	BNP Paribas Bond Fund Growth - 1,229,791 (March 31, 2017: 1,229,791, March 31, 2016 - 1,229,791) Units of Face Value Rs 10 each	**26.90**	25.16	22.81
	BNP Paribas Flexi Debt Fund - Growth - 724,793.74 (March 31, 2017 - 724,906, March 31, 2016 - 724,906) Units of Face Value Rs.10 each	**21.50**	20.60	18.56
	BNP PARIBAS Short Term Income Fund - Growth - 107,428 (March 31, 2017 - 107,428, March 31, 2016 - 107,428) Units of Face Value Rs.100 each	**2.13**	2.00	1.85
	DSP BlackRock Liquidity Fund- Growth - 1,040,585 (March 31, 2017 -Nil, March 31, 2016 - Nil) Units of Face Value Rs. 10 each	**66.73**	-	-

Annexure VI- Notes to Restated Consolidated Financial Information *(Continued)*
as at March 31, 2018

(Rs. in million)

	March 31, 2018	March 31, 2017	March 31, 2016 (Proforma)
11 Current Investments *(Continued)*			
Investments in mutual funds			
DSP BlackRock FMP Series - Nil (March 31, 2017 - Nil, March 31, 2016 - 500,000) Units of Face Value Rs.10 each	**-**	-	6.23
Franklin India US Bond Fund DDR- 1,040,585 (March 31, 2017 -Nil, March 31, 2016 - Nil) Units of Face Value Rs. 10 each	**10.49**	-	-
Franklin STIF GR (G) - 1,691 (March 31, 2017 : 1,691, March 31, 2016 : 1,691) Units of Face Value Rs.1000 each	**6.21**	5.73	5.15
HDFC - Cash Mgmt Treasury Advantage Plan Daily Dividend 1,538,939 (March 31, 2017 - 45,096,366, March 31, 2016 - Nil) Units of Face Value Rs.10 each	**15.61**	457.40	-
HDFC cash Management Fund Growth- 573,598 (March 31, 2017 -Nil, March 31, 2016 - Nil) Units of Face Value Rs. 10 each	**20.99**	-	-
HDFC - FMP Regular Growth - Nil (March 31, 2017- 1,727,680; March 31, 2016 - 12,977,680) Units of Face Value Rs.10 each	**-**	21.96	157.59
HDFC Cash Management Fund - Saving plan - 318.96 (March 31, 2017 - 318.96, March 31, 2016 -318.96) Units of Face Value Rs.1000 each	**1.15**	1.08	1.01
HDFC Cash Management fund DDR - Nil (March 31, 2017 - 1,475,638, March 31, 2016 - Nil) Units of Face Value Rs.100 each	**-**	14.97	-
HDFC EMP 372D - Regular Plan - Growth - Nil (March 31, 2017 - Nil, March 31, 2016 - 100,000) Units of Face Value Rs.100 each	**-**	-	1.23
HDFC FMP 371D - Regular Plan - Growth - Nil (March 31, 2017 - Nil, March 31, 2016 - 250,000) Units of Face Value Rs.100 each	**-**	-	3.02
HDFC High Interest Dynamic Plan - Growth -123,045 (March 31, 2017 - 123,045, March 31, 2016 - 123,045) Units of Face Value Rs.100 each	**7.25**	6.97	6.27
HSBC flexi debt fund (Growth) - 500,058 (March 31, 2017 - 500,058; March 31, 2016 - 500,058) Units of Face Value Rs.100 each	**11.38**	11.13	10.14
ICICI P flex Income Plan G- 356,692 (March 31, 2017 -Nil, March 31, 2016 - Nil) Units of Face Value Rs.100 each	**118.89**	-	-
ICICI Prudential Flexible Income - Daily Dividend - 818,207 (March 31, 2017 - 3,793,627.58 ; March 31, 2016 - 48,693) Units of Face Value Rs. 100 each	**86.56**	401.12	5.15
ICICI Prudential FMP Series Nil (March 31, 2017: 78,64,304; March 31, 2016: 1,30,97,461) Units of Face Value Rs. 10 each	**-**	99.71	157.47
ICICI Prudential Fund Annual Interval Fund IV - Growth Nil (31 March 2017- Nil, March 31, 2016 - 431,372) Units of Face Value Rs 10 each	**-**	-	7.98
ICICI Prudential Liquid Plan - Daily Dividend - 39,419 (March 31, 2017- 37,758; March 31, 2016 : 36,023) Units of Face Value Rs 100 each	**3.95**	3.78	3.61
ICICI Prudential Short-term Plan 203,987 (March 31, 2017- 203,987; March 31, 2016 : 203,987) Units of Face Value Rs 100 each	**7.39**	6.96	6.31
IDFC - DBF Regular Plan 591,300 (March 31, 2017 - 591,300; March 31, 2016 - 591,300) Units of Face Value Rs.17 each	**12.21**	11.92	10.54
IDFC - Ultra Short Term Fund Reg (DD) - 2,087,176 (March 31, 2017 - 1,006,899; March 31, 2016 : Nil) Units of Face Value Rs 10 each	**21.03**	10.14	-
IDFC FTP Series Nil (31 March 2017-Nil, March 31, 2016 - 700,000) Units of Face Value Rs.10 each	**-**	-	8.88
IDFC Super Saver Income Fund - Investment Plan - Growth 247,116 (March 31, 2017 - 247,116; March 31, 2016 - 247,116) Units of Face Value Rs.100 each	**7.19**	6.85	6.26
IDFC Super Saver Income Fund-Medium Term Plan 242,992 (March 31, 2017 : 242,992; March 31, 2016 : 242,992) Units of Face Value Rs. 10 each	**7.07**	6.74	6.16

Metropolis Healthcare Limited

Annexure VI- Notes to Restated Consolidated Financial Information *(Continued)*
as at March 31, 2018

(Rs. in million)

11 Current Investments *(Continued)*

	March 31, 2018	March 31, 2017	March 31, 2016 (Proforma)
Investments in mutual funds			
Kotak Liquid Plan DDR- 6,170 (March 31, 2017 -Nil, March 31, 2016 - Nil) Units of Face Value of Rs.1000 each	**7.54**	-	-
Kotak - Treasury Advantage Fund (DD) - 1,589,461 (March 31, 2017- 1,521,681, March 31, 2016 : Nil) Units of Face Value of Rs. 10 each	**16.02**	15.34	-
Kotak Bond Plan A (Growth) - 242,270 (March 31, 2017 - 242,270; March 31, 2016 - 242,270) Units of Face Value Rs.100 each	**11.52**	11.22	10.19
Kotak FMP Series 154 - Growth (Regular Plan) - Nil (March 31, 2017 : 562,985 ; March 31, 2016 : 562,985) Units of Face Value Rs. 10 each	**-**	7.15	6.67
Kotak FMP- Nil (March 31, 2017- 2,000,000; March 31, 2016 - 2,500,000) Units of Face Value Rs.10 each	**-**	25.26	29.80
L&T - Ultra STF (DD) Rein 1,546,520 (March 31, 2017- 5,08,355 ; March 31, 2016 : Nil) Units of face value of Rs. 10 each	**15.87**	5.21	-
L&T FMP Series 10 - Plan E - Growth Nil (31 March 2017-Nil, March 31, 2016 : 1,000,000) Units of Face Value of Rs. 10 each	**-**	-	12.26
L&T FMP Series 10 - Plan S (1500 Days) - Growth - 500,102 (March 31, 2017 : 500,102 ; March 31, 2016 : 500,102) Units of Face Value Rs.10 each	**6.89**	6.44	5.91
L&T Short-term Income Fund- 399,939 (March 31, 2017 : 399,939 ; March 31, 2016 : 399,939) Units of Face Value Rs. 10 each	**7.47**	6.96	6.32
Reliance FHF XXV- Nil (March 31, 2017 : Nil , March 31, 2016 - 532,282) Units of Face Value Rs.10 each	**-**	-	6.47
SBI - DFS 80- Nil (March 31, 2017 : Nil , March 31, 2016 - 11,321,564) Units of Face Value Rs.10 each	**-**	-	137.67
SBI - Ultra ST Debt Fund Reg (DD) - 15,582 (March 31, 2017 : 5,033 ; March 31, 2016 : Nil Units) Units of Face Value Rs. 1000 each	**15.71**	5.06	-
Tata USTF DDR - 26,360 (March 31, 2017 -Nil, March 31, 2016 - Nil) Units of Face Value Rs.1000 each	**26.47**	-	-
Tata - Floater Fund Reg (DD) Nil (March 31, 2017: 15,297 ; March 31, 2016 : Nil) Units of Face Value Rs. 1000 each	**-**	15.35	-
Tata Fixed Maturity Plan Series 47 Scheme C - Plan A- 500,099 (March 31, 2017 : 500,099 ; March 31, 2016 : 500,099) Units of Face Value Rs. 10 each	**6.90**	6.43	5.89
Tata FMP - Nil (March 31, 2017- 1,900,000; March 31, 2016 - 4,400,000) Units of Face Value Rs.10 each	**-**	23.97	52.84
Templeton India Short-term Income Plan- 486 (March 31, 2017 : 486 ; March 31, 2016 : 486) Units of Face Value Rs. 1000 each	**1.78**	1.64	1.48
UTI-Money Market Fund Ins Plan Growth - 589 (31 March 2017 - Nil; March 31, 2016 - Nil) Units of Face Value Rs.1000 each	**1.14**		
UTI Fixed Term Income Fund Nil (31 March 2017 - Nil; March 31, 2016 - 5,434,654) Units of Face Value Rs.10 each		-	66.45
	605.63	1,340.52	942.42

Annexure VI- Notes to Restated Consolidated Financial Information *(Continued)*

as at March 31, 2018

(Rs. in million)

11 Current Investments *(Continued)*

	March 31, 2018	March 31, 2017	March 31, 2016 (Proforma)
(Non-trade, Unquoted at Fair Value through Other Comprehensive Income)			
i) Investments in Non-convertible debentures			
IndoStar Capital Finance Ltd - 100 (March 31, 2017 - Nil; March 31, 2016 - Nil) Units of Face Value Rs.10,00,000 each	**100.43**	-	-
Ashirvad Micro Finance Ltd - 100 (March 31, 2017 - Nil; March 31, 2016 - Nil) Units of Face Value Rs.10,00,000 each	**100.60**	-	-
ii) Investments in Commercial Papers			
Reliance Securities - 200 (March 31, 2017 - Nil; March 31, 2016 - Nil) Units of Face Value Rs.5,00,000 each	**98.97**	-	-
Kotak Mahindra Securities Ltd - 200 (March 31, 2017 - Nil; March 31, 2016 - Nil) Units of Face Value Rs.5,00,000 each	**98.60**	-	-
	398.60	**-**	**-**
Total	**1,004.23**	1,340.52	942.42

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	1,004.23	1,340.52	942.42
Aggregate amount of impairment in value of investments	-	-	-

Annexure VI- Notes to Restated Consolidated Financial Information *(Continued)*
as at March 31, 2018

(Rs. in million)

	March 31, 2018	March 31, 2017	March 31, 2016 (Proforma)
12 Trade receivables			
Unsecured considered good*	**1,006.84**	802.88	702.00
Unsecured considered doubtful	**219.92**	189.71	164.57
	1,226.76	992.59	866.57
Less: Provision for doubtful debts	**(219.92)**	(189.71)	(164.57)
Total	**1,006.84**	802.88	702.00

* Trade receivables include amount receivable from companies where Director of the Company is a director (Refer Note 41)

Annexure VI- Notes to Restated Consolidated Financial Information *(Continued)*
as at March 31, 2018

(Rs. in million)

	March 31, 2018	March 31, 2017	March 31, 2016 (Proforma)
13 Cash and cash equivalents			
Balances with banks			
- in current accounts	**383.58**	232.67	231.06
- in EEFC account	**14.26**	0.72	-
- in deposit accounts (with less than 3 months original maturity)	**26.69**	9.75	25.28
Cash on hand	**10.15**	11.95	11.98
Total	**434.68**	255.09	268.32
14 Bank balances other than cash and cash equivalents			
Fixed deposits with original maturity of more than 3 months but less than 12 months of reporting date *^	**166.68**	150.03	67.64
Total	**166.68**	150.03	67.64

* Includes March 31, 2018: Rs. 0.5 million, March 31, 2017: Rs. 3.79 million, March 31, 2016 : Rs. 0.56 million pledged against bank guarantee.

^ Includes March 31, 2018: Rs. 83.78 million, March 31, 2017: Rs. 9.00 million ; March 31, 2016 : Rs. Nil fixed deposits under lien.

	March 31, 2018	March 31, 2017	March 31, 2016 (Proforma)
15 Current Loans			
(Unsecured, considered good)			
Security deposits	**105.10**	96.07	62.61
Advances to related parties (Refer Note 41)	**-**	-	9.93
Other advances	**3.11**	-	-
	108.21	96.07	72.54
(Unsecured, considered doubtful)			
Security deposits	**1.40**	1.40	3.34
Advances to related parties (Refer Note 41)	**8.63**	8.63	4.23
	10.03	10.03	7.57
Less : Provision for doubtful advances	**(10.03)**	(10.03)	(7.57)
Total	**108.21**	96.07	72.54
16 Other current financial assets			
(Unsecured, considered good unless otherwise stated)			
Interest accrued but not due			
- On investments	**6.02**	-	-
- From bank deposits	**7.50**	5.35	2.25
Interest accrued and due on loans to related parties	**-**	0.11	3.24
Total	**13.52**	5.46	5.49

Annexure VI- Notes to Restated Consolidated Financial Information *(Continued)*
as at March 31, 2018

(Rs. in million)

		March 31, 2018	March 31, 2017	March 31, 2016 (Proforma)
17	**Other current assets**			
	(Unsecured, considered good)			
	Advance to suppliers	**7.75**	12.75	-
	Advance to employees	**4.38**	6.56	-
	Other advances	**11.02**	5.02	14.03
	Prepaid expenses	**33.90**	34.52	22.38
		57.05	58.85	36.41
	(Unsecured, considered doubtful)			
	Advance to suppliers	**1.71**	1.46	1.46
	Other advances	**6.80**	6.93	6.55
		8.51	8.39	8.01
	Less : Provision for doubtful advances	**(8.51)**	(8.39)	(8.01)
	Total	**57.05**	58.85	36.41
18	**Current tax assets (net)**			
	Advance taxes (net of provision for taxes)	**2.51**	0.98	2.64
	Total	**2.51**	0.98	2.64

Annexure VI- Notes to Restated Consolidated Financial Information *(Continued)*
as at March 31, 2018

(Rs. in million)

19 Equity Share Capital

Particulars	**March 31, 2018** Number	**March 31, 2018** Amount (Rs Million)	March 31, 2017 Number	March 31, 2017 Amount (Rs Million)	March 31, 2016 (Proforma) Number	March 31, 2016 (Proforma) Amount (Rs Million)
[a] Authorised share capital						
Equity shares of the par value of Rs 10 each	**55,000,000**	**550.00**	55,000,000	550.00	55,000,000	550.00
	55,000,000	**550.00**	55,000,000	550.00	55,000,000	550.00
[b] Issued, subscribed and paid up						
Equity shares of Rs.10 each fully paid up	**9,543,646**	**95.44**	9,543,646	95.44	9,543,646	95.44
	-	-	-	-	-	-
	9,543,646	**95.44**	9,543,646	95.44	9,543,646	95.44

[c] Reconciliation of number of shares outstanding at the beginning and end of the year :

	March 31, 2018 Number of Shares	**March 31, 2018** Amount (Rs Million)	March 31, 2017 Number of Shares	March 31, 2017 Amount (Rs Million)	March 31, 2016 (Proforma) Number of Shares	March 31, 2016 (Proforma) Amount (Rs Million)
Equity :						
Outstanding at the beginning of the year	9,543,646	95.44	9,543,646	95.44	9,864,130	98.64
Shares bought back during the year	-	-	-	-	(320,484)	(3.20)
Outstanding at the end of the year	**9,543,646**	**95.44**	9,543,646	95.44	9,543,646	95.44

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

Name of the shareholders	**March 31, 2018** Number of Shares	**March 31, 2018** Percentage	March 31, 2017 Number of Shares	March 31, 2017 Percentage	March 31, 2016 (Proforma) Number of Shares	March 31, 2016 (Proforma) Percentage
Equity shares of Rs. 10 each fully paid						
Dr. Sushil Shah	**3,290,700**	**34.48%**	3,290,700	34.48%	3,290,700	34.48%
CA Lotus Investments	**3,010,276**	**31.54%**	3,010,276	31.54%	3,010,276	31.54%
Bacchus Hospitality and Services Real Estate Private Limited	**2,657,730**	**27.85%**	2,657,730	27.85%	2,657,730	27.85%

[e] Terms/rights attached to equity shares :

The Company has only one class of Equity shares having a par value of Rs.10 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 :

The Company has neither issued any bonus shares nor has there been any buy back of shares during the five years immediately preceding March 31, 2018 except for the buy-back of 320,484 shares of Rs. 10 each which was brought back pursuant to section 68 of the Companies Act, 2013 during the year ended March 31, 2016.

[g] 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 Rs. 10 (Rupees ten) each to equity shares of Rs. 2 (Rupees two) each. The revised authorised share capital of the Company now stands at 295,754,015 equity shares of Rs 2 each.

(Rs. in million)

20 Other Equity

	March 31, 2018	March 31, 2017	March 31, 2016 (Proforma)
Fully convertible share warrants (Refer Note 55)	**0.02**	0.02	-
Securities premium	**583.16**	583.16	583.16
Capital redemption reserve	**3.24**	3.24	3.24
General reserve	**175.10**	175.10	175.10
Capital reserve	**6.91**	-	1.00
Employee stock options reserve	**17.03**	0.43	-
Retained earnings	**3,252.41**	2,370.21	1,944.61
Foreign currency translation reserve	**14.34**	4.13	(15.36)
Debt instruments fair valued through OCI	**0.03**	-	-
Total	**4,052.24**	3,136.29	2,691.75

Movement in balances of Other equity:

	March 31, 2018	March 31, 2017	March 31, 2016 (Proforma)
Securities Premium			
Balance as at the beginning of the year	**583.16**	583.16	583.16
Addition during the year	**-**	-	-
Balance as at the end of the year	**583.16**	583.16	583.16
Capital redemption reserve			
Balance as at the beginning of the year	**3.24**	3.24	0.03
Transfer from retained earnings	**-**	-	3.21
Balance as at the end of the year	**3.24**	3.24	3.24
General reserve			
Balance as at the beginning of the year	**175.10**	175.10	175.10
Addition during the year	**-**	-	-
Balance as at the end of the year	**175.10**	175.10	175.10
Capital reserve			
Balance as at the beginning of the year	**-**	-	1.00
Acquisition of subsidiary	**6.91**	-	-
Balance as at the end of the year	**6.91**	-	1.00
Employee stock options reserve			
Balance as at the beginning of the year	**0.43**	-	-
Share based payments (Refer note 33)	**16.60**	0.43	-
Balance as at the end of the year	**17.03**	0.43	-

(Rs. in million)

20 Other Equity *(Continued)*

	March 31, 2018	March 31, 2017	March 31, 2016 (Proforma)
Retained earnings			
Balance at the beginning of the year	**2,370.21**	1,948.63	2,894.96
Transferred from statement of profit and loss	**1,022.67**	1,016.57	767.96
Interim dividend paid	-	(500.00)	(767.43)
Tax on dividend distributed during the year	**(19.63)**	(89.19)	(174.02)
Transfer on account of sale of Joint venture	-	3.55	1.75
Buy back of equity shares	-	-	(600.00)
Tax on buy-back of equity shares	-	-	(135.23)
Transfer to capital redemption reserve	-	-	(3.21)
Preacquisition profit on purchase of additional stake in subsidiaries	-	-	(1.09)
Acquisition of stake from NCI	**(127.07)**	(4.30)	(36.96)
Written put option	**8.49**	(3.67)	-
Other comprehensive income			
Remeasurement of defined benefit plan	**(2.26)**	(1.38)	(2.12)
Balance as at the end of the year	**3,252.41**	2,370.21	1,944.61
Foreign currency translation reserve			
Balance as at the beginning of the year	**4.13**	-	-
Exchange differences in translating financial statements of foreign operations	**10.21**	(8.94)	(15.36)
Transfer on account of sale of Joint venture	-	13.07	-
Balance as at the end of the year	**14.34**	4.13	(15.36)
Debt instruments fair valued through OCI			
Balance as at the beginning of the year	-	-	-
Addition during the year	**0.03**	-	-
Balance as at the end of the year	**0.03**	-	-

Nature and purpose of reserves

Securities Premium reserve
The amount received in excess of face value of the equity shares is recognised in Securities Premium Reserve.

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 49

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.

(Rs. in million)

20 Other Equity *(Continued)*

Foreign currency translation reserve

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

Debt instruments fair valued through OCI

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

Annexure VI- Notes to Restated Consolidated Financial Information *(Continued)*
as at March 31, 2018

(Rs. in million)

	March 31, 2018	March 31, 2017	March 31, 2016 (Proforma)
21 Non-Current Financial Liabilities-Borrowings			
Secured loan			
From Banks			
- Vehicle loans (Refer Note 21.1 and Note 26)	**2.01**	3.64	4.59
Total	**2.01**	3.64	4.59

21.1 Terms of borrowings:

Vehicle loan

(i) Vehicle Loan of Rs. 0.49 million as at March 31, 2018, (March 31, 2017: Rs. 0.70 million; March 31, 2016: Nil) 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. April 5, 2017. The end date of the loan is March 5, 2020 and the loan is secured way of hypothecation of the respective vehicle.

(ii) Vehicle Loan of Nil as at March 31, 2018, (March 31, 2017: Nil; March 31, 2016: Rs. 0.15 million) is from ICICI bank carrying an interest rate of 11.01% The loan is repayable in 36 monthly installments along with interest, from the date of loan i.e. March 15, 2014. During the year ending March 31, 2017, the loan has been repaid.

(iii) Vehicle Loan of Rs. 3.15 million (March 31, 2017: Rs. 4.55 million; March 31, 2016: Rs. 5.97 million) 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. July 5, 2015. The end date of the loan is June 5, 2020 and the loan is secured way of hypothecation of the vehicle.

Annexure VI- Notes to Restated Consolidated Financial Information *(Continued)*
as at March 31, 2018

(Rs. in million)

		March 31, 2018	March 31, 2017	March 31, 2016 (Proforma)
22	**Other non-current financial liabilities**			
	Deferred purchase consideration payable (Refer note 43)	**24.31**	86.62	2.91
	Total	**24.31**	86.62	2.91
23	**Non-current provisions**			
	Non-Current			
	Provision for employee benefits			
	Gratuity (Refer Note 49)	**35.19**	31.52	24.42
	(A)	**35.19**	31.52	24.42
	Current			
	Provision for employee benefits			
	Gratuity (Refer Note 49)	**38.78**	32.28	33.09
	Leave entitlement	**4.94**	4.51	3.56
	(B)	**43.72**	36.79	36.65
	Total (A)+(B)	**78.91**	68.31	61.07

Annexure VI- Notes to Restated Consolidated Financial Information *(Continued)*
as at March 31, 2018

(Rs. in million)

	March 31, 2018	March 31, 2017	March 31, 2016 (Proforma)
24 Current Borrowings			
Unsecured loan			
Related parties			
From directors of subsidiary companies (Refer Note (i) below)	**1.69**	1.69	1.94
From others (Refer Note (ii) below)	**2.01**	2.32	2.47
Total	**3.70**	4.01	4.41

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.

(Rs. in million)

25 Trade payables

	March 31, 2018	March 31, 2017	March 31, 2016 (Proforma)
Trade payables			
Total outstanding due to micro and small enterprises (Refer Note 25.1)	-	-	-
Total outstanding dues of creditors other than micro enterprises and small enterprises*	**353.38**	359.06	328.05
Total	**353.38**	359.06	328.05

* Trade payables include amount payable to companies where Director of the Company is a director (Refer Note 41).

25.1 Micro and small enterprises

There are no micro and small enterprises, to whom the Group owes dues, which are outstanding for more than 45 days as at March 31, 2018, March 31, 2017 and March 31, 2016. 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.

	March 31, 2018	March 31, 2017	March 31, 2016 (Proforma)
a. Principal and interest amount remaining unpaid	-	-	-
b. Interest due thereon remaining unpaid	-	-	-
c. Interest paid by the Company in terms of Section 16 of the Micro, Small and Medium Enterprises Development Act, 2006, along with the amount of the payment made to the supplier beyond the appointed day	-	-	-
d. Interest due and payable for the period of delay in making payment (which have been paid but beyond the appointed day during the period) but without adding interest specified under the Micro, Small and Medium Enterprises Act,2006)	-	-	-
e. Interest accrued and remaining unpaid	-	-	-
f. Interest remaining due and payable even in the succeeding years, until such date when the interest dues as above are actually paid to the small enterprises	-	-	-

26 Other current financial liabilities

	March 31, 2018	March 31, 2017	March 31, 2016 (Proforma)
Current maturities of long-term borrowings			
- Vehicle loans	**1.63**	1.61	1.53
- Term loan	**-**	-	36.46
Written put option	-	8.49	4.81
Acrued expenses	**100.54**	59.41	44.97
Interest accrued and due on borrowings	**0.02**	-	-
Capital creditors	**8.56**	19.54	-
Employee related dues	**154.17**	146.04	117.15
Security deposits	**14.15**	17.28	10.83
Payable towards acquisition of business (Refer note 43)	**67.99**	129.95	4.85
Interim dividends payable	**-**	500.00	-
Other liabilities	-	1.14	8.60
Total	**347.06**	883.46	229.20

Terms of borrowing:
Term loan, having an interest rate of base rate plus 175 bps, from HDFC bank is secured by way of equitable mortgage on commercial properties situated at Vidyavihar - Mumbai. The same is repayable in 48 equal monthly installments starting from the end of third month from the date of first drawdown. During the previous year ended March 31, 2017, the Group has paid off the loan.

Annexure VI- Notes to Restated Consolidated Financial Information *(Continued)*
as at March 31, 2018

(Rs. in million)

		March 31, 2018	March 31, 2017	March 31, 2016 (Proforma)
27	**Other current liabilities**			
	Dividend distribution tax payable	-	86.43	127.62
	Statutory dues #	**49.66**	32.00	32.80
	Advance received from customers	**27.55**	22.52	50.52
	Total	**77.21**	140.95	210.94

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

		March 31, 2018	March 31, 2017	March 31, 2016 (Proforma)
28	**Current tax liabilities (net)**			
	Provision for taxation (net of advance tax)	**81.05**	94.27	100.32
	Total	**81.05**	94.27	100.32

Annexure VI- Notes to Restated Consolidated Financial Information *(Continued)*
for the year ended March 31, 2018

(Rs. in million)

		March 31, 2018	March 31, 2017	March 31, 2016 (Proforma)
29	**Revenue from operations**			
	Service income	**6,435.67**	5,447.24	4,754.69
	Total	**6,435.67**	5,447.24	4,754.69
30	**Other income**			
	Interest			
	- from banks	**9.81**	10.13	10.71
	- on income tax refund	**0.49**	27.36	-
	- on investments	**9.04**	-	-
	- others	**4.35**	9.53	2.05
	- related parties (Refer Note 41)	**-**	3.12	3.24
	Dividend			
	- from mutual fund	**16.35**	26.18	14.95
	Provision for doubtful advances written back (net)	**-**	9.41	-
	Net gain on fair valuation of mutual fund investments	**31.44**	60.97	109.02
	Profit on sale of property, plant and equipment	**2.72**	1.42	-
	Profit on sale of joint venture (Refer Note 46)	**-**	70.58	-
	Profit on sale of subsidiary (Refer Note 46)	**-**	-	6.02
	Miscellaneous income	**5.68**	10.65	5.66
	Total	**79.88**	229.35	151.65
31	**Cost of material consumed**			
	Opening stock (Refer Note 10)	**141.30**	155.71	160.82
	Add: Purchases	**1,529.55**	1,336.63	1,240.82
		1,670.85	1,492.34	1,401.64
	Less: Closing stock (Refer Note 10)	**(211.87)**	(141.30)	(155.71)
	Total	**1,458.98**	1,351.04	1,245.93
32	**Laboratory testing charges**			
	Laboratory testing charges	**56.75**	24.70	31.46
	Total	**56.75**	24.70	31.46
33	**Employee benefits expense**			
	Salaries, wages and bonus	**1,295.08**	1,145.61	959.39
	Contribution to provident and other funds (Refer Note 49 (a))	**75.00**	64.62	58.93
	Gratuity expenses (Refer Note 49 (b))	**18.67**	13.92	11.99
	Share based payment expenses (Refer Note 49 (c))	**16.60**	0.43	-
	Staff welfare expenses	**68.33**	52.37	51.46
	Total	**1,473.68**	1,276.95	1,081.77

Annexure VI- Notes to Restated Consolidated Financial Information *(Continued)*
for the year ended March 31, 2018

(Rs. in million)

		March 31, 2018	March 31, 2017	March 31, 2016 (Proforma)
34	**Finance costs**			
	Interest on term loan	**0.52**	1.63	7.98
	Interest on deferred purchase consideration measured at amortized cost (Refer Note 43(b))	**11.56**	2.24	-
	Total	**12.08**	3.87	7.98
35	**Depreciation and amortisation expense**			
	Depreciation on Property, Plant and Equipment (Refer Note 3)	**168.24**	164.44	162.19
	Amortisation of intangible assets (Refer Note 4)	**21.93**	7.83	4.22
	Total	**190.17**	172.27	166.41
36	**Other expenses**			
	Accreditation expenses	**9.70**	8.10	3.89
	Laboratory expenses	**8.50**	16.40	11.94
	Power and fuel	**99.89**	91.20	80.57
	Rent	**398.89**	296.88	210.76
	Repairs and maintenance			
	- Buildings	**3.24**	2.64	8.82
	- Laboratory equipment	**56.60**	34.45	28.68
	- Others	**53.59**	28.02	24.69
	Insurance	**11.31**	8.51	6.75
	Rates and taxes	**67.74**	29.84	29.87
	Bank charges	**23.37**	15.49	8.02
	Sample Collection Charges	**13.67**	-	-
	Legal and professional	**361.01**	296.19	281.80
	Travelling and conveyance	**102.74**	85.30	79.78
	Printing and stationery	**59.16**	60.53	58.74
	Provision for bad and doubtful debts (net)	**34.66**	23.49	23.80
	Provision for doubtful advances (net)	**0.34**	-	5.86
	Bad debts written off	**11.60**	4.36	7.58
	Royalty	**2.35**	2.35	-
	Postage and courier	**102.00**	75.13	79.80
	Communication	**43.29**	45.51	28.14
	Advertisement and sales promotion expenses	**123.36**	80.25	87.86
	Facility maintenance charges	**27.10**	22.71	-
	Loss on impairment of Goodwill (Refer Note 4)	**27.50**	-	-
	Loss on sale of Non-current investments (Refer Note 46)	**18.41**	-	-
	Loss on sale of property, plant and equipment	**-**	-	5.18
	Loss on fair value of equity accounted investment	**2.54**	-	-
	Payments to auditors (Refer Note 36.1)	**9.33**	8.42	4.66
	Donation	**0.13**	0.13	0.08
	Corporate social responsibility expenses (Refer Note 51)	**7.51**	1.27	-
	Directors' sitting fee	**1.87**	0.98	0.81
	Office Expenses	**0.26**	0.32	1.28
	Foreign exchange loss (net)	**3.76**	10.80	8.14
	Miscellaneous expenses	**35.46**	25.81	43.17
	Total	**1,720.88**	1,275.08	1,130.67
36.1	**Payment to Auditors**			
	Statutory audit fees	**9.32**	8.07	4.50
	Tax audit fees	**0.01**	0.35	0.16
		9.33	8.42	4.66

Annexure VI- Notes to Restated Consolidated Financial Information *(Continued)*

for the year ended March 31, 2018

(Rs. in million)

37 Taxation

i. Income Tax expense

Particulars	March 31, 2018	March 31, 2017	March 31, 2016 (Proforma)
Current tax expense			
Current year	**553.16**	516.53	484.21
Total current tax	**553.16**	516.53	484.21
Deferred tax expense			
Relating to addition & reversal of temporary differences	**(42.56)**	10.54	(28.73)
Relating to change in tax rate*	**(5.06)**	(0.43)	0.19
Total deferred tax	**(47.62)**	10.11	(28.54)
Tax expense for the year	**505.54**	526.64	455.67

* Effective Income tax rate applicable to Metropolis Healthcare Limited and other Indian subsidiaries for FY 2018-19 has changed on account of increase in the rate of health and education cess from 3% to 4% w.e.f. April 1, 2018. as per Finance Act, 2018. Accordingly the deferred tax rate applicable for FY 2017-18 has been changed. Also, change in tax rate for the year ended March 31, 2017 is attributed to different rates of surcharge applicable to subsidiaries based on their turnover.

ii. Tax charge recognised directly to Other Comprehensive Income

March 31, 2018

Particulars	Before tax	Tax (expense)	Net of tax
Items that will not be reclassified to profit or loss			
Remeasurements of the defined benefit plans	**(3.01)**	0.70	(2.31)
Items that will subsequently be reclassified to profit or loss			
Exchange differences in translating financial statements of foreign operations	**10.21**	-	10.21
Fair valuation of Debt instruments measured at FVOCI	**0.04**	(0.01)	0.03
Total tax charge recognized directly to Other Comprehensive Income	**7.24**	0.69	7.93

March 31, 2017

Particulars	Before tax	Tax (expense) benefit	Net of tax
Items that will not be reclassified to profit or loss			
Remeasurements of the defined benefit plans	**(1.22)**	**0.51**	(0.71)
Equity accounted investees - share of OCI	**(0.76)**	-	(0.76)
Items that will subsequently be reclassified to profit or loss			
Exchange differences in translating financial statements of foreign operations	**7.62**	-	7.62
Equity accounted investees - share of OCI	**(3.56)**	-	(3.56)
Total tax charge recognized directly to Other Comprehensive Income	**2.08**	**0.51**	**2.59**

March 31, 2016 (Proforma)

Particulars	Before tax	Tax (expense)	Net of tax
Items that will not be reclassified to profit or loss			
Remeasurements of the defined benefit plans	(3.49)	1.32	(2.17)
Equity accounted investees - share of OCI	0.06	-	0.06
Items that will subsequently be reclassified to profit or loss			
Exchange differences in translating financial statements of foreign operations	(13.58)	-	(13.58)
Equity accounted investees - share of OCI	(3.56)	-	(3.56)
Total tax charge recognized directly to Other Comprehensive Income	**(20.58)**	**1.32**	**(19.25)**

Annexure VI- Notes to Restated Consolidated Financial Information *(Continued)*
for the year ended March 31, 2018

(Rs. in million)

37 Taxation *(Continued)*

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

Particulars	March 31, 2018	March 31, 2017	March 31, 2016 (Proforma)
Profit before tax	**1,603.01**	1,599.21	1,275.22
Income tax expense at tax rates applicable to individual entities	**542.16**	553.51	497.69
Tax effect of adjustments to reconcile expected Income Tax Expense to reported Income Tax Expense:			
Expenses not allowed under Income tax	**14.15**	4.53	9.64
Income not subject to tax	**(38.35)**	(11.65)	(87.57)
Income taxable at a different rate	**(6.75)**	(54.54)	1.66
Deferred tax not created on losses	**3.92**	2.41	10.92
Share of Profit of Equity accounted investee	**-**	(4.78)	(4.69)
Others	**(9.59)**	37.16	28.02
Total tax expense	**505.54**	526.64	455.67
Income tax expense as per Restated statement of Profit and loss	**505.54**	526.64	455.67

Annexure VI- Notes to Restated Consolidated Financial Information *(Continued)*

for the year ended March 31, 2018

(Rs. in million)

37 Taxation *(Continued)*

iv. Movement in deferred tax balances

March 31, 2018

Particulars	Net balance April 1, 2017	Recognised in profit or loss	Recognised in OCI	Increase due to acquisition	Foreign currency translation	Net deferred tax asset/ (liability)	Deferred tax asset	Deferred tax (liability)
Property, plant, equipment and intangibles	(89.21)	(2.10)	-	(5.39)	-	(96.70)	(70.26)	(26.44)
Current investments	(19.94)	12.06	(0.01)	-	-	(7.89)	(5.61)	(2.28)
Business Combination	(6.12)	3.99	-	-	-	(2.13)	-	(2.13)
Provision for bad and doubtful debts	58.80	17.52	-	-	-	76.32	95.94	(19.62)
Provision for bad and doubtful advances / deposits	0.94	(0.91)	-	-	-	0.03	0.03	-
Provision for employee benefits	30.33	(0.11)	0.70	0.83	-	31.75	31.70	0.05
Mat credit entitlement	0.09	(0.09)	-	-	-	(0.00)	-	-
Share based payments	0.15	5.80	-	-	-	5.95	-	5.95
Others	(10.43)	11.46	-	-	0.17	1.20	1.17	0.03
Tax Assets (Liabilities)	**(35.39)**	**47.62**	**0.69**	**(4.56)**	**0.17**	**8.53**	**52.97**	**(44.44)**

March 31, 2017

Particulars	Net balance April 1, 2016	Recognised in profit or loss	Recognised in OCI	Increase due to acquisition	Foreign currency translation	Net deferred tax asset/ (liability)	Deferred tax asset	Deferred tax (liability)
Property, plant, equipment and intangibles	(38.46)	(50.42)	-	-	(0.33)	(89.21)	14.96	(104.19)
Current investments	(51.77)	31.83	-	-	-	(19.94)	(5.15)	(14.79)
Business Combination	-	0.77	-	(6.89)	-	(6.12)	-	(6.11)
Provision for bad and doubtful debts	55.68	3.12	-	-	-	58.80	14.18	44.62
Provision for bad and doubtful advances / deposits	0.45	0.48	-	-	-	0.94	0.85	0.09
Provision for employee benefits	42.92	(13.10)	0.51	-	-	30.33	12.30	18.03
Mat credit entitlement	1.03	(0.94)	-	-	-	0.09	-	0.09
Share based payments	-	0.15	-	-	-	0.15	-	0.15
Others	(28.12)	18.00	-	-	(0.31)	(10.43)	(2.83)	(7.60)
Tax Assets (Liabilities)	**(18.27)**	**(10.11)**	**0.51**	**(6.89)**	**(0.64)**	**(35.40)**	**34.31**	**(69.71)**

(Rs. in million)

37 Taxation *(Continued)*

iv. Movement in deferred tax balances *(Continued)*

March 31, 2016 (Proforma)

Particulars	Net balance April 1, 2015 (Proforma)	Recognised in profit or loss	Recognised in OCI	Increase due to acquisition	Foreign currency translation	Net deferred tax asset/ (liability)	Deferred tax asset	Deferred tax (liability)
Property, plant, equipment and intangibles	(33.56)	(12.81)	-	-	(0.19)	(46.56)	(32.86)	(13.70)
Current investments	(74.89)	23.12	-	-	-	(51.77)	(6.06)	(45.71)
Provision for bad and doubtful debts	46.93	8.75	-	-	-	55.68	54.50	1.18
Provision for bad and doubtful advances / deposits	1.08	(0.63)	-	-	-	0.45	0.45	-
Provision for employee benefits	16.35	9.50	1.32	-	(0.01)	27.16	22.44	4.72
Disallowances under section 43(B) of Income Tax Act, 1961	7.46	8.37	-	-	-	15.83	15.76	0.07
Mat credit entitlement	3.88	(2.85)	-	-	-	1.03	0.38	0.65
Others	(23.29)	(4.91)	-	-	-	(28.19)	(2.12)	(26.07)
Tax Assets (Liabilities)	**(56.04)**	**28.54**	**1.32**	**-**	**(0.20)**	**(26.37)**	**52.49**	**(78.86)**

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

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

As at March 31, 2018, undistributed earning of subsidiaries, to the extent attributable to the Group amounted to Rs. 1,110.22 million (March 31, 2017: Rs. 803.85 million; March 31, 2016:Rs. 591.54 million) The corresponding deferred tax liability of Rs. 208.80 million (March 31, 2017: Rs. 156.08 million; March 31, 2016: Rs. 114.39 million) was not recognised because the Group controls the dividend policy of its subsidiaries and is able to veto the payment of dividends of its joint ventures - i.e. the Group controls the timing of reversal of the related taxable temporary differences and management is satisfied that they will not reverse in the foreseeable future.

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

Annexure VI- Notes to Restated Consolidated Financial Information *(Continued)*
for the year ended March 31, 2018

(Rs. in million)

37 Taxation *(Continued)*

Tax losses carried forward

Deferred tax assets are recognised to the extent that it is probable that taxable profit will be available against which the deductible temporary differences, carry forward of unabsorbed depreciation and tax losses can be utilised. Accordingly, in view of uncertainty, Deferred tax assets have not been recognised in respect of the following items, because it is not probable that future capital gains profit / taxable profits will be available against which the Group can use the benefits therefrom.

	March 31, 2018		March 31, 2017		March 31, 2016	
	Gross amount	**Expiry date (Assessment year)**	Gross amount	Expiry date (Assessment year)	Gross amount	Expiry date (Assessment year)
Long term Capital loss	**-**	**31-Mar-21**	0.01	31-Mar-21	2.75	31-Mar-21
	0.43	**31-Mar-22**	0.94	31-Mar-22	3.85	31-Mar-22
	0.70	**31-Mar-23**	0.70	31-Mar-23	10.74	31-Mar-23
	-	-	-	-	5.43	31-Mar-24
	1.13		1.65		22.78	
Business Loss*						
	-		0.66	31-Mar-18	0.67	31-Mar-18
	2.01	**31-Mar-19**	2.01	31-Mar-19	2.05	31-Mar-19
	0.68	**31-Mar-20**	0.68	31-Mar-20	0.69	31-Mar-20
	13.35	**31-Mar-21**	13.32	31-Mar-21	13.82	31-Mar-21
	7.15	**31-Mar-22**	7.14	31-Mar-22	1.25	31-Mar-22
	2.51	**31-Mar-23**	2.51	31-Mar-23	2.51	31-Mar-23
	7.85	**31-Mar-24**	7.85	31-Mar-24	7.85	31-Mar-24
	14.17	**31-Mar-25**	18.88	31-Mar-25	14.17	31-Mar-25
	7.74	**31-Mar-26**	7.74	31-Mar-26	-	
	4.15	**31-Mar-27**	-		-	
	59.62		60.79		43.01	
Unabsorbed Depreciation	**15.16**	**No expiry date**	14.16	No expiry date	13.01	No expiry date
	15.16		14.16		13.01	
Short term Capital loss	**1.13**	**31-Mar-23**	1.13	31-Mar-23	1.13	31-Mar-23
	1.03	**31-Mar-26**	1.05	31-Mar-26	-	
	2.16		2.18		1.13	

*Includes carried forward losses of foreign subsidiaries

Annexure VI- Notes to Restated Consolidated Financial Information *(Continued)*
for the year ended March 31, 2018

(Rs. in million)

38 Earnings Per Share

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

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

[I] Earnings per equity share (after bonus and split of shares)

Particulars	**March 31, 2018**	March 31, 2017	March 31, 2016 (Proforma)
i. Profit attributable to equity holders (Rs in million)			
Profit attributable to equity holders for basic and diluted EPS	**1,022.67**	1,016.57	767.96
ii. Weighted average number of shares for calculating basic	**49,626,960**	49,626,960	50,360,045
iii. Effect of dilution			
Share options and warrants*	**281,965**	327,585	364,745
Weighted average number of shares for calculating diluted EPS	**49,908,925**	49,954,545	50,724,790
iv. Basic earnings per share (Rs.)	**20.61**	20.48	15.25
v. Diluted earnings per share (Rs.)	**20.49**	20.35	15.14

* Following share options and share warrants were excluded from the calculation of diluted weighted average number of equity shares as their effect is anti-dilutive:

For the year ended 31 March 2018 - 10,80,400 share options
For the year ended 31 March 2017 - 1,44,560 share options and 45,255 share warrants
For the year ended 31 March 2016 - 45,255 warrants

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 Rs. 10/- (Rupees ten) each to equity shares of Rs. 2/- (Rupees two) each.

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

[II] Earnings per equity share (before bonus and split of shares)

Particulars	**March 31, 2018**	March 31, 2017	March 31, 2016 (Proforma)
i. Profit attributable to equity holders (Rs in million)			
Profit attributable to equity holders for basic and diluted EPS	**1,022.67**	1,016.57	767.96
ii. Weighted average number of shares for calculating basic	**9,543,646**	9,543,646	9,684,624
iii. Effect of dilution			
Share options and warrants*	**54,224**	62,997	70,143
Weighted average number of shares for calculating diluted EPS	**9,597,870**	9,606,643	9,754,767
iv. Basic earnings per share (Rs.)	**107.16**	106.52	79.30
v. Diluted earnings per share (Rs.)	**106.55**	105.82	78.73

* Following share options and share warrants were excluded from the calculation of diluted weighted average number of equity shares as their effect is anti-dilutive:

For the year ended 31 March 2018 - 207,770 share options
For the year ended 31 March 2017 - 27,800 share options and 8,703 share warrants
For the year ended 31 March 2016 - 8,703 warrants

(Rs. in million)

39 Financial instruments – Fair values and risk management

A. Accounting classification and fair values

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

	Carrying amount				Fair value			
As at March 31, 2018	**Fair value through profit and loss**	**Fair value through other comprehensive income**	**Amortised Cost**	**Total**	**Level 1**	**Level 2**	**Level 3**	**Total**
Non Current Financial assets								
Non-current investments - Unquoted equity instruments in others**	-	-		-	-	-	-	-
Non-current Loans- Security Deposits	-	-	24.29	24.29	-	24.29	-	24.29
Other Non-current Loans	-	-	8.93	8.93	-	-	-	-
Other non current financial assets	-	-	83.34	83.34	-	-	-	-
Current Financial assets								
Investment in mutual funds	605.63	-	-	605.63	-	605.63	-	605.63
Investment in Non-Convertible Debentures	-	201.03	-	201.03	-	201.03	-	201.03
Investment in Commercial Papers	-	197.57	-	197.57	-	197.57	-	197.57
Trade receivables	-	-	1,006.84	1,006.84	-	-	-	-
Cash and cash equivalents	-	-	434.68	434.68	-	-	-	-
Bank Balances other than Cash and cash equivalents	-	-	166.68	166.68	-	-	-	-
Current loans	-	-	108.21	108.21	-	-	-	-
Other current financial assets	-	-	13.52	13.52	-	-	-	-
	605.63	**398.60**	**1,846.49**	**2,850.72**	**-**	**1,028.52**	**-**	**1,028.52**
Non Current Financial liabilities								
Borrowings	-	-	2.01	2.01	-	2.01	-	2.01
Other non-current financial liabilities	-	-	24.31	24.31	-	24.31	-	24.31
Current Financial liabilities								-
Borrowings	-	-	3.70	3.70	-	-	-	-
Trade payables	-	-	353.38	353.38	-	-	-	-
Other current financial liabilities	-	-	347.06	347.06	-	-	-	-
	-	**-**	**730.46**	**730.46**	**-**	**26.32**	**-**	**26.32**

Metropolis Healthcare Limited

Annexure VI- Notes to Restated Consolidated Financial Information *(Continued)*

for the year ended March 31, 2018

(Rs. in million)

39 Financial instruments – Fair values and risk management *(Continued)*

A. Accounting classification and fair values ***(Continued)***

	Carrying amount				Fair value			
As at March 31, 2017	**Fair value through profit and loss**	**Fair value through other comprehensive income**	**Amortised Cost**	**Total**	**Level 1**	**Level 2**	**Level 3**	**Total**
Non Current Financial assets								
Non-current investments	-	-	-	-	-	-	-	-
- Unquoted equity instruments in others**								
Non-current Loans- Security Deposits	-	-	23.62	23.62	-	23.62	-	23.62
Other Non-current Loans	-	-	13.61	13.60	-	-	-	-
Other non current financial assets	-	-	22.36	22.36	-	-	-	-
Current Financial assets								
Investment in mutual funds	1,340.52	-		1,340.52	-	1,340.52	-	1,340.52
Trade receivables	-	-	802.88	802.88	-	-	-	-
Cash and cash equivalents	-	-	255.09	255.09	-	-	-	-
Bank Balances other than Cash and cash	-	-	150.03	150.03	-	-	-	-
Current loans	-	-	96.07	96.07	-	-	-	-
Other current financial assets	-	-	5.46	5.46	-	-	-	-
	1,340.52	**-**	**1,369.12**	**2,709.63**	**-**	**1,364.15**	**-**	**1,364.15**
Non Current Financial liabilities								
Borrowings	-	-	3.64	3.64	-	3.64	-	3.64
Other non-current financial liabilities	-	-	86.62	86.62	-	86.62	-	86.62
Current Financial liabilities								
Borrowings	-	-	4.01	4.01	-	-	-	-
Trade payables	-	-	359.06	359.06	-	-	-	-
Other current financial liabilities	-	-	883.46	883.46	-	-	-	
	-	**-**	**1,336.79**	**1,336.79**	**-**	**90.26**	**-**	**90.26**

	Carrying amount				Fair value			
As at March 31, 2016 (Proforma)	**Fair value through profit and loss**	**Fair value through other comprehensive income**	**Amortised Cost**	**Total**	**Level 1**	**Level 2**	**Level 3**	**Total**
Non Current Financial assets								
Non-current investments	-	-		-	-	-		-
- Unquoted equity instruments in others**								
Non-current Loans- Security Deposits	-	-	30.21	30.21	-	30.21	-	30.21
Other Non-current Loans	-	-	52.81	52.81	-	-	-	-
Other non current financial assets	-	-	0.42	0.42	-	-	-	-
Current Financial assets								
Investment in mutual funds	942.42	-		942.42	-	942.42	-	942.42
Trade receivables	-	-	702.00	702.00	-	-	-	-
Cash and cash equivalents	-	-	268.32	268.32	-	-	-	-
Bank Balances other than Cash and cash equivalents	-	-	67.64	67.64	-	-	-	-
Current loans	-	-	72.54	72.54	-	-	-	-
Other current financial assets	-	-	5.49	5.49	-	-	-	-
	942.42	**-**	**1,199.43**	**2,141.85**	**-**	**972.63**	**-**	**972.63**
Non Current Financial liabilities								
Borrowings	-	-	4.59	4.59	-	4.59	-	4.59
Other non-current financial liabilities	-	-	2.91	2.91	-	2.91	-	2.91
Current Financial liabilities								
Borrowings	-	-	4.41	4.41	-	-	-	-
Trade payables	-	-	328.05	328.05	-	-	-	-
Other current financial liabilities	-	-	229.20	229.20	-	-	-	-
	-	**-**	**569.16**	**569.16**	**-**	**7.50**	**-**	**7.50**

** The fair value in respect of the unquoted equity investments cannot be reliably estimated. The Group has currently measured them at cost, i.e. Rs. 17.56 million (31 March 2017: Rs. 17.56 million; 31 March 2016: Rs. 17.56 million.)

(Rs. in million)

39 Financial instruments – Fair values and risk management *(Continued)*

A. Accounting classification and fair values *(Continued)*

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

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

B. Fair value hierarchy

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

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

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

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

Financial instruments measured at fair value

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

Type	Valuation technique	Significant unobservable inputs	Inter-relationship between significant unobservable inputs and fair value measurement
Investment in mutual funds	The fair value of the units of mutual fund scheme are based on net asset value at each reporting date.	Not applicable	Not applicable
Investment in Commercial Papers	The fair value of commercial papers is derived through Stochastic Local Volatility process, where in yield is derived from trade data and pooled levels of similar instruments with similar maturity and credit rating that are traded in secondary market, adjusted by an illiquidity factor.	Not applicable	Not applicable
Investment in Non-Convertible Debentures	The fair value of Non-Convertible Debentures is derived through Stochastic Local Volatility process, where in yield is derived from trade data and pooled levels of similar instruments with similar maturity and credit rating that are traded in secondary market, adjusted by an illiquidity factor.	Not applicable	Not applicable
Non current financial assets and liabilities measured at amortized cost (including written put option liability)	Discounted cash flows: Under Discounted cash flow method, future cash flows are discounted by using rates which reflect market risks. The valuation requires management to make certain assumptions about the model inputs, including forecast cash flows, discount rate and credit risk. The probabilities of the various estimates within the range can be reasonably assessed and are used in management's estimate of fair value.	Not applicable	Not applicable

Transfers between Levels

There have been no transfers between levels during the reporting years

(Rs. in million)

39 Financial instruments – Fair values and risk management *(Continued)*

Financial risk management

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

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

- Credit risk
- Liquidity risk
- Market risk

Credit risk

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

a. Trade receivables

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

The Group does not have any significant concentration of credit risk. Further, Group has one customer which accounts for 10% or more of the total trade receivables at each reporting date.

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

	Gross carrying amount		
	March 31, 2018	March 31, 2017	March 31, 2016 (Proforma)
Future dues not impaired			
Not due	**243.24**	152.36	159.77
Past due 0–90 days	**272.63**	349.12	301.39
Past due 91–180 days	**163.89**	211.55	163.00
Past due 181–365 days	**155.89**	111.76	63.68
More than 365 days	**391.11**	167.80	178.73
	1,226.76	992.59	866.57

The movement in the provision for bad and doubtful debts for the year ended March 31, 2018, March 31, 2017 and March 31, 2016 is as follows:

Movement in provision for doubtful debts:

	Amount (Rs Million)
Balance as at April 1, 2015 (Proforma)	**140.78**
Movement during the year	23.79
Balance as at March 31, 2016 (Proforma)	**164.57**
Movement during the year	25.14
Balance as at March 31, 2017	**189.71**
Movement during the year	30.21
Balance as at March 31, 2018	**219.92**

(Rs. in million)

39 Financial instruments – Fair values and risk management *(Continued)*

Financial risk management

b. Cash and cash equivalents and Other bank balances

The Group held cash and cash equivalents and other bank balances of Rs.674.55 million at March 31, 2018 (March 31, 2017: Rs. 415.54 million, March 31, 2016 : Rs. 324.39 million). 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.

	Amount (Rs Million)
Balance as at April 1, 2015 (Proforma)	**20.30**
Movement during the year	4.40
Balance as at March 31, 2016 (Proforma)	**24.70**
Movement during the year	(8.78)
Balance as at March 31, 2017	**15.92**
Movement during the year	0.22
Balance as at March 31, 2018	**16.14**

Annexure VI- Notes to Restated Consolidated Financial Information *(Continued)*

for the year ended March 31, 2018

(Rs. in million)

39 Financial instruments – Fair values and risk management *(Continued)*

Liquidity risk

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

Maturities of financial liabilities

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

March 31, 2018

Particulars	Carrying amount	Contractual cash flows: Total	Upto 1 year	1-3 years	3-5 years	More than 5 years
Non-derivative financial liabilities						
Payable towards acquisition of business	92.29	98.40	70.00	28.40	-	-
Non-current Borrowings	3.64	3.64	1.63	2.01	-	-
Interest payable on borrowings	-	4.13	2.84	1.29	-	-
Current borrowings	3.70	3.70	3.70	-	-	-
Trade payables	353.38	353.38	353.38	-	-	-
Other current financial liabilities	277.44	277.44	277.44	-	-	-
Total	**730.45**	**740.68**	**708.99**	**31.70**	**-**	**-**

March 31, 2017

Particulars	Carrying amount	Contractual cash flows: Total	Upto 1 year	1-3 years	3-5 years	More than 5 years
Non-derivative financial liabilities						
Payable towards acquisition of business	216.56	234.23	135.56	98.67	-	-
Non-current Borrowings	5.24	5.24	1.61	3.29	0.35	-
Interest payable on borrowings	-	0.86	0.44	0.41	-	-
Current borrowings	4.01	4.01	4.01	-	-	-
Trade payables	359.06	359.06	359.06	-	-	-
Other current financial liabilities	743.41	743.41	743.41	-	-	-
Written Put Option	8.49	8.49	8.49	-	-	-
Total	**1,336.77**	**1,355.30**	**1,252.58**	**102.37**	**0.35**	**-**

March 31, 2016 (Proforma)

Particulars	Carrying amount	Contractual cash flows: Total	Upto 1 year	1-3 years	3-5 years	More than 5 years
Non-derivative financial liabilities						
Payable towards acquisition of business	7.76	7.76	4.85	2.91	-	-
Non-current Borrowings	42.58	42.58	37.99	2.79	1.80	-
Interest payable on borrowings	-	2.92	2.16	0.64	0.12	-
Current borrowings	4.41	4.41	4.41	-	-	-
Trade payables	328.05	328.05	328.05	-	-	-
Other current financial liabilities	181.55	181.55	181.55	-	-	-
Written Put Option	4.81	4.81	4.81	-	-	-
Total	**569.16**	**572.08**	**563.82**	**6.34**	**1.92**	**-**

The outflows disclosed in the above table represent the total contractual undiscounted cash flows, which also includes total interest payables on borrowings.

(Rs. in million)

39 Financial instruments – Fair values and risk management *(Continued)*

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 March 31, 2018, March 31, 2017 and March 31, 2016 ((Proforma)) are as below:

March 31, 2018	**USD**	**SAR**	**LKR**	**OMR**
Financial assets (A)				
Trade and other receivables	27.50	-	-	3.06
Advance given	0.63	-	-	-
Financial liabilities (B)				
Trade and other payables	0.03	0.38	-	-
Net exposure (A - B)	**28.11**	**(0.38)**	**-**	**3.06**

March 31, 2017	**USD**	**SAR**	**LKR**	**OMR**
Financial assets (A)				
Trade and other receivables	22.30	1.08	-	7.16
Loans	-	-	1.10	-
Advance given	0.93	-	-	-
Financial liabilities (B)				
Trade and other payables	2.94	-	-	-
Advance taken	0.40	-	-	-
Net exposure (A - B)	19.89	1.08	1.10	7.16

Annexure VI- Notes to Restated Consolidated Financial Information *(Continued)*

for the year ended March 31, 2018

(Rs. in million)

39 Financial instruments – Fair values and risk management *(Continued)*

Market risk *(Continued)*

March 31, 2016 (Proforma)	USD	SAR	LKR	OMR
Financial assets (A)				
Trade and other receivables	2.78	1.10	-	2.01
Loans	-	27.16	1.10	-
Financial liabilities (B)				
Trade and other payables	3.27	-	-	-
Net exposure (A - B)	(0.49)	28.26	1.10	2.01

Sensitivity analysis

A reasonably possible strengthening (weakening) of the Indian Rupee against foreign currencies at March 31, 2018, March 31, 2017 and March 31, 2016 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.

	March 31, 2018		March 31, 2017		March 31, 2016 (Proforma)	
Effect in INR	**Strengthening**	**Weakening**	Strengthening	Weakening	Strengthening	Weakening
3% movement						
USD	**(0.84)**	**0.84**	(0.60)	0.60	0.01	(0.01)
SAR	**0.01**	**(0.01)**	(0.03)	0.03	(0.85)	0.85
LKR	**-**	**-**	(0.03)	0.03	(0.03)	0.03
OMR	**(0.09)**	**0.09**	(0.21)	0.21	(0.06)	0.06
	(0.92)	**0.92**	(0.88)	0.88	(0.93)	0.93

(Rs. in million)

39 Financial instruments – Fair values and risk management *(Continued)*

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

	March 31, 2018	March 31, 2017	March 31, 2016 (Proforma)
Fixed-rate instruments			
Financial assets	**724.11**	221.35	163.65
Financial liabilities	**(92.29)**	(212.60)	-
	631.81	8.75	163.65
Variable-rate instruments			
Financial assets	-	-	-
Financial liabilities	**(3.64)**	(5.24)	(42.58)
	(3.64)	(5.24)	(42.58)
Total	**628.18**	3.51	121.07

Cash flow sensitivity analysis for variable-rate instruments

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

	Profit or loss	
INR	**100 bp increase**	**100 bp decrease**
March 31, 2018		
Variable-rate instruments	(0.04)	0.04
Cash flow sensitivity (net)	(0.04)	0.04
March 31, 2017		
Variable-rate instruments	(0.05)	0.05
Cash flow sensitivity (net)	(0.05)	0.05
March 31, 2016 ((Proforma))		
Variable-rate instruments	(0.43)	0.43
Cash flow sensitivity (net)	(0.43)	0.43

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

(Rs. in million)

40 Capital management

The objective of the Group's capital management is to ensure that it maintains an efficient capital structure and healthy capital ratios to support its business and 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 Company is not subject to any externally imposed capital requirements.

Annexure VI- Notes to Restated Consolidated Financial Information *(Continued)*
for the year ended March 31, 2018

(Rs. in million)

41 Related Party Disclosures, as required by Indian Accounting Standard 24 (Ind AS 24) are given below:

	Relationships :	March 31, 2018	March 31, 2017	March 31, 2016 (Proforma)
A.	**Joint Venture:**		Metropolis Healthcare Lanka Private Limited (Formerly known as Nawaloka Metropolis Laboratories Private Limited, Sri Lanka) (upto 31 March 2017)	Metropolis Healthcare Lanka Private Limited (Formerly known as Nawaloka Metropolis Laboratories Private Limited, Sri Lanka) (upto 31 March 2017)
			Metropolis Health Services (South Africa) (Pty.) Ltd (upto 30 June 2016)	Metropolis Health Services (South Africa) (Pty.) Ltd (upto 30 June 2016)
		Metropolis Histoxpert Digital Services Private Limited (with effect from 8 February 2018)		
B.	**Associate**	Star Metropolis Health Services Middle East LLC, Dubai	Star Metropolis Health Services Middle East LLC, Dubai	Star Metropolis Health Services Middle East LLC, Dubai
C.	**Key Management Personnel (KMP)**	Dr. Sushil Kanubhai Shah, Chairman	Dr. Sushil Kanubhai Shah, Chairman	Dr. Sushil Kanubhai Shah, Chairman
		Ms. Ameera Sushil Shah, Managing director	Ms. Ameera Sushil Shah, Managing director	Ms. Ameera Sushil Shah, Managing director
		Mr Vijender Singh, Chief executive officer	Mr Vijender Singh, Chief executive officer (with effect from 1 April 2016)	
		Mr Tushar Karnik, Chief financial officer (with effect from 1 April 2016)	Mr Tushar Karnik, Chief financial officer (with effect from 1 April 2016)	
		Mr Jayant Prakash, Company Secretary	Mr Jayant Prakash, Company Secretary (with effect from 22 September 2016)	
			Mr Sanket Shah, Company Secretary (upto 22 September 2016)	Mr Sanket Shah, Company Secretary
				Dr. G.S.K. Velu, Vice Chairman (till 9 September 2015)
			Mr. Mangesh Kulkarni Chief financial officer (upto 31 March 2016)	Mr. Mangesh Kulkarni Chief financial officer (upto 31 March 2016)
D.	**Relatives of KMP**	Dr. Duru Sushil Shah	Dr. Duru Sushil Shah	Dr. Duru Sushil Shah
				Ms. Subha K. Velu (upto 9 September 2015)
				Ms. Gomathy Velu (upto 9 September 2015)
E.	**Category V: Companies in which key management personnel or their relatives have significant influence (Other related parties)**	Metropolis Health Product Retail Private Limited	Metropolis Health Product Retail Private Limited	Metropolis Health Product Retail Private Limited (from 29 December 2015)
		Bacchus Hospitality and Services Real Estate Private Limited	Bacchus Hospitality and Services Real Estate Private Limited	Bacchus Hospitality and Services Real Estate Private Limited
		Metz Advisory LLP	Metz Advisory LLP	Metz Advisory LLP (from 28 December 2015)
				Trivitron Healthcare Private Limited (till 9 September 2015)
				Trivitech Healthcare Private Limited (till 9 September 2015)
				Bio Systems Diagnostics (P) Limited (till 9 September 2015)
				Trivitron Medical Systems Private Limited (upto 9 September 2015)
				Trivitron Diagnostics Private Limited (upto 9 September 2015)
				Diasorin Trivitron Healthcare Private Limited (upto 9 September 2015)
				Span Diagnostics Private Limited (upto 9 September 2015)

Annexure VI- Notes to Restated Consolidated Financial Information *(Continued)*

for the year ended March 31, 2018

(Rs. in million)

41 Related party disclosures: *(Continued)*

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

	Particulars	For the year ended **March 31, 2018**	March 31, 2017	March 31, 2016 (Proforma)
1)	**Services rendered**			
	Joint Venture			
	Metropolis Healthcare Lanka Private Limited (Upto March 31, 2017)	-	24.17	18.97
	Relatives of KMP			
	Dr. Duru Sushil Shah	**1.64**	1.91	2.18
2)	**Rent paid**			
	Key Management Personnel			
	Dr. Sushil Kanubhai Shah	**2.57**	9.98	8.95
	Relatives of KMP			
	Mrs. Subha K. Velu	-	-	0.92
	Mrs. Gomathy Velu	-	-	0.86
3)	**Rent received**			
	Other related parties			
	Metropolis Health Product Retail Private Limited	-	6.00	-
4)	**Compensation paid to Key Management Personnel**			
	Short-term employee benefits^	**55.16**	46.50	45.34
	Post employement benefit	**2.01**	1.81	0.28
	Share-based payments expense	**7.23**	0.21	-
	^As gratuity expense is based on acturial valuation, the same cannot be computed for individual employees. Hence, not disclosed separately.			
5)	**Reimbursement of expenses (net)**			
	Joint venture			
	Metropolis Healthcare Lanka Pvt. Ltd.(Upto March 31, 2017)	-	1.66	-
	Other related parties			
	Metropolis Health Retail Products Private Limited	**0.46**	0.46	-
7)	**Dividend paid**			
	Key Management Personnel			
	Dr Sushil Kanubhai Shah	-	172.40	-
	Ameera Sushil Shah	-	1.31	-
	Other related parties			
	Bacchus Hospitality Services And Real Estate Private Limited	-	139.24	-
	Metz Advisory LLP	-	14.27	-
	Relatives of KMP			
	Dr Duru Sushil Shah	-	15.06	-
8)	**Interest income**			
	Joint Venture			
	Metropolis Healthcare Lanka Private Limited (Upto March 31, 2017)	-	0.11	0.11
	Metropolis Health Services Africa (Pty) Limited	-	3.01	3.13
9)	**Purchase of goods and services**			
	Other related parties			
	Trivitron Health Care Private Limited	-	-	3.35
	BioSystems Diagnostics Private Limited	-	-	1.13
10)	**Professional fees**			
	Key Management Personnel			
	Dr. Sushil Kanubhai Shah	-	-	2.50
11)	**Purchase of fixed assets**			
	Other related parties			
	Trivitron Health Care Private Limited	-	-	0.47
	BioSystems Diagnostics Private Limited	-	-	0.16
12)	**Repayment of loan**			
	Joint Venture			
	Metropolis Health Services (South Africa) Pty Limited	-	45.60	-

(Rs. in million)

41 Related party disclosures: *(Continued)*

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

	Particulars	March 31, 2018	March 31, 2017	March 31, 2016 (Proforma)
1)	**Trade payable and other liablities**			
	Key Management Personnel			
	Ms. Ameera Sushil Shah	-	12.52	39.73
	Mr. Mangesh Kulkarni	-	-	0.33
	Mr. Sanket Shah	-	-	0.05
	Other related parties			
	Metropolis Health Product Retail Private Limited	**0.19**	0.19	-
2)	**Trade receivables**			
	Joint Venture			
	Metropolis Healthcare Lanka Pvt. Ltd.(Upto March 31, 2017)	-	13.22	8.84
	Associate			
	Star Metropolis Health Services Middle East LLC, Dubai	**59.85**	59.85	59.85
	Relatives of KMP			
	Dr. Duru Sushil Shah	**0.22**	0.22	0.29
	Other related parties			
	Metropolis Health Product Retail Private Limited	**4.11**	4.11	-
3)	**Loans and advances including interest accrued**			
	Joint Venture			
	Metropolis Healthcare Lanka Pvt. Ltd.(Upto March 31, 2017)	-	1.10	3.44
	Metropolis Health Services (South Africa) Pty Limited	-	-	40.44
	Associate			
	Star Metropolis Health Services Middle East LLC, Dubai	**4.23**	4.23	4.23
	Other related parties			
	Metropolis Health Product Retail Private Limited	**4.40**	4.40	7.71
4)	**Provision for dimunition in value of investments**			
	Associate			
	Star Metropolis Health Services Middle East LLC, Dubai	**12.98**	12.98	12.98
5)	**Provision for doubtful trade receivables**			
	Associate			
	Star Metropolis Health Services Middle East LLC, Dubai	**59.85**	59.85	59.85
	Other related parties			
	Metropolis Health Product Retail Private Limited	**4.11**	4.11	-
6)	**Dividend Payable**			
	Key Management Personnel			
	Ms. Ameera Sushil Shah	-	1.31	-
	Dr. Sushil Kanubhai Shah	-	172.40	-
	Relatives of KMP			
	Dr. Duru Sushil Shah	-	15.06	-
	Other related parties			
	Bacchus Hospitality Services And Real Estate Private Limited	-	139.24	-
	Metz Advisory LLP	-	14.27	-
7)	**Provision for doubtful advances**			
	Associate			
	Star Metropolis Health Services Middle East LLC, Dubai	**4.23**	4.23	4.23
	Other related parties			
	Metropolis Health Product Retail Private Limited	**4.40**	4.40	-

Annexure VI- Notes to Restated Consolidated Financial Information *(Continued)*
for the year ended March 31, 2018

(Rs. in million)

42 Details of Subsidiaries, Joint Ventures and Associates

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

Name of the subsidiary	Country of incorporation	Proportion of ownership interest		
		March 31, 2018	March 31, 2017	March 31, 2016 (Proforma)
Sudharma Metropolis Health Services Private Limited	India	**90.00%**	90.00%	90.00%
Golwilkar Metropolis Health Services (India) Private Limited	India	**100.00%**	70.00%	70.00%
Bokil Golwilkar Metropolis Healthcare Private Limited	India	**76.00%**	53.20%	53.20%
Sanket Metropolis Health Services (India) Private Limited	India	**100.00%**	100.00%	100.00%
Raj Metropolis Healthcare Private Limited	India	**51.00%**	51.00%	51.00%
Desai Metropolis Health Services Private Limited	India	**81.60%**	81.60%	81.60%
R.V. Metropolis Diagnostics & Healthcare Centre Private	India	**76.74%**	76.74%	76.74%
Final Diagnosis Private Limited	India	**100.00%**	100.00%	100.00%
Metropolis Healthcare (Jodhpur) Private Limited	India	**100.00%**	70.00%	70.00%
Metropolis Healthcare (Chandigarh) Private Limited	India	**100.00%**	100.00%	70.00%
Micron Metropolis Healthcare Private Limited	India	**85.00%**	85.00%	85.00%
Mulay Metropolis Healthcare Private Limited $	India	**-**	70.00%	70.00%
Dr. Patel Metropolis Healthcare Private Limited	India	**70.00%**	70.00%	70.00%
Lab One Metropolis Healthcare Services Private Limited	India	**51.00%**	51.00%	51.00%
Amins Pathology Laboratory Private Limited	India	**100.00%**	100.00%	100.00%
Ekopath Metropolis Lab Services Private Limited	India	**60.00%**	60.00%	60.00%
Metropolis Healthcare (Mauritius) Limited	Mauritius	**100.00%**	100.00%	100.00%
Metropolis Star Lab Kenya Limited	Kenya	**100.00%**	100.00%	100.00%
Metropolis Healthcare Ghana Limited	Ghana	**100.00%**	100.00%	100.00%
Metropolis Healthcare Lanka Private Limited	Sri Lanka	**100.00%**	NA*	NA*
Metropolis Bramser Lab Services (Mtius) Limited	Mauritius	**100.00%**	70.00%	70.00%

* Refer below table 42(b)

$ Entity sold during the year ended 31 March 2018

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

Name of Joint ventures	Country of incorporation	Proportion of ownership interest		
		March 31, 2018	March 31, 2017	March 31, 2016 (Proforma)
Metropolis Healthcare Lanka Private Limited	Sri Lanka	**NA***	50.00%	50.00%
Metropolis Health Services (South Africa) (Pty.) Limited **	South Africa	**-**	-	51.00%
Metropolis Histoxpert Digital Services Private Limited	India	**65.00%**	-	-

* Refer above table 42(a)

** Ownership interest sold during the year ended March 2017

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

Name of Associates	Country of incorporation	Proportion of ownership interest		
		March 31, 2018	March 31, 2017	March 31, 2016 (Proforma)
Star Metropolis Health Services Middle East LLC^	Dubai	**34.00%**	34.00%	34.00%

^ Associate is not accounted in the consolidated financial statements because of non-availability of adequate information

(Rs. in million)

43 Business Combinations

(a) Acquisition of K K Shah Laboratories

On September 16, 2015, Metropolis Star Lab Kenya Limited, a group company, acquired the business undertaking of K K Shah Laboratories situated in Nairobi (Kenya). K K Shah Laboratories is engaged in the business of providing pathology services and the acquisition is in-line with the company's plan to pursue strategic tuck-in acquisitions to grow the pathology business.

A. Consideration transferred

The following table summarises the acquisition date fair value of major class of consideration transferred:

	Amount (Rs Million)
Cash	17.47
Deferred consideration	7.77
Total consideration for business combination	**25.24**

Deferred payment consideration
As per the business purchase agreement, upon payment of initial consideration of 27 million Kenya Shillings (Rs.17.47 million), an amount of 12 million Kenya Shillings (Rs. 7.77 million) is to be paid by the company to K K Shah on a quarterly basis in equal instalments over a period of 2 years from Novemeber 16, 2015.

B. Identifiable assets acquired and liabilities assumed

The following table summaries the recognised amounts of assets acquired and liabilities assumed at fair value at the date of acquisition:

	Amount (Rs Million)
Property, plant and equipment	6.35
Total net identifiable assets acquired	**6.35**

C. Goodwill

Goodwill arising from the acquisition has been determined as follows:

	Amount (Rs Million)
Consideration transferred	25.24
Value of net identifiable assets	6.35
Goodwill	**18.89**

(b) Acquisition of Business- Sanjeevani Pathology Laboratory

On February 1, 2017, Metropolis Healthcare Limited acquired the business undertaking of Sanjeevani Pathology Laboratory, comprising of the pathology division. Sanjeevani Pathology Laboratory is engaged in the business of providing pathology services across various departments such as haematology, biochemistry histopathology, cytology, immunology, medical microbiology, serology, etc. The acquisition is in-line with the Group's plan to pursue strategic tuck-in acquisitions to grow the pathology business.

For two months ended March 31, 2017, Sanjeevani Pathology Laboratory contributed revenue of Rs. 21.57 million and profit of Rs. 6.31 million to the Group's results. Management estimates that if the acquisition had occurred on April 1, 2016, Group's revenue and Group's profit for the year would have been Rs. 5,546.29 million and Rs. 1,110.94 million, respectively. Management has determined these amounts on the basis that the fair value adjustments, that arose on the date of acquisition would have been the same if the acquisition had occurred on April 1, 2016.

(Rs. in million)

43 Business Combinations *(Continued)*

(b) Acquisition of Business- Sanjeevani Pathology Laboratory *(Continued)*

A. Consideration transferred

The following table summarises the acquisition date fair value of major class of consideration transferred:

	Amount (Rs Million)
Cash	410.40
Deferred consideration	210.10
Total consideration for business combination	**620.50**

Deferred payment consideration
As per the business purchase agreement, upon payment of initial consideration of Rs. 410.40 million, an amount of Rs. 230 million is to be paid by Metropolis Healthcare Limited to Dr. Kiritkumar Patel in 7 tranches starting from February 2017 to March 2021.
The deferred consideration of Rs. 230 million has been meaured at fair value (Rs. 210.10 million) on initial recognition and the difference of Rs. 19.90 million will be recognised as finance cost on EIR basis over the payment tenure (Refer note 34).

B. Acquistion related costs

Metropolis Healthcare Limited incurred acquisition related cost of Rs. 3.03 million on legal fees and due diligence costs. These costs have been included in legal and professional fees under other expenses.

C. Identifiable assets acquired and liabilities assumed

The following table summaries the recognised amounts of assets acquired and liabilities assumed at fair value at the date of acquisition:

	Amount (Rs Million)
Property, plant and equipment	15.21
Brand	117.00
Customer relationships	31.10
Net current assets/(liabilities)	(2.20)
Total net identifiable assets acquired	161.11

Measurement of fair values
The valuation techniques used for measuring the fair value of material assets acquired were as follows:

Assets acquired	Valuation techniques
Customer relationships	Customer relationship is valued by using Multi-Period Excess Earnings Method. Accordingly, a stream of revenue and expenses, associated with a particular group of assets are identified. The prospective earnings of the single subject intangible asset are isolated from those of the group of assets by identifying and deducting portions of the total earnings that are attributable to the contributory assets to estimate the remaining or "excess earnings" attributable to the subject intangible asset.
Brand	Brand name is valued by using Relief from Royalty method. Relief from Royalty method requires determining value by reference to the hypothetical royalty payments that would be saved through owning the asset, as compared with licensing the asset from a third party.

D. Goodwill

Goodwill arising from the acquisition has been determined as follows:

	Amount (Rs Million)
Consideration transferred	620.50
Fair value of net identifiable assets	(161.11)
Goodwill	459.39

The goodwill is attributable mainly to the synergies expected to be achieved from integrating Sanjeevani Pathology Laboratory into Group's existing pathology business. Goodwill recognised is deductable for income tax purpose.

(Rs. in million)

43 Business Combinations *(Continued)*

(c) Acquisition of Metropolis Healthcare Lanka Private Limited

On April 1, 2017, Group's Joint venture entity - Metropolis Healthcare Lanka Private Limited, completed the buy back of 250,000 ordinary shares held by Nawaloka Hospitals PLC (Co - joint venturer). As a result the Group's holding in Metropolis Healthcare Lanka Private Limited has increased to 100% resulting in becoming subsidiary of the Company.

Untill March 31, 2017, the Group consolidated Metropolis Healthcare Lanka Private Limited as joint venture and its investment was accounted using the equity method.

A. Fair value of Equity-accounted investees

On April 1, 2017, the fair value of investments in Metropolis Healthcare Lanka Private Limited is Rs. 57.76 million

B. Buy back related costs

No legal fees and due diligence cost was incurred on buy back of Metropolis Healthcare Lanka Private Limited.

C. Identifiable assets acquired and liabilities assumed

The following table summaries the recognised amounts of assets acquired and liabilities assumed at fair value at the date of buy back

	Amount (Rs Million)
Property, plant and equipments	38.11
Other net assets	26.56
Total net identifiable assets aquired	64.67

Measurement of fair values

The valuation techniques used for measuring the fair value of material assets acquired were as follows:

Assets acquired	Valuation techniques
Property, plant and equipments	Market comparison technique and cost technique: The valuation model considers market prices for similar nature when they are available, and depreciated replacement cost when appropriate.

If new information obtained within one year of the date of acquistion about facts and circumstances that existed at the date of acquistion identifies adjustments to the above amonts or any additional provisions that existed at the date of acquistion, then the accounting for the acquistion will be revised.

D. Capital reserve

Capital reserve arising from the acquisition has been determined as follows:

	Amount (Rs Million)
Fair value of Equity- accounted investees	57.76
Fair value of net identifiable assets	(64.67)
Capital reserve	(6.91)

Difference between fair value of investment in equity accounted investees and net identifiable assets on the day of buy back is recorded under Capital reserves.

(Rs. in million)

43 Business Combinations *(Continued)*

(d) Acquisition of Non controlling interest

i. Micron Metropolis Healthcare Private Limited

On May 25, 2015, the Group acquired additional 25 percent stake in Micron Metropolis Healthcare Private Limited for consideration of Rs. 30.69 million, increasing its ownership from 60 percent to 85 percent. The carrying amount of Micron Metropolis Healthcare Private Limited's net assets in the group's consolidated financial statements on the date of the acquisition was Rs. 21.16 million. The group consequently receognised a decrease in NCI of Rs. 5.29 million. The decrease of Rs. 25.40 million represents a decrease in retained earnings.

The following table summarises the acquisition date transaction:

	Amount (Rs Million)
Carrying value of NCI acquired	5.29
Consideration paid to NCI	30.69
Decrease in equity attributable to owners of the Company	(25.40)

ii. Desai Metropolis Health Services Private Limited

On June 25, 2015, the Group acquired additional 6.10 percent stake in Desai Metropolis Health Services Private Limited for consideration of Rs. 15.62 million, increasing its ownership from 75.50 percent to 81.60 percent. The carrying amount of Desai Metropolis Health Services Private Limited's net assets in the group's consolidated financial statements on the date of the acquisition was Rs.153.10 million. The group consequently receognised a decrease in NCI of Rs. 9.34 million. The decrease of Rs. 6.28 million represents a decrease in retained earnings.

The following table summarises the acquisition date transaction:

	Amount (Rs Million)
Carrying value of NCI acquired	9.34
Consideration paid to NCI	15.62
Decrease in equity attributable to owners of the Company	(6.28)

iii. Metropolis Healthcare Ghana Limited

On March 23, 2016, Group acquired additional 40 percent in Metropolis Healthcare Ghana Limited for Nil consideration, increasing its ownership from 60 percent to 100 percent. The carrying amount of Metropolis Healthcare Ghana Limited' net assets in the group's consolidated financial statements on the date of the acquisition was Rs. (12.61) million. The group consequently receognised a decrease in NCI of Rs. (5.28) million. The decrease of Rs. 5.28 million represents a decrease in retained earnings.

The following table summarises the acquisition date transaction:

	Amount (Rs Million)
Carrying value of NCI acquired	(5.28)
Consideration paid to NCI	-
Decrease in equity attributable to owners of the Company	(5.28)

iv. Metropolis Healthcare (Chandigarh) Private Limited

On August 3, 2016, the Group acquired additional 30 percent in Metropolis Healthcare (Chandigarh) Private Limited for Rs. 0.03 million in cash, increasing its ownership from 70 percent to 100 percent. The carrying amount of Metropolis Healthcare (Chandigarh) Private Limited' net assets in the group's consolidated financial statements on the date of the acquisition was Rs. (14.25) million. The group consequently receognised a decrease in NCI of Rs. (4.27) million. The decrease of Rs. 4.30 million represents a decrease in retained earnings.

The following table summarises the acquisition date transaction:

	Amount (Rs Million)
Carrying value of NCI acquired	(4.27)
Consideration paid to NCI	0.03
Decrease in equity attributable to owners of the Company	(4.30)

(Rs. in million)

43 Business Combinations *(Continued)*

(d) Acquisition of Non controlling interest *(Continued)*

v. Metropolis Healthcare (Jodhpur) Private Limited

On December 1, 2017, Group acquired additional 30 percent in Metropolis Healthcare (Jodhpur) Private Limited for Rs. 1.5 million in cash, increasing its ownership from 70 percent to 100 percent. The carrying amount of Metropolis Healthcare (Jodhpur) Private Limited' net assets in the group's consolidated financial statements on the date of the acquisition was Rs. (14.54) million. The group consequently receognised a decrease in NCI of Rs. (4.36) million. The decrease of Rs. 5.86 million represents a decrease in retained earnings.

The following table summarises the acquisition date transaction:

	Amount (Rs Million)
Carrying value of NCI acquired	(4.36)
Consideration paid to NCI	1.50
Decrease in equity attributable to owners of the Company	(5.86)

vi. Golwilkar Metropolis Health Services (India) Private Limited

On January 19, 2018, Group acquired additional 30 percent in Golwilkar Metropolis Health Services (India) Private Limited for Rs. 227.81 million in cash, increasing its ownership from 70 percent to 100 percent. The carrying amount of Golwilkar Metropolis Health Services (India) Private Limited net assets in the group's consolidated financial statements on the date of the acquisition was Rs. 328.18 million. The group consequently recognised a decrease in NCI of Rs. 98.45 million. The decrease of Rs. 129.36 million represents a decrease in retained earnings.

The following table summarises the acquisition date transaction:

	Amount (Rs Million)
Carrying value of NCI acquired	98.45
Consideration paid to NCI	227.81
Decrease in equity attributable to owners of the Company	(129.36)

vii. Metropolis Bramser Lab Services (Mtius) Limited

On December 12, 2017, Group acquired additional 30 percent in Metropolis Bramser Lab Services (Mtius) Limited for Rs. 0.30 million in cash, increasing its ownership from 70 percent to 100 percent. The carrying amount of Metropolis Bramser Lab Services (Mtius) Limited' net assets in the group's consolidated financial statements on the date of the acquisition was Rs. 28.19 million. The group consequently receognised a decrease in NCI of Rs. 8.46 million. The increase of Rs. 8.15 million represents an increase in retained earnings.

The following table summarises the acquisition date transaction:

	Amount (Rs Million)
Carrying value of NCI acquired	8.46
Consideration paid to NCI	0.30
Increase in equity attributable to owners of the Company	8.15

Annexure VI- Notes to Restated Consolidated Financial Information *(Continued)*
for the year ended March 31, 2018

(Rs. in million)

44 Non Controlling Interests

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

Sr No	Name	Country of Incorporation	Non-controlling interest		
			March 31, 2018	March 31, 2017	March 31, 2016 (Proforma)
1	Sudharma Metropolis Health Services Private Limited	India	**10.00%**	10.00%	10.00%
2	Golwilkar Metropolis Health Services (India) Private Limited	India	**-**	30.00%	30.00%
3	Bokil Golwilkar Metropolis Healthcare Private Limited	India	**24.00%**	46.80%	46.80%
4	Raj Metropolis Healthcare Private Limited	India	**49.00%**	49.00%	49.00%
5	Desai Metropolis Health Services Private Limited	India	**18.40%**	18.40%	18.40%
6	R.V. Metropolis Diagnostics & Healthcare Centre Private Limited	India	**23.26%**	23.26%	23.26%
7	Metropolis Healthcare (Jodhpur) Private Limited	India	**-**	30.00%	30.00%
8	Metropolis Healthcare (Chandigarh) Private Limited	India	**-**	-	30.00%
9	Micron Metropolis Healthcare Private Limited	India	**15.00%**	15.00%	15.00%
10	Mulay Metropolis Healthcare Private Limited	India	**-**	30.00%	30.00%
11	Dr. Patel Metropolis Healthcare Private Limited	India	**30.00%**	30.00%	30.00%
12	Lab One Metropolis Healthcare Services Private Limited	India	**49.00%**	49.00%	49.00%
13	Ekopath Metropolis Lab Services Private Limited	India	**40.00%**	40.00%	40.00%
14	Metropolis Bramser Lab Services (Mtius) Limited	Mauritius	**-**	30.00%	30.00%

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

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

(Rs. in million)

45 Equity accounted investees

Sr No	Name	Country of Incorporation	Amount of investment March 31, 2018	March 31, 2017	March 31, 2016 (Proforma)
	Investment in Joint ventures				
1	Metropolis Healthcare Lanka Private Limited *Nil (March 31, 2017: 250,000; March 31, 2016: 250,000) Equity shares of Face value of Sri Lankan Rupees 10 each (Fully paid up)*	Srilanka	-	60.30	49.40
2	Metropolis Health Services Africa (Pty) Limited *Nil (March 31, 2017: Nil; March 31, 2016: 51) Equity shares of Face value of South African Rand 1 each (Fully paid up)*	South Africa	-	-	4.48
3	Metropolis Histoxpert Digital Services Private Limited *6,500 (March 31, 2017: Nil; March 31, 2016: Nil) Equity shares of Face value of Rs. 10 each (Fully paid up)*	India	0.07	-	-
	Investment in Associates				
1	Star Metropolis Health Services Middle East LLC ^ *1,020 (March 31, 2017: 1,020; March 31, 2016: 1,020) Equity shares of AED of 1,000 each (Fully Paid up)*	United Arab Emirates	-	-	-
			0.07	60.30	53.88

^ The value of investment in associate Star Metropolis Health Services Middle East LLC is Rs. 12.98 million (31 March 2017: Rs. 12.98 million; 31 March 2016: Rs. 12.98 million). The same has been fully provided for. The associate is not accounted in the consolidated financial statements as per Ind AS 28 because of non-availability of adequate information (Refer note 53).

Investment in Joint Ventures

a) Metropolis Healthcare Lanka Private Limited

The Group has 50% interest in Metropolis Healthcare Lanka Private Limited, a Joint Venture involved in providing pathology services in Sri Lanka. The Group's interest in Metropolis Healthcare Lanka Private Limited is accounted for using the equity method in the consolidated financial statements. Summarised financial information of the joint venture (as translated into the reporting currency of the Company, based on its Ind AS financial statements) and reconciliation with the carrying amount of the investment in consolidated financial statements are set out below:

	March 31, 2017	March 31, 2016 (Proforma)
Percentage ownership interests	**50%**	5%
Non-current assets	**38.21**	47.75
Current assets (including cash and cash equivalents March 31, 2017 - 12.29 million, March 31, 2016- Rs. 35.28 million)	**143.74**	103.99
Non-current Liabilities (non current financial liabilities other than trade payables and other financial liabilities and provisions - March 31, 2017 - Nil, 1st April 2016 - Nil)	**4.57**	9.41
Current liabilities (Current financial liabilities other than trade payables and other financial liabilities and provisions - March 31, 2017 - Rs. 1.09 million, 1st April 2016 - Rs. 1.14 million)	**56.78**	43.54
Net Assets	**120.60**	98.79
Group's share of net assets (50%)	**60.30**	49.40
Carrying value of interest in Joint Ventures	**60.30**	49.40

(Rs. in million)

45 Equity accounted investees *(Continued)*

a) Metropolis Healthcare Lanka Private Limited *(Continued)*

	March 31, 2017	March 31, 2016 (Proforma)
Percentage ownership interests	**50%**	50%
Revenue	**344.27**	350.57
Depreciation and amortisation	**(8.95)**	10.82
Interest expense	**(0.21)**	0.12
Income tax expense	**(9.18)**	7.15
Profit	**51.71**	50.49
Other comprehensive income	**(8.65)**	(5.08)
Total comprehensive income	**43.06**	45.41
Group share of profits (50%)	**25.86**	25.24
Group share of OCI (50%)	**(4.32)**	(2.54)
Group share of total comprehensive income (50%)	**21.54**	22.70

The Group received dividends in the year ended March 31, 2017: Rs. 9.57 million and March 31, 2016: Rs. 10.60 million respectively from the joint venture.

As on March 31, 2018, Metropolis Healthcare Lanka Private Limited is a wholly owned subsidiary of the Group and hence is not accounted for as per equity method applicable to Joint Ventures. Further details of change in control over the entity, during the year are given in Note 43.

b) Metropolis Health Services (South Africa) (Pty) Ltd.

The Group has 51% interest in Metropolis Health Services (South Africa) (Pty) Ltd., a Joint Venture involved in providing pathology services in South Africa. 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 (as translated into the reporting currency of the Company, based on its Ind AS financial statements) and reconciliation with the carrying amount of the investment in consolidated financial statements are set out below:

	March 31, 2016 (Proforma)
Percentage ownership interests	51%
Non-current assets	2.62
Current assets (including cash and cash equivalents March 31, 2016 - Rs. 33.10 million)	88.96
Non-current Liabilities (non current financial liabilities other than trade payables and other financial liabilities and provisions - March 31, 2016 - Rs. 61.93 million)	61.93
Current liabilities (Current financial liabilities other than trade payables and other financial liabilities and provisions - March 31, 2016- Nil)	20.86
Net Assets	8.79
Group's share of net assets (51%)	4.48
Carrying value of interest in Joint Ventures	4.48

	March 31, 2017*	March 31, 2016 (Proforma)
Percentage ownership interests	**51%**	51%
Revenue	**76.08**	170.98
Depreciation and amortisation	**(0.77)**	2.12
Interest expense	**(3.01)**	3.22
Income tax expense	**-**	2.17
Profit	**1.32**	15.41
Other comprehensive income	-	(1.88)
Total comprehensive income	**1.32**	13.53
Group share of profits (51%)	**0.67**	7.86
Group share of OCI (51%)	**-**	(0.96)
Group share of total comprehensive income (51%)	**0.67**	6.90

*Includes Group's share of profit till date of sale of investment in the Joint Venture. i.e. June 30, 2016.

(Rs. in million)

45 Equity accounted investees *(Continued)*

c) Metropolis Histoxpert Digital Services Private Limited

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

	March 31, 2018
Percentage ownership interests	**65%**
Non-current assets	-
Current assets (including cash and cash equivalents March 31, 2018 - Rs. 0.1 million)	**0.10**
Non-current Liabilities (non current financial liabilities other than trade payables and other financial liabilities and provisions - March 31, 2018 - Nil)	-
Current liabilities (Current financial liabilities other than trade payables and other financial liabilities and provisions - March 31, 2018 - Nil)	-
Net Assets	**0.10**
Group's share of net assets (65%)	**0.07**
Carrying value of interest in Joint Ventures	**0.07**

	March 31, 2018
Percentage ownership interests	**65%**
Revenue	-
Depreciation and amortisation	-
Interest expense	-
Income tax expense	-
Profit	-
Other comprehensive income	-
Total comprehensive income	-
Group share of profits (65%)	-
Group share of OCI (65%)	-
Group share of total comprehensive income (65%)	-

(Rs. in million)

46 Significant transactions

i. During the year ended March 31, 2017, the Company has sold of its investment in joint venture company, Metropolis Health Services Africa (Pty) Limited for an aggregate consideration of Rs. 68.50 million. Profit on disposal of the said joint venture has been recorded as other income (Refer note 30).

iii. During the year ended March 31, 2018, the Company has sold its investment in subsidiary company, Mulay Metropolis Healthcare Private Limited. The details of consideration received, assets and liabilities over which control was lost (net asset disposed off) and loss on disposal recorded in financial statement is as follows:

	As on September 26, 2017
A. Consideration received	
Fair value of consideration received	6.22
B. Net assets disposed off	
Non-current assets	
Property, plant and equipment	3.19
Non-current Investments	0.03
Non-Current Tax Assets (Net)	0.24
Current Assets	
Inventories	0.40
Cash and cash equivalents	10.05
Trade receivables	3.66
Other current financial assets	0.03
Other current assets	1.72
Total Assets (a)	**19.32**
Non-current liabilities	
Deferred tax liabilities (net)	0.08
Current liabilities	
Trade payable	0.82
Other current financial liabilities	0.54
Other current liabilities	0.14
Total Liabilities (b)	**1.58**
Net assets disposed off (a-b)	17.74
C. Goodwill on consolidation	12.20
D. Minority interest	5.31
E. Loss on disposal (Refer Note 36) (A+D-B-C)	**18.41**
F. Net cash outflow on disposal	
Consideration received in cash and cash equivalent	6.22
Less: cash and cash equivalents held by the entity	10.05
	(3.83)

Annexure VI- Notes to Restated Consolidated Financial Information *(Continued)*

for the year ended March 31, 2018

(Rs. in million)

46 Significant transactions *(Continued)*

ii. During the year ended 31 March 2016, the Company has sold its investment in subsidiary company, Metropolis Health Product Retail Private Limited. The details of consideration received, assets and liabilities over which control was lost (net asset disposed off) and loss on disposal recorded in financial statement is as follows:

A. Consideration received	**As on December 28, 2015**
Fair value of consideration received	0.10
B. Net assets disposed off	
Non-current assets	
Property, plant and equipment	0.77
Deferred tax assets (net)	0.03
Current Assets	
Inventories	0.52
Trade receivables	0.09
Cash and bank balances	0.66
Current loans	0.03
Total Assets (a)	**2.10**
Non-current liabilities	
Long-term borrowings	4.40
Long-term provisions	0.05
Current liabilities	
Trade payable	3.11
Other current financial liabilities	0.46
Total Liabilities (b)	**8.02**
Net assets disposed off (a-b)	(5.92)
C. Goodwill on consolidation	-
D. Minority interest	-
E. Profit on disposal (Refer Note 30)	(6.02)
F. Net cash outflow on disposal	
Consideration received in cash and cash equivalent	0.10
Less: cash and cash equivalents held by the entity	0.09
	0.01

Annexure VI- Notes to Restated Consolidated Financial Information *(Continued)*

for the year ended March 31, 2018

(Rs. in million)

47 Contingent liabilities not provided for

	March 31, 2018	March 31, 2017	March 31, 2016 (Proforma)
Income tax liability disputed in appeals	**13.99**	13.99	5.14
Service tax liability disputed as per Show Cause Notice	**-**	-	3.36
Employee related dues	**23.24**	23.24	23.24
Claims against the Group not acknowledged as debt :			
- Claims pending in Consumer Dispute Redressal Forum	**27.49**	1.49	0.40
Contingent consideration on acquisition of remaining stake from NCI*	**75.94**	-	-
	140.66	38.72	32.14

*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 Rs 303.75 million. 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. Rs 75.94 million as damages. The matter is currently pending before the arbitrator.

48 Commitments

	March 31, 2018	March 31, 2017	March 31, 2016 (Proforma)
Capital commitments:			
Estimated amount of contracts remaining to be executed on capital account not provided for	**107.84**	23.56	6.11

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 Rs. 1,457.33 million (March 31, 2017: Rs. 305.88 million, March 31, 2016: Rs. 488.39 million) of which annual commitment for next year is Rs. 487.12 million (March 31, 2017: Rs. 172.91 million, March 31, 2016: Rs. 229.62 million) as per the terms of these arrangements.

49 Operating lease obligations

The Group has taken various commercial properties on leases for its offices, laboratories and staff accommodation. The lease expenses in current year amounts to March 31, 2018: Rs. 398.89 million, March 31, 2017: Rs. 296.88 million, March 31, 2016: Rs. 210.76 million. Future minimum rentals payable under non-cancellable operating leases are as follows:

	March 31, 2018	March 31, 2017	March 31, 2016 (Proforma)
Not later than one year	**68.89**	43.10	71.67
Later than one year but not later than five years	**174.89**	68.21	72.35
Later than five years	**18.38**	-	32.91
Total	**262.16**	111.31	176.93

Metropolis Healthcare Limited

Annexure VI- Notes to Restated Consolidated Financial Information *(Continued)*

for the year ended March 31, 2018

(Rs. in million)

49 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 :

	March 31, 2018	March 31, 2017	March 31, 2016 (Proforma)
A. Amount recognised in the balance sheet			
Present value of the obligation as at the end of the year	**88.92**	81.49	73.38
Fair value of plan assets as at the end of the year	**(14.95)**	(17.69)	(15.87)
Net liability recognised in the balance sheet	**73.97**	63.80	57.51
Out of which,			
Non-current portion	**35.19**	31.52	24.42
Current portion	**38.78**	32.28	33.09
B. Change in projected benefit obligation			
Projected benefit obligation at the beginning of the year	**81.49**	73.38	60.66
On Acquisition of Subsidiary	**6.89**	-	-
Current service cost	**11.32**	9.59	8.58
Past service cost	**2.88**	-	-
Interest cost	**5.68**	5.66	5.16
Actuarial loss	**3.04**	1.13	3.60
Benefits paid	**(22.29)**	(8.27)	(5.49)
Foreign Currency Translation reserve	**(0.09)**	-	-
Liability transferred out	-	-	0.87
Projected benefit obligation at the end of the year	**88.92**	81.49	73.38
C. Change in plan assets			
Fair value of plan assets at the beginning of the year	**17.69**	15.87	13.94
Expected return on plan assets (Interest inome)	**1.21**	1.33	1.75
Actuarial loss	**0.03**	(0.10)	0.11
Employer contributions	**3.59**	2.00	1.50
Benefits paid	**(7.57)**	(1.41)	(1.43)
Fair value of plan assets at the end of the year	**14.95**	17.69	15.87
D. Amount recognised in the statement of profit and loss			
Current service cost	**11.32**	9.59	8.58
Interest cost	**5.68**	5.66	5.16
Past service cost	**2.88**	-	-
Expected returns on plan assets	**(1.21)**	(1.33)	(1.75)
Expenses recognised in the statement of profit and loss	**18.67**	13.92	11.99
E. Amount recognised in other comprehensive income			
Actuarial gain/(loss) on Defined benefit obligation	**3.04**	1.13	3.60
Acturial gain/loss on Plan assets	**(0.03)**	0.09	(0.11)
	3.01	1.22	3.49
F. Plan Assets include Insurance Funds			

	March 31, 2018	March 31, 2017	March 31, 2016 (Proforma)
G. Assumptions used			
Discount rate	**7.35%-10%**	6.85%-12%	7.54%-11%
Long-term rate of compensation increase	**7.50%-10%**	7.50%-10%	7.50-10%
Rate of return on plan assets	**7.35%**	6.85%	7.54%
Attrition rate	**20.00%**	20.00%	20.00%
Mortality Rate	**Indian Assured Lives Mortality (2006-08)**	Indian Assured Lives Mortality (2006-08)	Indian Assured Lives Mortality (2006-08)

The weighted average duration of the defined benefit obligation is 5 years (31 March, 2017: 5 years and 31 March, 2016: 5 years).

(Rs. in million)

49 Employee benefits *(Continued)*

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.

	March 31, 2018		March 31, 2017		March 31, 2016 (Proforma)	
	Increase	**Decrease**	Increase	Decrease	Increase	Decrease
Discount rate (1% movement)	**(1.01)**	**1.20**	(2.84)	3.10	(2.59)	2.82
Future salary growth (1% movement)	**1.12**	**(1.05)**	3.05	(2.85)	2.81	(2.62)
Employee Turnover (1% movement)	**(0.08)**	**0.08**	(0.39)	0.40	(0.25)	0.26

I. Expected future cash flows

Particulars	**Less than a year**	**Between 1-2 years**	**Between 2-5 years**	**Over 5 years**	**Total**
March 31, 2018					
Defined benefit obligations (Gratuity)	8.83	5.78	14.51	18.50	47.62
Total	**8.83**	**5.78**	**14.51**	**18.50**	**47.62**

Particulars	**Less than a year**	**Between 1-2 years**	**Between 2-5 years**	**Over 5 years**	**Total**
March 31, 2017					
Defined benefit obligations (Gratuity)	16.57	12.67	31.57	36.25	97.06
Total	**16.57**	**12.67**	**31.57**	**36.25**	**97.06**

Particulars	**Less than a year**	**Between 1-2 years**	**Between 2-5 years**	**Over 5 years**	**Total**
March 31, 2016 (Proforma)					
Defined benefit obligations (Gratuity)	16.99	12.97	31.52	45.79	107.27
Total	**16.99**	**12.97**	**31.52**	**45.79**	**107.27**

(b) Defined contribution plan

The Group entities domicled in India contributes towards statutory provident fund as per the Employees Provident Funds and Miscellaneous Provisions Act, 1952 and towards employee state insurance as per the Employees' State Insurance Act, 1948. Entities of the Group domicled outside India also contributes to social security schemes as per the relevant regulations of the country for the welfare of the employees. These are defined contribution plans as per Ind AS - 19. The amount of contribution to provident fund and Employee State Insurance Scheme recognised as expenses during the year March 31, 2018: Rs. 75.00 million, March 31, 2017: Rs. 64.62 million, March 31, 2016: Rs. 58.93 million.

(Rs. in million)

49 Employee benefits *(Continued)*

(c) Employee Stock Option Schemes

Description of share-based payment arrangements:

As at March 31, 2018, March 31, 2017 and March 31, 2016, the Group had the following share based payment arrangements:

MESOS 2007 -
In the earlier years, Company had instituted an Employees Stock Option Scheme called "Metropolis Employee Stock Option Scheme, 2007 (MESOS -2007)" and subsequently adopted a revised scheme on 2 June 2009 titled "MESOS – 2007 revised" as approved by the Board of directors and Nomination & Remuneration Committee. All the options which were granted under this scheme are vested as of March 31, 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 (April 1, 2016). 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 & Remuneration Committee.

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

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

- New employees (person who is in continuous employment with the Company after 1 January, 2016.) shall vest at the rate of 50% of Grant on completion of 2 years from date of joining, 25% of Grant on completion of 3 years from date of joining and 25% of Grant on completion of 4 years from date of joining.

Grant date / employees entitled	Number of instruments	Vesting conditons	Contractual life of options
MESOS 2007 - Option granted to eligible employees on 1 October 2007	127,315	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.
MESOS 2015 - Option granted to eligible employees on 25 April 2016	27,800	For the Options to vest, the Grantee has to be in employment of the Metropolis Group on the date of the vesting.	The exercise period for Options vested will begin on earlier of: (a) Listing of Company shares on an Indian Stock Exchange or (b) during the exercise window to be specified individually by Nomination & Remuneration Committee of the Company.
MESOS 2015 - Option granted to eligible employees on 16 October 2017	185,550	For the Options to vest, the Grantee has to be in employment of the Metropolis Group on the date of the vesting.	The exercise period for Options vested will begin on earlier of: (a) Listing of Company shares on an Indian Stock Exchange or (b) during the exercise window to be specified individually by Nomination & Remuneration Committee of the Company.

(Rs. in million)

49 Employee benefits *(Continued)*

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#

	March 31, 2018		March 31, 2017		March 31, 2016 (Proforma)	
	Weighted average exercise price	**Number of options**	Weighted average exercise price	Number of options	Weighted average exercise price	Number of options
Outstanding at the beginning of the year	**100**	**65,875**	100	65,875	100	127,315
Granted during the year	**100**	**-**	100	-	100	-
Exercised during the year	**100**	**-**	100	-	100	-
Lapsed/ forfeited /surrendered	**100**	**23,200**	100	-	100	61,440
Outstanding at the end of the year	**100**	**42,675**	100	65,875	100	65,875
Exercisable at the end of the year	**100**	**-**	100	-	100	-

Subsequent event - MESOP 2007 scheme: Out of 42,675 options outstanding as on March 31 2018, 32,800 options were exercised by the employees (including ex-employees) and remaining 9,875 options have been surrender by employees (including ex-employees) (pre bonus and split issue).

MESOS 2015

	March 31, 2018		**March 31, 2017**	
	Weighted average exercise price	**Number of options**	Weighted average exercise price	Number of options
Outstanding at the beginning of the year	**3,670**	**27,800**	3,670	-
Granted during the year	**3,670**	**185,550**	3,670	27,800
Exercised during the year	**3,670**	**-**	3,670	-
Lapsed/ forfeited /surrendered	**3,670**	**5,580**	3,670	-
Outstanding at the end of the year	**3,670**	**207,770**	3,670	27,800
Exercisable at the end of the year	**3,670**	-	3,670	-

Impact of bonus shares and split of shares subsequent to March 31, 2018 (Refer Annexure VI, Note 57)

	March 31, 2018
Oustanding at the end of the year	207,770
Granted due to bonus isssue	8,310
Granted due to split of shares	864,320
Outstanding after issue of bonus and share split	**1,080,400**

Exercise price due to above mentioned events (Amount in Rs) 705.77

Measurement of Fair value

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

	MESOS 2015		**Description of inputs used**
	March 31, 2018	March 31, 2017	
Fair value at grant date	**142.80**	66.00	
Share price at grant date	**2,910.00**	2,289.00	
Exercise price	**3,670.00**	3,670.00	
Expected volatility (Weighted average volatility)	**16.04%**	16.70%	Expected volatility of the option is based on historical volatility, during a period equivalent to the option life
Expected life (expected weighted average life)	**1.64 years**	4.05 years	
Expected dividends	**3%**	3%	Dividend yield of the options is based on recent dividend activity.
Risk-free interest rates (Based on government bonds)	**6.35%**	7.42%	Risk-free interest rates are based on the government securities yield in

(Rs. in million)

49 Employee benefits *(Continued)*

MESOS 2007

The options outstanding at March 31, 2018 have an exercise price of Rs. 100 (March 31, 2017: Rs. 100 and March 31, 2016: 100) and a weighted average remaining contractual life of 1 year (March 31, 2017: 2 years and March 31, 2016: 3 years).

MESOS 2015

The options outstanding at March 31, 2018 have an exercise price of Rs. 3,670 (March 31, 2017: Rs. 3,670) and a weighted average remaining contractual life of 1 to 3 year (March 31, 2017: 2 to 4 years).

The expense arising from MESOS 2015 scheme during the year is Rs. 16.60 million (March 31, 2017: Rs.0.43 million).

50 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.

	March 31, 2018	March 31, 2017	March 31, 2016 (Proforma)
Revenue from external customers			
India	**5,914.95**	5,099.52	4,538.23
Outside India	**520.72**	347.72	216.46

	March 31, 2018	March 31, 2017	March 31, 2016 (Proforma)
Non-current assets (other than financial instruments and deferred tax			
India	**2,033.98**	2,016.65	1,442.25
Outside India	**76.72**	172.29	110.24

c. Major customers

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

(Rs. in million)

51 Corporate social responsibility (CSR)

The Group has spent during March 31, 2018: Rs. 7.51 million, March 31, 2017: Rs. 1.27 million, March 31, 2016: Rs. Nil 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 is Rs. 22.85 million, March 31, 2017: Rs. 19.44 million and March 31, 2016- Rs. 16.68 million;

b) Amount spent during the year on;

Particulars	**March 31, 2018**		March 31, 2017		March 31, 2016 (Proforma)	
	In Cash	**Yet to be paid in Cash**	In Cash	Yet to be paid in Cash	In Cash	Yet to be paid in Cash
Construction / acquisition of any asset	-	-	-	-	-	-
On purposes other than (i) above	**7.51**	-	1.27	-	-	-

52 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:

Particulars	**March 31, 2018**	March 31, 2017	March 31, 2016 (Proforma)
Golwilkar Metropolis Health Services (India) Private	**227.81**	-	-
Metropolis Healthcare (Jodhpur) Private Limited	**1.50**	-	-
Metropolis Histoxpert Digital Services Private Limited *	**1.00**	-	-
Metropolis Healthcare (Chandigarh) Private Limited	**-**	0.03	-
Desai Metropolis Health Services Private Limited	**-**	-	15.62
Micron Metropolis Healthcare Private Limited	-	-	30.69
Total	**230.31**	0.03	46.31

* Investment of Rs. 0.35 million was sold during the year.

53 Star Metropolis Services Middle East LLC

As at 31 March 2018, the Holding Company has an investment of Rs. 12.98 million (31 March 2017 and 31 March 2016: Rs. 12.98 million) and receivable of Rs. 64.09 million (31 March 2017 and 31 March 2016: Rs. 64.09 million) from Star Metropolis Health Services Middle East LLC (‘Star Metropolis’), an associate of the Holding Company. Due to non availability of finanical information from the associate entity, due to which the said assocaiate could not accounted in the consolidated financial statements in accordance with Ind AS -28 "Investments in Associates and Joint Ventures and also value of the investment and receivables cannot be determined. Hence, Management on prudent basis, has provided for its investments and receivable from the said associate.

54 As at March 31, 2018, the Group has an investment in Final Diagnosis Private Limited (FDPL), a wholly owned subsidiary of the Group of Rs. 58.72 million. Considering the present financial position and future expected performance of FDPL, management believes that diminution in the value of said investment is other than temporary and accordingly made an application with the Hon’ble High Court of Judicature at Bombay for utilisation balance standing to the credit of the Securities Premium Account of the Group for diminution in value of investments. The Hon’ble High Court of Judicature at Bombay, vide its Order dated 24 September 2012 has sanctioned the scheme approved by members by a Special Resolution passed at the Extra-ordinary General Meeting held on August 1, 2012 for utilization of Rs. 58.72 million out of the balance standing to the credit of the securities premium account. While preparing the consolidated financial statements of the Group, the goodwill attributable to acquisition of FDPL amounting to Rs. 48.15 million and other assets as at year end aggregating Rs. 10.57 million has been adjusted against the securities premium account.

Annexure VI- Notes to Restated Consolidated Financial Information *(Continued)*
for the year ended March 31, 2018

(Rs. in million)

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, Rs. 0.02 million 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 Rs 2,597 is convertible into 8,703 equity or 11,778 shares of face value of Rs 10 depending on the occurrence of qualifying merger up to 31st 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 Rs. 2,597 is convertible into 8,703 equity shares of face value of Rs 10.

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

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 March 31, 2017 and March 31, 2016. Management continues to believe that its international transactions post March 31, 2017 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 Subsequent events:

(i) The Board of Directors of the Company at its meeting held on March 16, 2018 and shareholders as per the direction of National Company Law Board, Mumbai bench vide special resolution of members May 25, 2018 approved the scheme of amalgamation (“Scheme”) for amalgamation of Bacchus Hospitality Services and Real Estate Private Limited, Metropolis Healthcare (Chandigarh) Private Limited, Metropolis Healthcare (Jodhpur) Private Limited, Sanket Metropolis Health Services (India) Private Limited and Golwilkar Metropolis Health Services (India) Private Limited ("the transferor Company") with Metropolis Healthcare Limited (“transferee Company/ Holding Company”) pursuant to provisions of Section 230 to 232 and other applicable provisions of Companies Act, 2013 with Hon’ble National Company Law Tribunal (NCLT). The appointed date for scheme of amalgamation is April 1, 2018. The said Scheme has been sanctioned by the Hon’ble NCLT, Mumbai Bench vide its order dated August 31, 2018.

(ii) Allotment of 8703 equity shares of Rs 10 each was made on September 8, 2018 upon exercise of option for conversion of warrants into equity shares at a price of Rs 2,597/- per share, subsequent to balance sheet date but before bonus and split issue.

(iii) 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 Rs. 10/- (Rupees ten) each to equity shares of Rs. 2/- (Rupees two) each. The revised authorised share capital of the Company now stands at 295,754,015 equity shares of Rs 2/- each.

(iv) Exercise of ESOP 2007 scheme: Out of 42,675 options outstanding as on March 31 2018, 32,800 options were exercised by the employees (including ex-employees) and remaining 9,875 options have been surrender by employees (including ex-employees) (pre bonus and split issue).

58 Specified Bank Note:

During the year 2016- 2017, the Group entities domicled in India had specified bank notes or other denomination note as defined in the MCA notification G.S.R. 308(E) dated March 30, 2017 on the details of Specified Bank Notes (SBN) held and transacted during the period from November 8, 2016 to December 30, 2016, the denomination wise SBNs and other notes as per the notification is given below:

Particulars	**SBNs**	**Other Denomination Notes**	**Total**
Closing cash in hand as on November 8, 2016	**36.66**	**1.79**	**38.45**
(+) Permitted receipts	-	135.67	**135.67**
(+) Non- Permitted receipts	1.23	-	**1.23**
(-) Permitted payments	-	(6.72)	**(6.72)**
(-) Amount deposited in Banks	(37.89)	(109.44)	**(147.33)**
Closing cash in hand as on December 30, 2016	**-**	**21.30**	**21.30**

* For the purposes of this clause, the term ‘Specified Bank Notes’ shall have the same meaning provided in the notification of the Government of India, in the Ministry of Finance, Department of Economic Affairs number S.O. 3407(E), dated the 8th November, 2016.

The Group renders diagnostic and healthcare related services. The consideration towards diagnostic services was received in SBN.

The Group has not made any direct payment, out of the SBN received, towards either permitted/non-permitted transactions.The payment towards permitted transactions have been incurred outof withdrawal of non SBN currency.

Metropolis Healthcare Limited

Annexure VI- Notes to Restated Consolidated Financial Information *(Continued)*
for the year ended March 31, 2018

(Rs. in million)

Note 59
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	March 31, 2018		March 31, 2017		March 31, 2016 (Proforma)	
	As % of Consolidated net assets	Net Assets	As % of Consolidated net assets	Net Assets	As % of Consolidated net assets	Net Assets
Holding Company						
Metropolis Healthcare Limited	**84.88%**	3,520.61	**82.54%**	2,667.59	**89.73%**	2,500.89
Indian Subsidiaries						
Direct Subsidiaries						
Sudharma Metropolis Health Services Private Limited	**8.18%**	339.30	**8.36%**	270.27	**7.60%**	211.93
Sanket Metropolis Health Services (India) Private	**-0.17%**	(7.11)	**-0.02%**	(0.54)	**0.06%**	1.67
Desai Metropolis Health Services Private Limited	**3.31%**	137.31	**3.73%**	120.63	**2.64%**	73.68
R.V. Metropolis Diagnostic & Health Care Center	**3.71%**	153.90	**5.39%**	174.29	**4.59%**	127.80
Final Diagnosis Private Limited	**0.18%**	7.59	**0.23%**	7.51	**0.27%**	7.53
Golwilkar Metropolis Health Services (India) Private	**8.64%**	358.26	**8.80%**	284.37	**7.26%**	202.40
Metropolis Healthcare (Jodhpur) Private Limited	**-0.39%**	(16.11)	**-0.35%**	(11.38)	**-0.22%**	(6.17)
Metropolis Healthcare (Chandigarh) Pvt. Ltd.	**-0.38%**	(15.69)	**-0.49%**	(15.68)	**-0.52%**	(14.40)
Micron Metropolis Healthcare Private Limited	**0.42%**	17.58	**0.72%**	23.33	**0.62%**	17.38
Mulay Metropolis Healthcare Private Limited	**0.00%**	-	**0.55%**	17.75	**0.65%**	18.21
Dr. Patel Metropolis Healthcare Private Limited	**1.31%**	54.20	**1.30%**	41.88	**1.29%**	35.88
Amin's Pathology Laboratory Private Limited	**1.50%**	62.24	**1.38%**	44.61	**1.61%**	44.87
Ekopath Metropolis Lab Services Private Limited	**0.31%**	12.89	**0.25%**	8.12	**0.17%**	4.74
Lab One Metropolis Healthcare Services Private	**0.61%**	25.48	**0.59%**	18.92	**0.70%**	19.53
Indirect Subsidiaries						-
Bokil Golwilkar Metropolis Healthcare Private Limited	**0.84%**	34.88	**0.78%**	25.32	**0.80%**	22.30
Raj Metropolis Healthcare Private Limited	**0.17%**	6.97	**0.19%**	5.99	**0.17%**	4.82
Foreign Subsidiaries						
Metropolis Bramser Lab Services (Mtius) Limited	**0.70%**	29.14	**0.01%**	0.32	**0.16%**	4.60
Metropolis Health Services South Africa (Pty) Limited	**0.00%**	-	**0.00%**	-	**0.00%**	-
Metropolis Healthcare Ghana Limited	**-0.12%**	(4.89)	**-0.37%**	(11.82)	**-0.45%**	(12.61)
Metropolis Healthcare (Mauritius) Limited	**-0.28%**	(11.46)	**-0.35%**	(11.29)	**-0.06%**	(1.68)
Metropolis Star Lab Kenya Limited	**0.63%**	26.00	**0.35%**	11.45	**-0.01%**	(0.36)
Metropolis Healthcare Lanka Private Limited	**0.73%**	30.30	**0.00%**	-	**0.00%**	-
Non-controlling interest in all non-wholly owned subsidiaries	**-3.46%**	(143.66)	**-6.45%**	(208.60)	**-5.40%**	(150.50)
Joint Venture to the extent of shareholding						
Indian Joint Venture						
Metropolis Histoxpert Digital Services Private Limited	**0.00%**	0.07	**0.00%**	-	**0.00%**	-
Foreign Joint Venture						
Metropolis Healthcare Lanka Private Limited	**0.00%**	-	**1.87%**	60.30	**1.77%**	49.39
Metropolis Health Services Africa (Pty) Limited	**0.00%**	-	**0.00%**	-	**0.16%**	4.48
Add/(Less): Adjustments	**-11.33%**	(470.12)	**-9.02%**	(291.61)	**-13.60%**	**(379.19)**
Total	**100.00%**	4,147.68	**100.00%**	3,231.73	**100.00%**	2,787.19

Annexure VI- Notes to Restated Consolidated Financial Information *(Continued)*
for the year ended March 31, 2018

(Rs. in million)

Note 59
Disclosure of additional information pertaining to the Holding Company and Subsidiaries as per Schedule III of Companies Act, 2013
Share in Profit or Loss

Name of the Company	March 31, 2018						March 31, 2017						March 31, 2016 (Proforma)					
	As % of Consolidated profit or loss	Profit/ (Loss)	As % of Consolidated OCI	OCI	As % of Consolidated TCI	TCI	As % of Consolidated profit or loss	Profit/ (Loss)	As % of Consolidated OCI	OCI	As % of Consolidated TCI	TCI	As % of Consolidated profit or loss	Profit/ (Loss)	As % of Consolidated OCI	OCI	As % of Consolidated TCI	TCI
Holding Company																		
Metropolis Healthcare Limited	81.80%	836.54	-1.52%	(0.12)	**81.15%**	**836.42**	78.00%	792.96	-26.54%	(0.73)	**77.72%**	**792.23**	100.63%	772.83	9.02%	(1.58)	**102.77%**	**771.25**
Indian Subsidiaries																		
Direct Subsidiaries																		
Sudharma Metropolis Health Services Private Limited	6.92%	70.73	-21.30%	(1.70)	**6.70%**	**69.03**	6.06%	61.61	-1.53%	(0.04)	**6.04%**	**61.57**	8.00%	61.42	3.97%	(0.69)	**8.09%**	**60.73**
Sanket Metropolis Health Services (India) Private	-0.62%	(6.35)	-2.77%	(0.22)	**-0.64%**	**(6.58)**	-0.61%	(6.15)	9.76%	0.27	**-0.58%**	**(5.88)**	-0.99%	(7.58)	-0.58%	0.10	**-1.00%**	**(7.48)**
Desai Metropolis Health Services Private Limited	6.51%	66.62	0.71%	0.06	**6.47%**	**66.69**	4.62%	47.01	-2.06%	(0.06)	**4.61%**	**46.94**	4.46%	34.24	-16.23%	2.84	**4.94%**	**37.08**
R.V. Metropolis Diagnostic & Health Care Center	3.81%	38.96	0.92%	0.07	**3.79%**	**39.03**	4.56%	46.32	5.99%	0.16	**4.56%**	**46.48**	4.66%	35.78	0.14%	(0.02)	**4.76%**	**35.76**
Final Diagnosis Private Limited	0.01%	0.08	0.00%	-	**0.01%**	**0.08**	0.00%	(0.01)	0.00%	-	**0.00%**	**(0.01)**	0.00%	0.03	0.00%	-	**0.00%**	**0.03**
Golwilkar Metropolis Health Services (India) Private	7.19%	73.50	4.59%	0.37	**7.17%**	**73.87**	8.08%	82.14	-5.83%	(0.16)	**8.04%**	**81.98**	11.00%	84.49	1.83%	(0.32)	**11.22%**	**84.17**
Metropolis Healthcare (Jodhpur) Private Limited	-0.46%	(4.73)	0.00%	-	**-0.46%**	**(4.73)**	-0.48%	(4.85)	0.17%	0.00	**-0.48%**	**(4.85)**	-0.61%	(4.71)	0.00%	-	**-0.63%**	**(4.71)**
Metropolis Healthcare (Chandigarh) Pvt. Ltd.	0.00%	(0.01)	0.00%	-	**0.00%**	**(0.01)**	-0.11%	(1.10)	0.00%	-	**-0.11%**	**(1.10)**	-0.54%	(4.17)	0.00%	-	**-0.56%**	**(4.17)**
Micron Metropolis Healthcare Private Limited	1.39%	14.24	0.14%	0.01	**1.38%**	**14.25**	0.65%	6.56	1.10%	0.03	**0.65%**	**6.59**	0.49%	3.80	-0.27%	0.05	**0.51%**	**3.85**
Mulay Metropolis Healthcare Private Limited	0.00%	-	0.00%	-	**0.00%**	**-**	-0.05%	(0.46)	0.00%	-	**-0.05%**	**(0.46)**	0.44%	3.39	0.00%	-	**0.45%**	**3.39**
Dr. Patel Metropolis Healthcare Private Limited	2.55%	26.03	0.18%	0.01	**2.53%**	**26.05**	1.48%	15.09	-2.38%	(0.07)	**1.47%**	**15.03**	1.48%	11.38	-0.27%	0.05	**1.52%**	**11.43**
Amin's Pathology Laboratory Private Limited	1.72%	17.63	0.00%	-	**1.71%**	**17.63**	0.99%	10.02	0.00%	-	**0.98%**	**10.02**	1.70%	13.07	0.00%	-	**1.74%**	**13.07**
Ekopath Metropolis Lab Services Private Limited	0.47%	4.77	-0.15%	(0.01)	**0.46%**	**4.76**	0.38%	3.86	-1.21%	(0.03)	**0.37%**	**3.82**	0.27%	2.04	0.46%	(0.08)	**0.26%**	**1.96**
Lab One Metropolis Healthcare Services Private Limited	1.22%	12.52	0.50%	0.04	**1.22%**	**12.56**	0.13%	1.31	-2.59%	(0.07)	**0.12%**	**1.24**	0.39%	2.97	-2.00%	0.35	**0.44%**	**3.32**
Metropolis Health Product Retail Private Limited													-0.03%	(0.20)		-		**(0.20)**
Indirect Subsidiaries																		
Bokil Golwilkar Metropolis Healthcare Private Limited	0.94%	9.62	-0.45%	(0.04)	**0.93%**	**9.59**	0.51%	5.23	-0.74%	(0.02)	**0.51%**	**5.21**	0.89%	6.82	0.13%	(0.02)	**0.91%**	**6.80**
Raj Metropolis Healthcare Private Limited	0.10%	0.98	0.00%	-	**0.09%**	**0.98**	0.12%	1.17	0.00%	-	**0.11%**	**1.17**	0.24%	1.82	0.00%	-	**0.24%**	**1.82**
Foreign Indirect Subsidiaries																		
Metropolis Bramser Lab Services (Mtius) Limited	2.81%	28.77	0.67%	0.05	**2.80%**	**28.82**	-0.40%	(4.05)	-8.32%	(0.23)	**-0.42%**	**(4.28)**	0.31%	2.38	-1.24%	0.22	**0.35%**	**2.60**
Metropolis Healthcare Ghana Limited	0.55%	5.62	16.35%	1.30	**0.67%**	**6.92**	0.00%	0.02	28.14%	0.77	**0.08%**	**0.79**	-1.35%	(10.33)	0.00%	-	**-1.38%**	**(10.33)**
Metropolis Healthcare (Mauritius) Limited	0.03%	0.27	-5.48%	(0.44)	**-0.02%**	**(0.17)**	-0.65%	(6.59)	-109.73%	(3.02)	**-0.94%**	**(9.61)**	-1.71%	(13.16)	0.00%	-	**-1.75%**	**(13.16)**
Metropolis Star Lab Kenya Limited	1.46%	14.94	-4.99%	(0.40)	**1.41%**	**14.54**	1.25%	12.67	-10.93%	(0.30)	**1.21%**	**12.37**	-0.09%	(0.72)	-1.29%	0.22	**-0.07%**	**(0.50)**
Metropolis Healthcare Lanka Private Limited	-4.14%	(42.34)	113.74%	9.08	**-3.23%**	**(33.26)**	0.00%	-	0.00%	-	**0.00%**	**-**	0.00%	-	0.00%	-	**0.00%**	**-**
Non-controlling interest in all non-wholly owned subsidiaries	-7.44%	(76.05)	0.63%	0.05	**-7.37%**	**(76.00)**	-5.49%	(55.84)	6.00%	0.17	**-5.46%**	**(55.67)**	-6.67%	(51.19)	-10.15%	1.77	**-6.58%**	**(49.42)**
Joint Venture to the extent of shareholding																		
Indian Joint Venture																		
Metropolis Histoxpert Digital Services Private Limited	0.00%	-	0.00%	-	**0.00%**	-	0.00%	-	0.00%	-	**0.00%**	-	0.00%	-	0.00%	-	**0.00%**	-
Foreign Joint Venture																		
Metropolis Healthcare Lanka Private Limited	0.00%	-	0.00%	-	**0.00%**	-	0.07%	0.67	-157.15%	(4.32)	**-0.36%**	**(3.65)**	3.29%	25.24	14.89%	(2.60)	**3.02%**	**22.64**
Metropolis Health Services Africa (Pty) Limited	0.00%	-	0.00%	-	**0.00%**	-	2.54%	25.86	0.00%	-	**2.54%**	**25.86**	1.02%	7.85	5.48%	(0.96)	**0.92%**	**6.89**
Add/(Less): Adjustments	-6.81%	(69.67)	-1.66%	(0.13)	**-6.77%**	**(69.80)**	-1.66%	(16.88)	378.17%	10.40	**-0.64%**	**(6.48)**	-27.28%	(209.53)	96.21%	(16.81)	**-30.16%**	**(226.34)**
Total	**100.00%**	**1,022.67**	**100.00%**	**7.98**	**100.00%**	**1,030.65**	**100.00%**	**1,016.57**	**100.00%**	**2.75**	**100.00%**	**1,019.32**	**100.00%**	**767.96**	**100.00%**	**(17.48)**	**100.00%**	**750.48**

(Rs. in million)

60 First-time adoption of Ind AS

Explanation of transition to Ind AS:
The financial statements for the year ended March 31, 2018 are the Group's first financial statements prepared in accordance with Ind AS. The accounting policies set out in Annexure (V) Note 2 have been applied in preparing the financial statements for the year ended March 31, 2018, the comparative information presented in these financial statements for the year ended March 31, 2017 and in the preparation of an opening Ind AS balance sheet at April 1, 2016 (the date of transition). In preparing its opening Ind AS balance sheet, the Group has adjusted the amounts reported previously in financial statements prepared in accordance with the accounting standards notified under Section 133 of the Act. read with Rule 7 of the Companies (Accounts) Rules, 2014 and read with Companies (Accountmg Standard) Amendment Rules, 2016 and other relevant provisions of the Act ('Previous GAAP' or 'Indian GAAP').

An explanation of how the transition from Previous GAAP to Ind AS has affected the financial performance, cash flows and financial position is set out in the following tables and the notes that accompany the tables.

Optional exemptions availed and mandatory exceptions
In preparing the financial statements, the Group has applied the below mentioned optional exemptions and mandatory exceptions.

A. Optional exemptions availed

1. Property, plant and equipment and Intangible assets
The group has availed the exemption available under Ind AS 101 to continue the carrying value for all of its property, plant and equipment and intangibles as recognised in the financial statements as at the date of transition to Ind AS, measured as per the previous GAAP and use that as its deemed cost as at the date of transition (April 1, 2016).

2. Business combination exemption:
Ind AS 101 provides the option to apply Ind AS 103 prospectively from the transition date or from a specific date prior to the transition date. This provides relief from full retrospective application that would require restatement of all business combinations prior to the transition date.
The Group has elected to apply Ind AS 103 prospectively to business combinations occurring after its transition date (1 April 2016). Business combinations occurring prior to the transition date have not been restated.

3. Cumulative translation differences:
As per Ind AS 101, an entity may deem that the cumulative translation differences for all foreign operations to be zero as at the date of transition by transferring any such cumulative differences to retained earnings. The group has elected to avail of the above exemption.

4. Share-based payment exemption:
The Group 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 Group has measured only the unvested stock options on the date of transition as per Ind AS 102.

B. Mandatory Exceptions

1. Estimates
On assessment of the estimates made under the previous GAAP financial statements, the Group has concluded that there is no necessity to revise the estimates under Ind AS, as there is no objective evidence of an error in those estimates. However, estimates that were required under Ind AS but not required under previous GAAP are made by the Group for the relevant reporting dates reflecting conditions existing as at that date. Key estimates considered in preparation of financial statements that were not required under the previous GAAP are listed below:
- Fair valuation of financial instruments carried at FVTPL
- Determination of the discounted value for financial instruments carried ar amortised cost.
- Impairment of financial assets based on the expected credit loss model.

2. Classification and measurement of financial assets
Ind AS 101 requires an entity to assess the classification of financial assets on the basis of facts and circumstances existing as on the date of transition. Further, the standard permits measurement of financial assets accounted at amortized cost based on facts and circumstances existing at the date of transition if retrospective application is impracticable. Accordingly, the Group has determined the classification of financial assets based on facts and circumstances that exist on the date of transition.

(Rs. in million)

60 First-time adoption of Ind AS *(Continued)*

B. Mandatory Exceptions *(Continued)*

3. Derecognition of financial assets and financial liabilities
As per Ind-AS 101, an entity should apply the de-recognition requirements in Ind-AS 109, Financial Instruments, prospectively for transactions occurring on or after the date of transition to Ind-AS. The Group has elected to apply the de-recognition requirements for financial assets and financial liabilities in Ind AS 109 prospectively for transactions occurring on or after the date of transition to Ind AS.

4. Non-controlling interests (NCI):

Ind AS 110 requires that total comprehensive income should be attributed to the owners of the parent and the NCI even if this results in the NCI having a negative balance. Ind AS 101 requires this requirement to be applied prospectively from the date of transition to Ind AS. However, if an entity elects to apply Ind AS 103 retrospectively to past business combinations, it has to also apply Ind AS 110 from the same date. Since the Group has elected to apply Ind AS 103 prospectively to business combinations that occurred on or after April 1, 2016, it does not have any impact on the carrying value of NCI.

Metropolis Healthcare Limited

Annexure VI- Notes to Restated Consolidated Financial Information *(Continued)*

for the year ended March 31, 2018

(Rs. in million)

60 First-time adoption of Ind AS

C. Reconciliation of net worth as at March 31, 2017 and April 1, 2016

Particulars	Footnote ref.	As on March 31, 2017	As on April 1, 2016 (Date of transition)
Net worth under previous GAAP		**3,404.37**	**2,852.55**
Ind AS adjustments			
Fair valuation of investment in mutual funds classified as FVTPL	**1**	80.71	155.61
Financial assets measured at amortised cost	**2**	(0.34)	(0.37)
Written put option over shareholding of non-controlling interests	**3**	(8.49)	(4.81)
Change in classification from Subsidiary to Joint Venture	**4**	(60.30)	(53.70)
Acquisition of stake from non-controlling interests	**5**	(4.31)	-
Fair valuation of Business Combination	**6**	27.35	-
Prior period expense	**7**	-	(21.04)
Fully convertible share warrants (Note 55)	**8**	0.02	0.02
Deferred tax on Ind AS adjustments	**11**	(21.60)	(45.85)
Others	**12**	3.20	3.87
Total Ind AS adjustments		**16.24**	**33.73**
Total Net worth under Ind AS		**3,420.61**	**2,886.28**
Total restatement adjustments	**Annexure VII**	**20.94**	
Total Net worth as per restated financial information		**3,441.55**	

D. Reconciliation of Comprehensive income for the year ended on March 31, 2017

Particulars	Footnote ref.	As on March 31, 2017
Profit under previous GAAP		**1,153.15**
Ind AS adjustments		
Fair valuation of investment in mutual funds classified as FVTPL	**1**	(74.90)
Financial assets measured at amortised cost	**2**	0.03
Change in classification from Subsidiary to Joint Venture	**4**	(26.51)
Fair valuation of Business Combination	**6**	27.35
Prior period expense	**7**	21.04
Employee share based payments	**9**	(0.43)
Remeasurements of the defined benefit plans reclassified to OCI	**10**	1.22
Deferred tax on Ind AS adjustments	**11**	(0.67)
Others	**12**	23.74
Total Ind AS adjustments		**(29.13)**
Profit under Ind AS		**1,124.02**
Other comprehensive income (net of tax)	**10 & 11**	2.59
Total Comprehensive income under Ind AS		**1,126.61**
Total restatement adjustments	**Annexure VII**	**(51.45)**
Restated total comprehensive Income		**1,075.16**

(Rs. in million)

60 First-time adoption of Ind AS *(Continued)*

Notes to the Ind AS reconciliation:

1 Fair valuation of investment in mutual funds classified as

Under previous GAAP, investment in Mutual funds are classified as current investments and were carried at lower of cost or fair value. Under Ind AS, the Group has designated such investments as fair value through profit and loss (FVTPL) , which are measured at fair value. On the transition date, these financial assets have been measured at their fair value which is higher than its cost as per previous GAAP, resulting in an increase in carrying value of the investments with corresponding increase being recognised in equity.

2 Financial assets measured at amortised

Under previous GAAP, interest free refundable lease security deposits are recorded at their transaction value. Under Ind AS, all financial assets are required to be recognised at fair value. On the date of initial recognition, the difference between the transaction amount and the fair value has been recognised as prepaid rent. The security deposits have been subsequently amortised under effective interest rate method and the prepaid rent on a straight line basis over the term of the lease. This has resulted an impact on retained earnings on the date of transition and in profit and loss account for year ending 2017.

3 Written put option over shareholding of non-controlling interests

The Group has written put options for acquiring remaining interest in its subsidiary 'Metropolis Bramser Lab Services (Mtius) Limited'. Under Ind AS, gross obligation has been recognised by debit to Other Equity for the expected amount payable in case of exercise of the put by Non Controlling Interest. The effect of change in estimate as on year end has been recognised through other equity.

4 Change in classification from Subsidiary to Joint Venture:

Under previous GAAP, an entity controls another entity when it has ownership, directly or indirectly, of more than one-half of the voting power of the other entity or control over the composition of board of directors so as to obtain economic benefit from its activities. Accordingly, under previous GAAP, Metropolis Healthcare Lanka Private Limited and Metropolis Health Services (South Africa) (Pty.) Limited were classified as subsidiary companies and were accounted by using line by line consolidation method. Under Ind AS, based on control assessment under Ind AS 110 'Consolidated financial statements' and Ind AS 111 Accounting for 'Joint Arrangements', Metropolis Healthcare Lanka Private Limited and Metropolis Health Services (South Africa) (Pty.) Limited are classified as Joint venture of the parent company and are accounted using Equity Method.

5 Acquisition of Non-controlling interests

The Group has acquired further stake in subsidiary companies. Under previous GAAP, goodwill is recognised on further acquisition of shares of subsidiaries. Under Ind AS, transactions which results in change in ownership interests while retaining control are accounted for as equity transactions. As a result, gain or loss on such changes is recognised in equity. Further, no change in the carrying amounts of assets (including goodwill) or liabilities is recognised as a result of such transactions.

6 Fair valuation of Business combination (Acquisition of business during the previous year)

The Group has elected to apply Ind AS 103 prospectively to business combinations occuring after its transition date. During the previous year 2016-17, the Group acquired business of sanjeevani laboratories. Under previous GAAP, assets and liabilities acquired in a business combination are recognised at the acquiree’s carrying value. Under Ind AS, the acquirees identifiable assets, liabilities and consideration to be paid are recognised at fair value on the date of acquisition.

Accordingly, Intangible assets, fair value of deferred consideration and deferred tax assets/ liabilities in relation to business combinations which were included within goodwill under previous GAAP, have been recognised separately under Ind AS with corresponding adjustments to Goodwill

Amortisation of Goodwill: Under previous GAAP, goodwill is amortised on a straight line basis over 10 years; whereas under Ind AS it is not subject to amortisation. Any corresponding impact of the differential amortisation on such assets (including goodwill) and liabilities has been recognised in equity.

Acquisition related cost expensed off: Under Previous GAAP, acquisition related cost are treated as capital cost and included in the value of Goodwill. However, under Ind AS 103 acquisition-related costs are expensed off in the periods in which the costs are incurred.

(Rs. in million)

60 First-time adoption of Ind AS *(Continued)*

Notes to the Ind AS reconciliation: *(Continued)*

7 Prior period expenses

Prior period expense comprises of employee related dues for the period 2015-16. Under Ind AS, such prior period expense is adjusted in the respective period to which it pertains.

8 Equity component of share warrants

Under Previous GAAP, money received against issue of share warrant is classified as liability.On the date of transition, share warrants issued will be converted into fixed number of equity shares at a predetemined fixed price in future as per the agreed terms of exercise. Under Ind AS, share warrants will meet the definition of an equity instrument, hence, money received on issue is classified as equity.

9 Employee share based payment

Under Previous GAAP, the cost of equity-settled employee share based payments was recognised based on intrinsic value of the options as at the grant date over the appropriate vesting period. Ind AS requires expense on such share based payments to be recognised based on fair value as at grant date using an appropriate pricing model over the appropriate vesting period.

10 Remeasurements of the defined benefit plans reclassified to OCI

Under previous GAAP, the Group recognised remeasurement of defined benefit plans under Profit or Loss. Under Ind AS, remeasurement of defined benefit plans are recognised in Other Comprehensive Income.

11 Deferred Tax

Under Previous GAAP, deferred taxes were recognized for the tax effect of timing differences between accounting profit and taxable profit for the year using the income statement approach. Under Ind AS, deferred taxes are recognized using the balance sheet for future tax consequences of temporary differences between the carrying value of assets and liabilities and their respective tax bases. The above difference, together with the consequential tax impact of the other Ind AS transitional adjustments lead to temporary differences. Deferred tax adjustments are recognized in correlation to the underlying transaction either in retained earnings or through other comprehensive income.

Under previous GAAP, tax expenses in the Consolidated financial statements was computed by performing line by line addition of tax expense of the parent and subsidiaries. No adjustment to tax expenses was made on consolidation. Under Ind AS, deferred taxes is also recognised on consolidation adjustments recorded for alignment of group accounting policies.

12 Others:

Other adjustments include foreign exchange difference arising on account of Ind AS adjustments and reversal of straight lining of lease payments. Under Previous GAAP, the lease payments under operating leases were recognised as expense on a straight line basis over the lease term. As per Ind AS 17, lease payments are not recognised on a straight line basis if payments to the lessor are structured to increase in line with expected general inflation to compensate for the lessor’s expected inflationary cost increases. Hence, lease payments pertaining to operating lease agreements has been reversed and credited to Equity as on transition date.

13 Impact on cash flow statement

Cash flow from respective activities and cash and cash equivalents have decreased mainly on account of change in the definition of control under Ind AS, resulting in change in classification of subsidiary to joint venture i.e. from line by line consolidation to equity accounting method of accounting.

Annexure VI- Notes to Restated Consolidated Financial Information *(Continued)*

for the year ended March 31, 2018

(Rs. in million)

60 First-time adoption of Ind AS *(Continued)*

Reconciliation of Cash Flow
For the Year ended March 31, 2017

Particulars	Previous GAAP	Ind AS Adjustments	Ind AS	Restatement adjustments	Restated Ind AS
Net Cash Flow from Operating activities	975.50	42.03	1,017.53	-	1,017.53
Net Cash Flow from Investing activities	(854.20)	(3.65)	(857.85)	-	(857.85)
Net Cash Flow from Financing activities	(211.18)	38.18	(173.00)	-	(173.00)
Net Increase / (Decrease) in Cash & Cash Equivalents	(89.88)	76.55	(13.32)	-	(13.32)
Effect of exchange rate changes on cash and cash equivalents	(0.10)	-	(0.10)	-	(0.10)
Cash and cash equivalents taken over on acquisition of subsidiary	0.19	-	0.19	-	0.19
Cash & Cash Equivalents as on April 01, 2016	363.56	(95.24)	268.32	-	268.32
Cash & Cash Equivalents as on March 31, 2017	273.77	(18.69)	255.09	-	255.09

(Rs. in million)

60 Proforma Financial Information

The Proforma Consolidated Financial Information of the Group as at and for the year ended March 31, 2016, is prepared in accordance with requirements of SEBI Circular SEBI/HO/CFD/DIL/CIR/P/2016/47 dated March 31, 2016 ("SEBI Circular"). As envisaged by the SEBI Circular, the Group has followed the same accounting policy choices (both mandatory exceptions and optional exemptions availed as per Ind AS 101) as initially adopted on its Ind AS transition date (i.e. April 1, 2016) while preparing the Consolidated proforma financial information for the FY 2015-16 and accordingly suitable restatement adjustments in the accounting heads have been made in the Consolidated proforma financial information.

This Consolidated proforma Ind AS financial information has been prepared by making Ind AS adjustments to the audited Indian GAAP consolidated financial statements as at and for the year ended March 31, 2016 as described in this Note. The impact of Ind AS 101 on the equity under Indian GAAP as at April 1, 2015 and March 31, 2016 and the impact on the profit or loss for the year ended March 31, 2016 due to the Ind- AS principles applied on proforma basis can be explained as under:

Reconciliation of networth as on the opening date of Ind AS consolidated proforma financial statement i.e. April 1, 2015 and for the year ended March 31, 2016

Particulars	**Footnote ref.**	**As on March 31, 2016 (Proforma)**	**As on April 1, 2015 (Proforma)**
Net worth under previous GAAP		**2,852.55**	**3,838.48**
Proforma Ind AS adjustments			
Fair valuation of investment in mutual funds classified as FVTPL	**1**	155.61	217.40
Financial assets measured at amortised cost	**2**	(0.37)	(0.32)
Written put option over shareholding of non-controlling interests	**3**	(4.81)	(6.56)
Change in classification from Subsidiary to Joint Venture	**4**	(53.70)	(46.65)
Acquisition of stake from non-controlling interests	**5**	(37.70)	-
Reversal of goodwill amortised under IGAAP	**6**	26.08	-
Prior period expense	**7**	(21.04)	-
Deferred tax on Ind AS adjustments	**9**	(53.95)	(75.74)
Others	**10**	3.91	2.96
Total proforma Ind AS adjustments		**14.03**	**91.09**
Net worth as per proforma Ind AS financial statements		**2,866.58**	**3,929.57**
Total restatement adjustments	**Annexure VII**	72.22	7.31
Total Net worth as per restated proforma financial statements		**2,938.80**	**3,936.88**

Annexure VI- Notes to Restated Consolidated Financial Information *(Continued)*
for the year ended March 31, 2018

(Rs. in million)

60 Proforma Financial Information *(Continued)*

Reconciliation of Comprehensive income for the year ended on March 31, 2016

Particulars	Footnote ref.	For the year ended March 31, 2016 (Proforma)
Profit under previous GAAP		**819.29**
Proforma Ind AS adjustments		
Fair valuation of investment in mutual funds classified as FVTPL	1	(61.80)
Financial assets measured at amortised cost	2	(0.04)
Change in classification from Subsidiary to Joint Venture	4	(32.91)
Reversal of goodwill amortised under IGAAP	6	26.08
Prior period expense	7	(21.04)
Remeasurements of the defined benefit plans reclassified to OCI	8	3.49
Deferred tax on Ind AS adjustments	9	20.47
Others	10	0.93
Total proforma Ind AS adjustments		**(64.82)**
Profit under proforma Ind AS		**754.47**
Other comprehensive income (net of tax)	8 & 9	(19.25)
Total Comprehensive income under proforma Ind		**735.22**
Total restatement adjustments	**Annexure VII**	**65.08**
Restated total comprehensive Income		**800.30**

Notes to the Ind AS reconciliation:

1 **Fair valuation of investment in mutual funds classified as FVTPL**

Under previous GAAP, investment in Mutual funds are classified as current investments and were carried at lower of cost or fair value. Under Ind AS, the Group has designated such investments as FVTPL , which are measured at fair value. Accordingly, on the opening date of proforma Ind AS financial information, these financial assets have been measured at their fair value which is higher than its cost as per previous GAAP, resulting in an increase in carrying value of the investments with corresponding increase being recognised in equity as at April 1, 2015. Subsequent changes in fair value is recognised in the profit and loss for the year ended March 31, 2016.

2 **Financial assets measured at amortised cost**

Under previous GAAP, interest free refundable lease security deposits are recorded at their transaction value. Under Ind AS, all financial assets are required to be recognised at fair value. On the date of initial recognition, the difference between the transaction amount and the fair value has been recognised as prepaid rent. The security deposits have been subsequently amortised under effective interest rate method and the prepaid rent on a straight line basis over the term of the lease. This has resulted an impact on retained earnings on the opening date of proforma Ind AS i.e. April 1, 2015 and in profit and loss account for year ending 2016.

3 **Written put option over shareholding of non-controlling interests**

The Group has written put options for acquiring remaining interest in its subsidiary 'Metropolis Bramser Lab Services (Mtius) Limited'. Under Ind AS, gross obligation has been recognised by debit to Other Equity for the expected amount payable in case of exercise of the put by Non Controlling Interest as on the opening date of Ind AS. The effect of change in estimate as on year end i.e. March 2016 has been recognised through other equity.

4 **Change in classification from Subsidiary to Joint Venture**

Under previous GAAP, an entity controls another entity when it has ownership, directly or indirectly, of more than one-half of the voting power of the other entity or control over the composition of board of directors so as to obtain economic benefit from its activities. Accordingly, under previous GAAP, Metropolis Healthcare Lanka Private Limited and Metropolis Health Services (South Africa) (Pty.) Limited were classified as subsidiary companies and were accounted by using line by line consolidation method. Under Ind AS, based on control assessment under Ind AS 110 'Consolidated financial statements' and Ind AS 111 Accounting for 'Joint Arrangements', Metropolis Healthcare Lanka Private Limited and Metropolis Health Services (South Africa) (Pty.) Limited are classified as Joint venture of the Parent Company and are accounted using Equity Method as on the opening date of proforma Ind AS.

Annexure VI- Notes to Restated Consolidated Financial Information *(Continued)*

for the year ended March 31, 2018

(Rs. in million)

60 Proforma Financial Information *(Continued)*

Notes to the Ind AS reconciliation: ***(Continued)***

5 Acquisition of stake from non-controlling interests

The Group has acquired further stake in subsidiary companies. Under previous GAAP, goodwill is recognised on further acquisition of shares of subsidiaries. Under Ind AS, transactions which results in change in ownership interests while retaining control are accounted for as equity transactions. As a result, gain or loss on such changes is recognised in equity. Further, no change in the carrying amounts of assets (including goodwill) or liabilities is recognised as a result of such transactions.

6 Reversal of goodwill amortised under IGAAP

Amortisation of Goodwill: Under previous GAAP, goodwill is amortised on a straight line basis over 10 years; whereas under Ind AS it is not subject to amortisation. Any corresponding impact of the differential amortisation on such assets (including goodwill) and liabilities has been recognised in equity as on the opening date of proforma Ind AS.

7 Prior period expense

Prior period expense comprises of employee related dues for the period 2015-16. Under Ind AS, such prior period expense is adjusted in the respective period to which it pertains. This has resulted an impact in profit and loss account for year ending 2016.

8 Remeasurements of the defined benefit plans reclassified to OCI

Under Previous GAAP, the Group recognised remeasurement of defined benefit plans under Profit or Loss. Under Ind AS, remeasurement of defined benefit plans are recognised in Other Comprehensive Income.

9 Deferred tax on Ind AS adjustments

Under Previous GAAP, deferred taxes were recognized for the tax effect of timing differences between accounting profit and taxable profit for the year using the income statement approach. Under Ind AS, deferred taxes are recognized using the balance sheet for future tax consequences of temporary differences between the carrying value of assets and liabilities and their respective tax bases. The above difference, together with the consequential tax impact of the other Ind AS transitional adjustments lead to temporary differences. Deferred tax adjustments are recognized in correlation to the underlying transaction either in retained earnings \ Profit or Loss or through other comprehensive income.

10 Others

Other adjustments include foreign exchange difference arising on account of Ind AS adjustments and reversal of straight lining of lease payments. Under Previous GAAP, the lease payments under operating leases were recognised as expense on a straight line basis over the lease term. As per Ind AS 17, lease payments are not recognised on a straight line basis if payments to the lessor are structured to increase in line with expected general inflation to compensate for the lessor’s expected inflationary cost increases. Hence, lease payments pertaining to operating lease agreements has been reversed and credited to Equity as on transition date.

Reconciliation of cash flow for the Year ended March 31, 2016 (Proforma)

Particulars	Previous GAAP	Ind AS Adjustments	Ind AS	Restatement adjustments	Restated Ind AS
Net Cash Flow from Operating activities	882.61	31.55	914.16	-	914.16
Net Cash Flow from Investing activities	906.38	57.23	963.61	-	963.61
Net Cash Flow from Financing activities	(1,660.54)	(77.09)	(1,737.63)	-	(1,737.63)
Net Increase / (Decrease) in Cash & Cash Equivalents	128.45	11.69	140.14	-	140.14
Effect of exchange rate changes on cash and cash equivalents	0.10	-	0.10	-	0.10
Cash and cash equivalents de-recognised on disposal of subsidiary	(0.83)	-	(0.83)	-	(0.83)
Cash & Cash Equivalents as on April 01, 2015 (Proforma)	237.03	(108.12)	128.91	-	128.91
Cash & Cash Equivalents as on March 31, 2016	364.75	(96.43)	268.32	-	268.32

(Rs. in million)

60 Proforma Financial Information *(Continued)*

Reconciliation of networth as per Proforma Ind AS financial statements as on March 31, 2016 and Ind AS financial statement as on April 1, 2016 i.e. the transition date:

Particulars	Footnote ref.	Amount
Total Net worth as on March 31, 2016 (Proforma) before restatement adjustments		2,866.58
Proforma Ind AS adjustments		
Goodwill amortisation	**(i)**	(26.10)
Cumulative translation difference	**(ii)**	0.01
Acquisition of stake from non-controlling interests	**(iii)**	37.70
Share warrants	**(iv)**	0.02
Deferred tax impact	**(v)**	8.08
Net worth as per Ind AS financial statements as on April 1, 2016 (i.e. date of transition)		**2,886.29**

Notes to the proforma reconciliation:

(i) Goodwill amortisation

Under previous GAAP, goodwill is amortised on a straight line basis over 10 years; whereas under Ind AS it shall be tested for impairment and is not subjected to amortisation. Hence, any amortisation charge is reversed prospectively from the date of opening proforma Ind AS or from transition date to Ind AS.

Hence, there is difference to the extent of amortisation for the proforma financial period 2015-16 as per March 31, 2016 proforma financial statements and as on transition date to Ind AS i.e. April 1, 2016

(ii) Cumulative translation difference

As per Ind AS 101, an entity may deem that the cumulative translation differences for all foreign operations to be zero as at the date of transition by transferring any such cumulative differences to retained earnings. The group has elected to avail such exemption as on its transition to Ind AS i.e. on April 1, 2016 and the same exemption has been applied on opening date of proforma Ind AS i.e. April 1, 2015. Hence, there is a differece, to the extent of foreign exchange translation during the proforma financial period 2015-16, as per March 31, 2016 proforma financial statements and as on transition date to Ind AS i.e. April 1, 2016

(iii) Acquisition of stake from non-controlling interests

The Group has acquired further stake in subsidiary companies during the proforma financial year 2015-16. Under previous GAAP, goodwill is recognised on further acquisition of shares of subsidiaries. Under Ind AS, transactions which results in change in ownership interests while retaining control are accounted for as equity transactions. As a result, gain or loss on such changes is recognised in equity. Further, no change in the carrying amounts of assets (including goodwill) or liabilities is recognised as a result of such transactions.

(iv) Share warrants

As per the terms of share warrants as on March 31, 2016, share warrants issued were converted into variable number of shares at a fixed price at future date. Under Ind AS, as on March 31, 2016 money received against issue of share warrant is classified as liability. However, as on date of transition (April 1, 2016), terms of share warrants are different. As per the terms as on April 1 2016, Share warrants issued will now be converted into fixed number of equity shares at a predetermined fixed price in future as per the agreed terms of exercise. Under Ind AS, this meets the definition of an equity instrument. Hence, money received on issue is classified as equity. (Refer note 55 on share warrants)

(v) Deferred Tax

The tax impact of the above Ind AS Proforma adjustments has lead to temporary differences. Deferred tax adjustments are recognized in correlation to the underlying transaction either in retained earnings or through other comprehensive income.

Metropolis Healthcare Limited

Annexure VII- Notes to Restated Consolidated Financial Statements
for the year ended March 31, 2018

(Rs. in million)

Statement of Adjustment to the audited Consolidated Financial Statements

Summarised below are the restatement adjustments made to the audited consolidated financial statements for the years ended March 31, 2018, March 31, 2017 and March 31, 2016 (Proforma) and their impact on the profit of the Group:

Particulars	**March 31, 2018**	**March 31, 2017**	**March 31, 2016 (Proforma)**
Total comprehensive income before restatement adjustments	**1,126.34**	1,126.61	735.22
Add/ (Less) Adjustments:			
A. Material restatement adjustments			
(a) Provision no longer required written back	-	(28.10)	-
(b) Sundry balances written back	**(33.77)**	(32.47)	14.87
(c) Tax relating to earlier years	**1.93**	(16.99)	0.29
(d) Exceptional items	-	-	77.07
(e) Service tax liability relataing to earlier year	-	8.03	(2.29)
	(31.84)	(69.52)	89.94
B. Deferred Tax adjustments	**10.90**	18.08	(24.86)
Total impact due to restatement (A+B)	**(20.94)**	(51.45)	65.08
Profit after Restatement Adjustments	**1,105.40**	1,075.16	800.30

Annexure VII- Notes to Restated Consolidated Financial Statements *(Continued)*
for the year ended March 31, 2018

(Rs. in million)

Statement on adjustment to the audited Consolidated Financial Statements

Notes to material restatement adjustments:

A. **Provisions written back:** During the year ended March 31, 2017, the Group had written back certain provisions created before April 1, 2015. Such provision write back has been accordingly adjusted in the opening retained earnings as on April 1, 2015.

B. **Sundry balances written back:** During the year ended March 31, 2018, March 31, 2017 and March 31, 2016, the Group had written back sundry balances created in earlier years. All such write backs have been adjusted in the year to which they pertain.

C. **Tax relating to earlier years**: During the year ended March 31, 2018, March 31, 2017 and March 31, 2016, the Group has accounted for tax pertaining to earlier years based on return of income and / or intimations/ orders received from Income-tax authorities. For the purpose of these statements, such items have been appropriately adjusted to the respective years to which they relate.

D. **Exceptional Items:** As at 31 March 2016, the Parent Company had an investment of Rs 12.98 million and receivable of Rs 64.09 million from Star Metropolis Health Services Middle East LLC ('Star Metropolis'), an associate company. Considering the financial position, expected performance and information available, the parent company has made a provision for doubtful debts, advances and for dimunition in the value of investment during the year ended March 31, 2016,which were classified as an exceptional item. Such provisions recognised as an exceptional item have been adjusted in the year to which thet pertain and according recognised in the opening retained earnings as on April 1, 2015.

E. **Service tax relating to earlier years:** During the year ended March 31, 2017 the Group has accounted for service tax liability pertaining to earlier years based on assessment received from Service tax authorities. For the purpose of these statements, such items have been appropriately adjusted to the respective years to which they relate.

F. **Deferred tax adjustment:**
The tax rate applicable for the respective periods/ years has been used to calculate the consequent deferred tax impact on other material adjustments detailed above.

G. **Material regroupings:** Appropriate adjustments have been made in the restated consolidated statements of assets and liabilities, restated consolidated statement of profit and loss and restated consolidated cash flows, wherever required, by a reclassification of the corresponding items of income, expenses, assets, liabilities and cash flows in order to bring them in line with the groupings as per the audited financials of the Group as at March 31, 2018, prepared in accordance with Schedule III of Companies Act 2013 and the requirements of the Securities and Exchange Board of India (Issue of Capital & Disclosure Requirements) Regulations, 2009 (as amended).

Summarized below are the restatement adjustments made to the total equity as on April 1, 2015:

Particulars		**April 1, 2015 (Proforma)**
Total equity before Restatement Adjustments and after IND AS Adjustments		3,929.56
Add/ (Less) Adjustments:		
A. Material Restatement Adjustments		
Provision no longer required written back	A	28.11
Sundry balances written back	B	51.38
Income Tax relating to earlier years	C	14.76
Exceptional Items	D	(77.07)
Service tax liability relataing to earlier year	E	(5.74)
Total impact of restatement adjustments		**11.44**
B. Deferred Tax adjustments	G	(4.12)
Total impact due to restatement		**7.32**
Total Equity after Restatement Adjustments		**3,936.88**

Metropolis Healthcare Limited

Annexure VIII- Restated Consolidated Statement of Accounting Ratios

for the year ended March 31, 2018

(Rs. in million)

Restated Consolidated Statement of Accounting Ratios

[I] Statement of Accounting Ratios (after bonus and split of shares)

	Particulars	For the year ended March 31, 2018	March 31, 2017	March 31, 2016 (Proforma)
A	Profit available to equity shareholders (Rs. in million)	**1,022.67**	1,016.57	767.96
B	Weighted average number of equity shares outstanding during the year	**49,626,960**	49,626,960	50,360,045
C	Weighted average number of dilutive potential equity shares outstanding during the year	**49,908,925**	49,954,545	50,724,790
D	Net worth attributable to equity shareholders (Rs. in million)	**4,147.68**	3,231.73	2,787.19
E	Number of equity shares outstanding at the year end	**49,626,960**	49,626,960	49,626,960
F	Accounting ratios			
	Basic Earning per share (A)/(B)	**20.61**	20.48	15.25
	Diluted Earning per share (A)/(C)	**20.49**	20.35	15.14
	Return on Net worth for Equity shareholders (A)/(D)	**24.66%**	31.46%	27.55%
	Net Asset value per share (D)/(E)	**83.58**	65.12	56.16

Notes:

1 The above statement should be read with the notes on Restated Ind AS Consolidated Statement of the Assets and Liabilities, Restated Ind AS Consolidated Statement of Profit and Loss and Restated Ind AS Consolidated Statement of Cash Flows.

2 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 Rs. 10/- (Rupees ten) each to equity shares of Rs. 2/- (Rupees two) each.

3 The ratios have been computed as follows:

$$\text{Earning Per Share (Basic)} = \frac{\text{Restated Consolidated profit for the year available for equity shareholders}}{\text{Weighted average number of equity shares outstanding during the year}}$$

$$\text{Earning Per Share (Diluted)} = \frac{\text{Restated Consolidated profit for the year availaible for equity shareholders}}{\text{Weighted average number of diluted potential equity shares outstanding during the year}}$$

$$\text{Return on Net worth (\%)} = \frac{\text{Restated Consolidated profit for the year available for equity shareholders}}{\text{Restated Consolidated net worth at the end of the year}}$$

$$\text{Net Asset Value per Share (Rs.)} = \frac{\text{Restated Consolidated net worth at the end of the year}}{\text{Number of equity shares outstanding at the year end}}$$

Earnings per share and Net asset value per share also have been adjusted for all the periods presented after giving effect to allotment of bonus shares in the ratio of 1 equity share of Rs 10 each for every 25 equity shares of Rs 10 each and subdivision of equity shares from face value of Rs 10 each to Rs 2 each.

4 Net worth for ratios mentioned in note D above is = Equity share capital + Other Equity

5 Earnings per share calculations are in accordance with Ind AS 33 " Earning Per Share"

Following share options and share warrants were excluded from the calculation of diluted weighted average number of equity shares as their effect is anti-dilutive:

For the year ended 31 March 2018 - 10,80,400 share options
For the year ended 31 March 2017 - 1,44,560 share options and 45,255 share warrants
For the year ended 31 March 2016 - 45,255 warrants

Annexure VIII- Restated Consolidated Statement of Accounting Ratios (*continued*)

for the year ended March 31, 2018

(Rs. in million)

[II] <u>Statement of Accounting Ratios (before bonus and split of shares)</u>

	Particulars	For the year ended **March 31, 2018**	March 31, 2017	March 31, 2016 (Proforma)
A	Profit available to equity shareholders (Rs. in million)	**1,022.67**	1,016.57	767.96
B	Weighted average number of equity shares outstanding during the year	**9,543,646**	9,543,646	9,684,624
C	Weighted average number of dilutive potential equity shares outstanding during the year	**9,597,870**	9,606,643	9,754,767
D	Net worth attributable to equity shareholders (Rs. in million)	**4,147.68**	3,231.73	2,787.19
E	Number of equity shares outstanding at the year end	**9,543,646**	9,543,646	9,543,646
F	Accounting ratios			
	Basic Earning per share (A)/(B)*	**107.16**	106.52	79.30
	Diluted Earning per share (A)/(C) *	**106.55**	105.82	78.73
	Return on Net worth for Equity shareholders (A)/(D)	**24.66%**	31.46%	27.55%
	Net Asset value per share (D)/(E) *	**434.60**	338.63	292.05

* Earning per share and Net Asset value per share is calculated before bonus and split of shares
Earnings per share calculations are in accordance with Ind AS 33

Following share options and share warrants were excluded from the calculation of diluted weighted average number of equity shares as their effect is anti-dilutive:

For the year ended 31 March 2018 - 207,770 share options
For the year ended 31 March 2017 - 27,800 share options and 8,703 share warrants
For the year ended 31 March 2016 - 8,703 warrants

Metropolis Healthcare Limited

Annexure IX- Restated Consolidated Statement of Capitalization
for the year ended March 31, 2018

(Rs. in million)

Restated Consolidated Statement of Capitalization

Particulars	Pre-issue as at March 31, 2018	As Adjusted for issue *(Refer note 2 below)*
Debt		
Long term borrowings	3.64	[.]
Short term borrowings	3.70	[.]
Total debt (A)	**7.34**	
Shareholder's funds (Equity)		
Share capital	95.44	[.]
Other Equity	4,052.24	[.]
Total shareholder's funds (B)	**4,147.68**	
Total Debt/ Equity ratio (A/B)	**0.00**	[.]

Notes

1) The above statement should be read with the notes on Restated Consolidated Statement of the Assets and Liabilities, Restated Consolidated Statement of Profit and Loss and Restated Consolidated Statement of Cash Flows.

2) The corresponding figures (as adjusted for issue) are not determinable at this stage pending the completion of the book building process and hence have not been furnished.

3) 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 Rs. 10/- (Rupees ten) each to equity shares of Rs. 2/- (Rupees two) each.

Metropolis Healthcare Limited

Annexure X- Restated Consolidated Statement of Dividends

for the year ended March 31, 2018

(Rs. in million)

Restated Consolidated Statement of Dividends

[I] Statement of Dividends (after bonus and split of shares)

Particulars	**March 31, 2018**	March 31,2017	March 31, 2016 (Proforma)
Number of equity shares outstanding	**49,626,960**	49,626,960	49,626,960
Face Value (Rs.)	**2.00**	**2.00**	**2.00**
Dividend per equity share	-	10.08	15.46
Rate of dividend	-	503.76%	773.19%
Dividend tax rate	-	20.36%	20.36%
Interim dividend *(Rs.in million)*	-	500.00	767.43
Dividend distribution tax *(Rs.in million)*	-	89.19	174.02
Total dividend including dividend distribution tax *(Rs.in million)*	-	589.19	941.45

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 Rs. 10/- (Rupees ten) each to equity shares of Rs. 2/- (Rupees two) each.

[II] Statement of Dividends (before bonus and split of shares)

Particulars	**March 31, 2018**	March 31,2017	March 31, 2016 (Proforma)
Number of equity shares outstanding	**9,543,646**	9,543,646	9,543,646
Face Value (Rs.)	**10.00**	10.00	10.00
Dividend per equity share	-	52.39	80.41
Rate of dividend	-	523.91%	804.12%
Dividend tax rate	-	20.36%	20.36%
Interim dividend *(Rs.in million)*	-	500.00	767.43
Dividend distribution tax *(Rs.in million)*	-	89.19	174.02
Total dividend including dividend distribution tax *(Rs.in million)*	-	589.19	941.45

Metropolis Healthcare Limited

Annexure XI- Restated Consolidated Statement of Other Income
for the year ended March 31, 2018

(Rs. in million)

Restated Consolidated Statement of Other Income

Particulars	Nature	March 31, 2018	March 31,2017	March 31, 2016 (Proforma)
Interest				
- from banks	**Recurring**	9.81	10.13	10.71
- on income tax refund	**Non- recurring**	0.49	27.36	-
- on investments	**Recurring**	9.04	-	-
- others	**Non- recurring**	4.35	9.53	2.05
- related parties (Refer Note 41)	**Non- recurring**	-	3.12	3.24
Dividend				
- from mutual fund	**Recurring**	16.35	26.18	14.95
Provision for doubtful advances written back (net)	**Non- recurring**	-	9.41	-
Gain on fair valuation of mutual fund investments (net)	**Recurring**	31.44	60.97	109.02
Excess provision written back	**Non- recurring**	-	28.24	-
Profit on sale of property, plant and equipment	**Non- recurring**	2.72	1.42	-
Profit on sale of joint venture	**Non- recurring**	-	70.58	-
Profit on sale of subsidiary	**Non- recurring**	-	-	6.02
Miscellaneous income	**Non- recurring**	3.48	10.28	3.53
Total other Income as per Ind AS		**77.68**	**257.22**	**149.52**
Total Restatement adjustments		2.20	(27.87)	2.13
Total Restated Other Income		**79.88**	**229.35**	**151.65**

Note:

The classification of income into recurring and non-recurring is based on the current operations and business activities of the Group.

As per our examination 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
U73100MH2000PLC192798

Akeel Master
Partner
Membership No: 046768

Dr. Sushil Shah
Chairman & Executive Director
DIN: 00179918

Ameera Shah
Managing Director
DIN: 00208095

Vijender Singh
Chief Executive Officer

Tushar Karnik
Chief Financial Officer
Membership No: 46817

Jayant Prakash
Company Secretary
Membership No: FCS 6742

Place: Mumbai
Date: 24th September 2018

Place: Mumbai
Date: 24th September 2018

Metropolis Healthcare Limited

Annexure IA: Restated Consolidated Statement of Assets and Liabilities

Rs. in million

Particulars	Annexure	As at 31 March	
		2015	2014
Equity and liabilities			
Shareholders' funds			
Share capital	VA	98.64	98.64
Reserves and surplus	VIA	3,519.71	2,924.36
Minority interest		224.70	154.98
Non-current liabilities			
Long-term borrowings	VIIA	72.29	134.50
Deferred tax liabilities (net)	VIIIA	12.84	16.53
Long-term provisions	IXA	30.30	18.99
Long-term liabilities	XA	7.83	6.25
Current liabilities			
Short-term borrowings	XIA	1.94	1.95
Trade payables	XIIA		
Total outstanding dues to micro and small enterprises		-	-
Total outstanding dues to others		323.63	229.37
Other current liabilities	XIIIA	302.14	306.44
Short-term provisions	IXA	41.02	33.53
Total		**4,635.04**	**3,925.54**
Assets			
Non-current assets			
Property, plant and equipment	XIVA	1,183.81	1,120.63
Intangible assets	XVA	129.25	152.79
Capital work-in-progress		3.64	12.87
Non-current investments	XVIA	17.56	17.57
Deferred tax assets (net)	XVIIA	24.96	15.70
Long-term loans and advances	XVIIIA	102.69	98.41
Other non-current assets	XIXA	1.20	8.21
Goodwill on consolidation		213.83	213.83
Current assets			
Current investments	XXA	1,665.95	1,305.61
Inventories	XXIA	183.32	144.27
Trade receivables	XXIIA	707.63	495.89
Cash and bank balances	XXIIIA	290.59	234.50
Short-term loans and advances	XVIIIA	106.56	102.01
Other current assets	XXIVA	4.05	3.25
Total		**4,635.04**	**3,925.54**

Note:

The above statement should be read with the 'Statement of Notes to the Restated Consolidated Financial Information, in Annexure IVA.

As per our report of even date attached

For **Walker Chandiok & Co LLP**
Chartered Accountants
Firm's Registration No.: 001076N/N500013

For and on behalf of board of directors
Metropolis Healthcare Limited
U73100MH2000PLC192798

Sudhir N. Pillai
Partner
Membership No: 105782

Dr. Sushil Shah
Chairman & Executive Director
DIN: 00179918

Ameera Shah
Managing Director
DIN: 00208095

Vijender Singh
Chief Executive Officer

Tushar Karnik
Chief Financial Officer
Membership No: 046817

Jayant Prakash
Company Secretary
Membership No: FCS 6742

Place : Mumbai
Date : 24th September 2018

Place : Mumbai
Date : 24th September 2018

Place : Mumbai
Date : 24th September 2018

Metropolis Healthcare Limited

Annexure IIA: Restated Consolidated Statement of Profit and Loss

Rs. in million

Particulars	Annexure	Year ended 31 March	
		2015	2014
Revenue			
Revenue from operations	XXVA	4,554.97	3,882.53
Other income	XXVIA	51.34	67.66
Total revenue		**4,606.31**	**3,950.19**
Expenses			
Cost of materials consumed	XXVIIA	1,289.77	1,112.30
Laboratory testing charges		37.43	35.40
Employee benefit expenses	XXVIII	980.68	751.95
Finance costs	XXIXA	16.41	23.80
Depreciation and amortisation expense	XXXA	205.15	160.46
Other expenses	XXXIA	1,066.16	916.88
Total expenses		**3,595.60**	**3,000.79**
Profit before tax		**1,010.71**	**949.40**
Tax expense			
Current tax		-342.24	-307.46
Deferred tax		11.00	-15.93
MAT credit entitlement		-	0.23
Profit after tax before minority interest		**679.47**	**626.24**
Minority interest		69.72	60.66
Profit for the year after tax and minority interest		**609.75**	**565.58**

Note:

The above statement should be read with the 'Statement of Notes to the Restated Consolidated Financial Information, in Annexure IVA.

As per our report of even date attached

For **Walker Chandiok & Co LLP**
Chartered Accountants
Firm's Registration No.: 001076N/N500013

For and on behalf of board of directors
Metropolis Healthcare Limited
U73100MH2000PLC192798

Sudhir N. Pillai
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Chief Financial Officer
Membership No: 046817

Jayant Prakash
Company Secretary
Membership No: FCS 6742

Place : Mumbai
Date 24th September 2018

Place : Mumbai
Date 24th September 2018

Metropolis Healthcare Limited

Annexure IIIA: Restated Consolidated Statement of Cash Flows

Rs. in million

Particulars	Year ended 31 March	
	2015	2014
A. Cash flows from operating activities		
Profit before tax, as restated	**1,010.71**	**949.40**
Adjustments for non-cash transactions and items considered separately		
Depreciation and amortisation expense	205.16	160.45
Loss on sale of fixed assets (net)	0.11	1.07
Net gain on redemption of mutual fund investments	(18.13)	(35.01)
Provision for doubtful advances (net)	0.92	7.23
Provision for bad and doubtful debts (net)	3.88	19.18
Foreign currency translation account	(6.62)	1.51
Bad debts written off	7.49	31.54
Interest income	(19.64)	(17.59)
Dividend income	(8.46)	(2.44)
Interest expenses	16.41	23.80
Other non cash items	(0.53)	2.72
Sundry balances written back (net)	0.95	(14.04)
Operating profit before working capital changes	**1,192.25**	**1,127.82**
Adjustments for :		
Decrease/(Increase) in inventories	(41.33)	(14.02)
Decrease/(Increase) in trade receivable	(221.66)	(185.99)
Decrease/(Increase) in loans and advances and other assets	(26.73)	60.66
(Decrease)/Increase in long-term and short-term liabilities and provisions	112.12	77.21
Decrease/ (Increase) in other current and non current assets	-	4.01
Cash generated from operating activities	**1,014.65**	**1,069.69**
Income taxes paid	(319.74)	(300.47)
Net cash generated from/(used in) operating activities	**694.91**	**769.22**
B. Cash flows from investing activities		
Purchase of Property, Plant and Equipment including capital work-in-progress and capital advances	(230.96)	(203.04)
Property, Plant and Equipment acquired through business takeovers	(7.91)	(36.19)
Proceeds from sale of Property, Plant and Equipment	3.45	0.07
Payment for acquisition of business, net of cash acquired	(0.66)	(3.64)
Purchase of investments	(466.47)	(834.61)
Proceeds from sale of investments	124.27	447.88
Interest received	18.83	17.63
Dividends received	8.46	2.44
Net investments in bank deposits (having original maturity of more than three months)	(9.10)	1.55
Net cash generated from/(used in) investing activities	**(560.09)**	**(607.91)**

Metropolis Healthcare Limited

Annexure IIIA: Restated Consolidated Statement of Cash Flows

Rs. in million

Particulars	Year ended 31 March	
	2015	2014
C. Cash flows from financing activities		
Repayment of long-term borrowings	(62.39)	-
Proceeds from short-term borrowings	-	0.01
Repayment of short-term borrowings	(0.01)	(71.42)
Net assets acquired of subsidiary	1.81	-
Dividend paid (including dividend tax)	(14.99)	(47.18)
Interest paid	(19.25)	(23.32)
Net cash generated from/(used in) financing activities	**(94.83)**	**(141.91)**
Net increase/(decrease) in cash and cash equivalents (A +B + C)	39.99	19.40
Cash and cash equivalents as at the beginning of the year	197.05	177.65
Cash and cash equivalents as at the end of the year*	**237.04**	**197.05**
*** Composition of cash and cash equivalents**		
Cash on hand	11.08	11.78
Balance with banks :		
Current accounts	123.43	120.65
Fixed deposit accounts with maturity less than three months	27.75	23.91
Balance in Commercial Bank of Ceylon PLC, Sri Lanka	39.13	8.45
Balance in Ned Bank, South Africa	30.26	21.78
Cheques on hand	5.39	10.48
	237.04	**197.05**

Notes:

1) The above statement should be read with the Statement of Notes to the Restated Consolidated Financial Information, in Annexure IVA.

2) The cash flow statement has been prepared under indirect method as set out in Accounting Standard 3, 'Cash Flow Statement' as notified by the Central Government under the Companies Act, 2013.

As per our report of even date attached

For **Walker Chandiok & Co LLP**
Chartered Accountants
Firm's Registration No.: 001076N/N500013

For and on behalf of board of directors
Metropolis Healthcare Limited
U73100MH2000PLC192798

Sudhir N. Pillai
Partner
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Dr. Sushil Shah
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DIN: 00179918

Ameera Shah
Managing Director
DIN: 00208095

Vijender Singh
Chief Executive Officer

Tushar Karnik
Chief Financial Officer
Membership No: 046817

Jayant Prakash
Company Secretary
Membership No: FCS 6742

Place : Mumbai
Date 24th September 2018

Place : Mumbai
Date 24th September 2018

Annexure IVA: Statement of Notes to the Restated Consolidated Financial Information

1 Background of the Group and nature of operation

Metropolis Healthcare Limited (the 'Company' or the 'Parent'), together with its subsidiaries (collectively referred to as the "Group") and its joint venture is engaged in the business of providing healthcare facilities. The principal activities of the Group consist of providing pathology services and related healthcare services. The registered office of the Company is located at 250-D, Udyog Bhavan, Hind cycle Marg, Worli, Mumbai.

2 Significant Account policies

(a) Basis of preparation of Consolidated Financial Information

The Restated Consolidated Statement of Assets and Liabilities of the Company as at 31 March 2015 and 31 March 2014 and the Restated Consolidated Statement of Profit and Loss and the Restated Consolidated Statement of Cash Flows for the years ended 31 March 2014 and 31 March 2015 and the annexures thereto (collectively referred as Restated Consolidated Financial Information) have been compiled by the management from the then audited consolidated financial statements of the Company for the years ended 31 March 2015 and 31 March 2014. The Restated Consolidated Financial Information have been prepared specifically for the purpose of inclusion in the offer document to be filed by the Company in connection with its proposed Initial Public Offering (hereinafter referred to as 'IPO').

The audited consolidated financial statements of the Company were been prepared in accordance with the generally accepted accounting principles in India (Indian GAAP) to comply in all material respects with the accounting standards specified under Section 133 of the Companies Act, 2013 (the "Act") read with Rule 7 of the Companies (Accounts) Rules, 2014 and the relevant provisions of the Act/ Companies Act, 1956, as applicable. The audited consolidated financial statements have been prepared under the historical cost convention on an accrual basis. The accounting policies have been consistently applied by the Company unless stated otherwise.

The Restated Consolidated Financial Information, have been prepared to comply in all material respects with the requirements of Sub-section (1) of Section 26 of Chapter III of the Companies Act, 2013, as amended read with the relevant provisions of Securities and Exchange Board of India (Issue of Capital and Disclosure Requirements) Regulations, 2009 ("the SEBI Guidelines"), as amended.

All assets and liabilities have been classified as current and non-current as per normal operating cycle of the Group and other criteria set out in Schedule III to the Act. Based on nature of services, the Group has ascertained its operating cycle as 12 months for the purpose of current and non-current classification of assets and liabilities

The aforesaid Restated Consolidated Financial Information have been prepared in Indian Rupee (INR). The audited consolidated financial statement for the years 31 March 2015 and 31 March 2014 were presented in whole numbers. For the purpose of Restated Consolidated Finacial Information, the figures for the years 31 March 2015 and 31 March 2014 have been converted into million.

(b) Principles of Consolidation

The consolidated financial statements are prepared on the following basis :

(i) The consolidated financial statements include consolidated balance sheet, consolidated statement of profit and loss, consolidated statement of cash flows and notes to the consolidated financial statements and explanatory statements that form an integral part thereof. The consolidated financial statements are presented, to the extent possible, in the same format as that adopted by the parent for standalone financial statements.

(ii) The consolidated financial statements include the financial statements of the Company and all its subsidiaries, which are more than 50 per cent owned or controlled.

The subsidiary companies have been consolidated on a line-by-line basis by adding the book values of like items of assets, liabilities, income and expenses after eliminating intra-group balances / transactions and resulting elimination of unrealised profits in full. The amounts shown in respect of reserves comprise the amount of the relevant reserves as per the balance sheet of the parent and its share in the post-acquisition increase in the relevant reserves of the entity to be consolidated. Financial interest in joint ventures has been accounted for under the proportionate consolidation method.

(iii) Minority interest represents the amount of equity attributable to minority shareholders at the date on which investment in a subsidiary is made and its share of movements in equity since that date. Any excess consideration received from minority shareholders of subsidiaries over the amount of equity attributable to the minority on the date of investment is reflected under 'Reserves and surplus'.

(iv) The excess of the cost to the Company of its investment in the subsidiary companies over its share of the equity of the subsidiary companies at the dates on which the investment in the subsidiary companies are made, is recognised as 'Goodwill' being an asset in the consolidated financial statements and recognised separately as an asset in the consolidated financial statements. Alternatively, where the share of equity in the subsidiary companies as on the date of investment is in excess of cost of investment of the Company, it is recognised as 'Capital reserve' and shown under the head 'Reserves and surplus', in the consolidated financial statements.

(v) Goodwill arising on consolidation is not amortised and is tested for impairment at each balance sheet date.

(c) The list of subsidiary companies included in the Restated Consolidated Financial Information are as under:

Name of the subsidiary	Country of incorporation	Proportion of ownership interest		
		As at 31 March 2015		As at 31 March 2014
Sudharma Metropolis Health Services Private Limited	India	90%		90%
Golwilkar Metropolis Health Services (India) Private Limited (holding 76% in Bokil Golwilkar Metropolis Healthcare Private Limited)	India	70%		70%
Sanket Metropolis Health Services (India) Private Limited (holding 51% in Raj Metropolis Healthcare Private Limited)	India	100%		100%
Desai Metropolis Health Services Private Limited	India	76%		76%
R.V. Metropolis Diagnostics & Healthcare Centre Private Limited	India	77%		77%
Final Diagnosis Private Limited	India	100%		100%
Metropolis Healthcare (Jodhpur) Private Limited	India	70%		70%
Metropolis Healthcare (Chandigarh) Private Limited	India	70%		70%
Micron Metropolis Healthcare Private Limited	India	60%		60%
Mulay Metropolis Healthcare Private Limited	India	70%		70%
Dr. Patel Metropolis Healthcare Private Limited	India	70%		70%
Lab One Metropolis Healthcare Services Private Limited	India	51%		51%
Amins Pathology Laboratory Private Limited	India	100%		100%
Ekopath Metropolis Lab Services Private Limited	India	60%		60%
Metropolis Health Product Retail Private Limited	India	100%		100%
Nawaloka Metropolis Laboratories Private Limited *	Sri Lanka	50%		50%
Metropolis Healthcare (Mauritius) Limited - holding 100% in Metropolis Star Lab Kenya Limited - holding 60% in Metropolis Healthcare Ghana Limited - holding 70% in Metropolis Bramser Lab Services (Mtius) Limited	Mauritius	100%		100%
Metropolis Health Services (South Africa) (Pty.) Limited	South Africa	51%		51%

* Nawaloka Metropolis Laboratories Private Limited is considered as subsidiary since Metropolis Healthcare Limited holds 50% and controls the composition of the Board of Directors so as to obtain economic benefits from its activities.

(d) Use of estimates

The preparation of the financial statements in conformity with generally accepted accounting principles requires the management to make estimates and assumptions that affect the reported amounts of assets and liabilities and disclosure of contingent liabilities at the date of financial statements and the results of operations during the reporting periods. Although these estimates are based upon the management's best knowledge of current events and actions, actual results could differ from those estimates. Key estimates include estimates of the economic useful lives of the Property plant equipment and intangible asset , income taxes, provision for bad and doubtful debts and accrual for employee benefits. Any revision to accounting estimates is recognised prospectively in the current and future periods.

(e) Property, plant and equipment (Tangible Assets) and Capital work in progress

(i) Property, plant and equipment are stated at cost of acquisition, less accumulated depreciation and impairment losses, if any. Cost comprises the purchase price, borrowing costs capitalized and any costs attributable to bringing the asset to their working condition for their intended use.

(ii) Assets acquired but not ready for use or assets under construction are classified under 'Capital work-in-progress' and are carried at cost. Cost includes related acquisition expenses, construction cost, borrowing costs capitalised and other direct expenditure.

(f) Intangible assets

(i) Intangible assets acquired separately are measured on initial recognition at cost. Following initial recognition, intangible assets are carried at cost less accumulated amortisation and accumulated impairment losses, if any.

(ii) Goodwill represents excess of the consideration paid over the net assets of the business acquired and is amortised over the period of 10 years.

(g) Depreciation / Amortisation

(i) In respect of the Company and its domestic subsidiaries -

Upto 31 March 2014, the depreciation on the tangible assets has been provided on Written Down Value method at the rates and in the manner prescribed in Schedule XIV of the Companies Act, 1956 with reference to managements' assessment of the depreciation rates or at the rates prescribed in Schedule XIV to the Companies Act, 1956, whichever is higher.

From 1 April 2014, the depreciation on tangible assets has been provided on the Written Down Value method as per the useful life prescribed in Schedule II to the Companies Act, 2013 except in respect of the following categories of assets, in whose case the life of the assets has been assessed based on the management's experience, taking into account of use of the assets, past history of replacement, etc.

Category	Useful life followed	Useful life as per
Laboratory equipment (Plant and Machinery	13 years	10 years
Furniture and fixtures	15 years	10 years
Computers (end user equipment)	6 years	3 years
Vehicles	10 years	8 years

(ii) In case of the foreign subsidiaries and joint venture company, depreciation is provided, by written down value method, based on useful life of the respective block of assets as assessed by the management. The useful life of tangible asset is as below:

Description of assets	Useful life in years
Laboratory equipment	5 – 10
Furniture and fixtures	5 – 20
Office equipment	5 – 10
Computers	5 – 7
Vehicles	3 – 5

(iii) Leasehold improvements are amortised over the useful lives prescribed in Schedule II to the Companies Act, 2013 or the period of lease, whichever is lower.

(iv) Intangible assets are amortised under the Written Down Value method considering their useful life based on the management's experience of use of the assets which is in line with industry practices and in the manner prescribed under Schedule II of the Companies Act, 2013.

(v) Individual assets costing less than Rs 5,000 are fully depreciated in the year of purchase.

(h) Impairment of assets

The carrying amounts of assets are reviewed at each balance sheet date to assess whether there is any indication that an individual asset/ group of assets (constituting a Cash Generating Unit) may be impaired. If there is any indication of impairment based on internal/ external factors i.e. when the carrying amount of the assets exceed the recoverable amount, an impairment loss is charged to the statement of profit and loss in the year in which an asset is identified as impaired.

After impairment, depreciation/ amortisation is provided on the revised carrying amount of the asset over its remaining useful life.

A previously recognised impairment loss is reversed or reduced if there has been a favorable change in the estimate of the recoverable amount. However, the carrying value after reversal is not increased beyond the carrying value that would have prevailed by charging usual depreciation/ amortisation if there was no impairment.

(i) Borrowing cost

Borrowing costs attributable to the acquisition or construction of qualifying assets, as defined in Accounting Standard 16 on Borrowing Costs, are capitalised as part of the cost of qualifying assets. Other borrowing costs are expensed as incurred.

(j) Investments

Investments that are readily realizable and intended to be held for not more than a year are classified as current investments. All other investments are classified as non-current investments. Trade investments are the investments made to enhance the Company's business interests. Current investments are stated at lower of cost and fair value determined on an individual investment basis. Non-current investments are stated at cost and provision for diminution in their value, other than temporary, is made in the financial statements. Profit/loss on sale/redemption of investments is computed with reference to the average cost of the investment.

(k) Inventories

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

(l) Revenue recognition

Revenue comprise of revenue from providing healthcare services such as health check up, clinical trials and laboratory services. Revenue is recognised to the extent that it is probable that the economic benefits will flow to the Group and the revenue can be reliably measured.

Service income is recognised on an accrual basis as and when services are performed.

Income from interest is accounted for on time proportion basis taking into account the amount outstanding and the applicable rate of interest.

Dividend income is recorded when the right to receive the dividend is established.

Share of Profit/Loss from firms in which the company is partner is accounted for in the financial year ending on (or immediately before) the date of balance sheet

(m) Leases

Operating leases :

Leases, where the lessor effectively retains all the risks and benefits of ownership, substantially during the lease term, are classified as operating lease. Operating lease payments are recognised as an expense in the statement of profit and loss on a straight-line basis over the lease term.

(n) Foreign currency transaction

Initial recognition - Foreign currency transactions are recorded in the reporting currency, by applying to the foreign currency amount the exchange rate between the reporting currency and the foreign currency at the date of the transaction.

Conversion - Monetary assets and liabilities denominated in foreign currency are converted at the rate of exchange prevailing on the date of the balance sheet.

Exchange differences - Exchange differences arising on the settlement of monetary items or on reporting Group's monetary items at rates different from those at which they were initially recorded during the year, or reported in previous financial statements, are recognised as income or as expenses in the year in which they arise.

Exchange differences arising on a monetary item that, in substance, form part of the Group's net investment in a non-integral foreign operation is accumulated in a foreign currency translation reserve in the financial statements until the disposal of the net investment, at which time they are recognised as income or as expenses.

Foreign operations of the consolidated group are classified non-integral foreign operations. In translating the financial statements of non-integral foreign operations for incorporation in financial statements, the assets and liabilities, both monetary and non-monetary, of the non-integral foreign operations are translated at closing rate, income and expense items of the non-integral foreign operations are translated at the average exchange rate; all the resulting exchange differences are accumulated in foreign currency translation reserve until the disposal of the net investment. On the disposal of a non-integral foreign operation, the cumulative amount of the exchange differences which have been deferred and which relate to that operation are recognised as income or expense in the same period in which the gain or loss on disposal is recognised.

(o) Employee benefits

(i) All short-term employee benefits are accounted on undiscounted basis during the accounting period based on services rendered by employees.

(ii) Employees of the Indian entities of the Group are entitled to receive benefits under the provident fund, which is a defined contribution plan, in accordance with Employees Provident Fund and Miscellaneous Provisions Act, 1952. Contribution paid or payable is recognised as an expense in the period in which services are rendered by the employee.

(iii) Employees of some of the Indian entities of the Group and of subsidiary in Sri lanka are covered under the group gratuity cum life assurance scheme with the Life Insurance Corporation of India ('LIC'). Gratuity is a post employment benefit and is in the nature of a defined benefit plan. The liability recognised in the balance sheet in respect of gratuity is the present value of the defined benefit/ obligation at the balance sheet date less the fair value of plan assets, together with adjustments for unrecognised actuarial gains or losses and past service costs. The defined benefit/ obligation are calculated at or near the balance sheet date by an independent actuary using the projected unit credit method.

Actuarial gains and losses arising from past experience and changes in actuarial assumptions are charged or credited to the statement of profit and loss in the year to which such gains or losses relate.

(iv) 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 Nawaloka Metropolis Laboratories Private Limited, the defined benefit/ obligation are calculated at the balance sheet date by an independent actuary using the projected unit credit method.

(p) Share based compensation

Measurement and disclosure of the employee share based payment plans is done in accordance with the Guidance Note on Accounting for Employee Share Based Payments, issued by the Institute of Chartered Accountants of India. The Group measures compensation cost relating to employee stock options using the intrinsic value method. Compensation expense is amortised over the vesting period of the option on a straight line basis.

(q) Taxes on income

The provision for current taxation is computed in accordance with the relevant tax regulations.

Deferred tax is recognised on timing differences between the accounting and taxable income for the year and quantified using the tax rates and laws enacted or substantively enacted as at the balance sheet date. Deferred tax assets in respect of unabsorbed depreciation and carry forward losses under tax laws are recognised and carried forward to the extent there is virtual certainty supported by convincing evidence that sufficient future taxable income will be available against which such deferred tax assets can be realised in future. Where there is no unabsorbed depreciation/carry forward loss, deferred tax assets are recognised only to the extent there is a reasonable certainty of realisation in future. Such assets are reviewed at each balance sheet date to reassess realisation.

Minimum Alternate Tax (MAT) paid in a period is charged to the Consolidated Statement of Profit and Loss as current tax. The Group recognises MAT credit available as an asset when it is probable that the future economic benefits associated with it will flow to the respective company, i.e., the companies will pay normal income tax during the period for which MAT Credit is allowed to be carried forward. In the period in which MAT Credit is recognised as an asset in accordance with the Guidance Note on Accounting for Credit Available in respect of Minimum Alternate Tax under the Income Tax Act, 1961, the said asset is created by way of credit to the Consolidated Statement of Profit and Loss and shown as "MAT credit entitlement."

(r) Provisions, contingent liabilities and contingent assets

A provision is recognised when the Group has a present obligation as a result of past events and it is probable that an outflow of resources will be required to settle the obligation, in respect of which a reliable estimate can be made. Provisions are not discounted to its present value and are determined based on management estimate required to settle the obligation at the balance sheet date. These are reviewed at each balance sheet date and adjusted to reflect the current management estimates. Provisions are recognised in the financial statements in respect of present probable obligations, for amounts which can be reliably estimated.

Contingent liabilities are disclosed in respect of possible obligations that arise from past events, whose existence would be confirmed by the occurrence or non occurrence of one or more uncertain future events not wholly within the control of the Group.

Contingent assets are neither recognised nor disclosed in the financial statements.

(s) Earnings per share

Basic earnings per share are calculated by dividing the net profit or loss for the year attributable to equity shareholders by the weighted average numbers of equity shares outstanding during the year.

Diluted earnings per share is calculated by dividing the net profit or loss for the year attributable to equity shareholders, as adjusted for dividend, interest and other charges to expense or income relating to the dilutive potential equity shares, by the weighted average numbers of equity shares outstanding during the year. and also the weighted average numbers of equity shares that could have been issued upon conversion of all dilutive potential equity shares. The dilutive potential equity shares are calculated independently for each year presented. The potential equity shares are deemed to be dilutive only if their conversion to equity share would decrease the net profit per share. The number of equity shares and potentially dilutive equity shares are adjusted for bonus issues and share splits, as appropriate.

(t) Cash and cash equivalents

Cash and cash equivalents for the purpose of the cash flow statement comprise of the cash on hand and at bank and short-term investments with an original maturity of less than three months.

(u) Change in accounting policy

From 1 April 2016, the Group has changed its accounting policy with respect to method of amoritising software to Straight line method. Prior to 31 March 2016, the amortisation on software was computed using written down value method. The effect on the restated consolidated financial information due to this change in accounting policy is not material and hence not considered for the year ended 31 March 2015 and 31 March 2014.

Metropolis Healthcare Limited

Annexure IVA: Statement of Notes to the Restated Consolidated Financial Information

3 Restatement adjustments, material regroupings and Non-adjusting items

(A) Impact of restatement adjustments

Below mentioned is the summary of results of restatement adjustments made in the audited consolidated financial statements of the respective years and its impact on profits and losses.

Rs. In million

Sr no	Particulars	Note reference	For the year ended 31 March	
			2015	**2014**
i	**Other operating revenue**			
	Prior to restatement adjustment		-	-
	Add/(Less) : Restatement adjustment	**(B)(i)**	(0.95)	14.04
	Add/(Less) : Reclassification adjustment	**(D)(ii)**	8.75	3.80
	As restated		7.80	17.84
ii	**Other income**			
	Prior to restatement adjustment		60.09	71.47
	Add/(Less) : Reclassification adjustment	**(D)(ii)**	(8.75)	(3.80)
	As restated		51.34	67.67
ii	**Cost of materials consumed**			
	Prior to restatement adjustment		1,292.09	1,118.40
	Add/(Less) : Restatement adjustment	**(B)(ii)**	(2.32)	(6.10)
	As restated		1,289.77	1,112.30
iv	**Employee benefit expenses**			
	Prior to restatement adjustment		981.08	763.87
	Add/(Less) : Restatement adjustment	**(B)(iii)**	(0.40)	(11.93)
	As restated		980.68	751.94
v	**Other expenses**			
	Prior to restatement adjustment		1,066.68	913.78
	Add/(Less) : Restatement adjustment	**(B)(iv) & (viii)**	(0.51)	2.70
	As restated		1,066.17	916.48
vi	**Profit before tax**			
	Prior to restatement adjustment		1,008.41	920.46
	Restatement adjustment		2.30	28.95
	As restated		1,010.71	949.41
vii	**Deferred tax charge/ (Credit)**			
	Prior to restatement adjustment		11.99	(5.65)
	Add/(Less) : Restatement adjustment	**(B)(vi)**	(0.99)	(10.28)
	As restated		11.00	(15.93)
viii	**Share of Minority Interest in Profit and Loss**			
	Prior to restatement adjustment		68.69	60.50
	Add/(Less) : Restatement adjustment	**(B)(ix)**	1.03	0.16
	As restated		69.72	60.66
ix	**Profit for the year after tax and Minority Interest**			
	Prior to restatement adjustment		609.29	546.98
	Add/(Less) : Restatement adjustment		0.46	18.61
	As restated		609.75	565.59

Note:

A positive figure represent addition and figures in bracket represent deletion to the corresponding head in the audited financial statement for respective reporting period to arrive at the restated numbers.

(B) Explanatory notes for the restatement adjustments

i During the years ended 31 March 2018 and 2017, the Company had written back liabilities recorded in the earlier years which were no longer payable. For the purpose of the 'Restated Consolidated Financial Information', these amounts have been adjusted to the Restated Consolidated Statement of Profit and Loss of the years in which such liabilities were created. Further, the opening retained earnings as at 1 April 2013 has been adjusted to reflect the impact of the items pertaining prior to 31 March 2013.

ii During the year ended 31 March 2018 and 2017, the Company has certain trade payables in relation to purchase of raw material which were no longer payable. For the purpose of the Restated Consolidated Financial Information', these amounts have been adjusted to the Restated Consolidated Statement of Profit and Loss of the years in which such purchase were made. Further, the opening retained earnings as at 1 April 2013 has been adjusted to reflect the impact of the items pertaining prior to 31 March 2013.

iii During the year ended 31 March 2018 and 2017, the Company has certain employee related payable which were no longer payable. For the purpose of the Restated Consolidated Financial Information, these amounts have been adjusted to the Restated Consolidated Statement of Profit and Loss of the years in which such expense were incurred. Further, the opening retained earnings as at 1 April 2013 has been adjusted to reflect the impact of the items pertaining prior to 31 March 2013.

iv During the year ended 31 March 2017 , the Company has accounted for service tax for the earlier years. For the purpose of the Restated Consolidated Financial Information, these amounts have been adjusted to the Restated Consolidated Statement of Profit and Loss of the years in which such expense were incurred. Further, the opening retained earnings as at 1 April 2013 has been adjusted to reflect the impact of the items pertaining prior to 31 March 2013.

v **Adjustments to audit qualification :**

a. During the year ended 31 March 2016, the Company had created provision for doubtful debts/ advances which pertained to the receivables earlier years. For the purpose of the 'Restated Consolidated Financial Information', these amounts have been adjusted to the Restated Consolidated Statement of Profit and Loss of the years in which such receivables/ advances were recorded. Further, the opening retained earnings as at 1 April 2013 has been adjusted to reflect the impact of the items pertaining prior to 31 March 2013.

b. During the year ended 31 March 2016, the Company had created provision for diminution in the value of investment which pertained to the investment made in the earlier years. For the purpose of the 'Restated Consolidated Financial Information', these amounts have been adjusted to the Restated Consolidated Statement of Profit and Loss of the years in which such investment was made. Further, the opening retained earnings as at 1 April 2013 has been adjusted to reflect the impact of the items pertaining prior to 31 March 2013.

Audit report for the financial year ended 31 March 2014 and 31 March 2015 was qualified for v (a) and (b). However, the necessary adjustments have been considered in the Restated Consolidated Financial Information.

vi Current tax expense and deferred tax charge has been computed on restatement adjustments as detailed above and has been adjusted in the 'Restated Consolidated Financial Information', for the years ended 31 March 2015 and 31 March 2014.

vii During the year ended 31 March 2012, the Company had created provision for diminution in the value of investment made in Final Diagnosis Private Limited which pertained to the investment made in the earlier years based on the judgement of the Hon'ble High Court of Judicature at Bombay. For the purpose of the 'Restated Consolidated Financial Information', these amounts have been adjusted to the 'Unconsolidated Statement of Reserves and surplus, as restated' of the year in which such investment was made. Further, the opening retained earnings as at 1 April 2013 has been adjusted to reflect the impact of the items pertaining prior to 31 March 2013.

viii During the years ended 31 March 2018 , the Company had sales promotion expense recorded which were no longer payable. For the purpose of the 'Restated Consolidated Financial Information', these amounts have been adjusted to the Restated Consolidated Statement of Profit and Loss of the years in which such expense were created. Further, the opening retained earnings as at 1 April 2013 has been adjusted to reflect the impact of the items pertaining prior to 31 March 2013

ix Minority interest has been computed on restatement adjustments as detailed above and has been adjusted in the 'Consolidated Financial Information, as restated', for the years ended 31 March 2015 and 2014. For the purpose of 'Restated Consolidated Financial Information' such entries have been adjusted in the respective years to which it relates. Further, the opening retained earnings as at April 1, 2013 has been adjusted to reflect the impact of the items pertaining prior to 31 March 2013

(C) Restatement adjustments made to the audited opening balance figure of the Surplus in the Statement of Profit and Loss as at 1 April 2013:

Particulars	Note Reference	Amount
a. Surplus in the Statement of Profit and Loss as at 1 April 2013 as per audited financial statements		**1,648.21**
Adjustments:		
Service tax adjustments for earlier years	(B)(iv)	(1.14)
Adjustment for Liability no longer required written back	(B)(i),(ii) & (iii)	41.03
Income tax adjustment for earlier years	(C)(i)	10.12
Provision for bad and doubtful debts	(B)(v)(a)	(59.46)
Provision for diminution in value of investment	(B)(v)(b)	(12.98)
Deferred tax charge	(B)(vi)	10.24
Deffered Tax adjustment of restatment	(B) (vi)	(0.82)
Surplus in the Statement of Profit and Loss as at 1 April 2013 as restated		**1,635.20**

(i) The Statement of Profit and Loss for the year ended March 31, 2017 include amounts paid/ provided for or refunded/ written back, in respect of shortfall/ excess current tax arising upon filing of tax returns, assessments etc. For the purpose of the Restated Standalone Financial Information, these amounts have been adjusted to the respective year to which these items pertain to. Further, the opening retained earnings as at April 01, 2013 has been adjusted to reflect the impact of the items pertaining to periods prior to March 31, 2013 and including for the year ended March 31, 2013.

(D) Material regrouping

(i) With effect from 1 April 2014, Schedule III notified under the Companies Act, 2013 has become applicable to the Company for preparation and presentation of its financial statements. Revised Schedule VI notified under the Companies Act, 1956 became applicable to the Company from 1 April 2011, for preparation and presentation of its consolidated financial statements. The adoption of Schedule III / Revised Schedule VI does not impact recognition and measurement principles followed for preparation of consolidated financial statements. Further, there is no significant impact on the presentation and disclosures made in the consolidated financial statements on adoption of Schedule III as compared to Revised Schedule VI.

(ii) Upto the year ended 31 March 2016, the Company had disclosed Sundry balance written back under the head 'Other income'.
From the year ended 31 March 2017 it was disclosed separately under the head 'Other Operating Revenue'. Accordingly, the same has been appropriately disclosed separately under the head 'Other Operating Revenue' in the 'Unconsolidated Statement of Profit and Loss, as restated', consistent for all the other years.

(E) Non-adjusted items
Modifications in the Audit Report on the audited financial statements of the Company for the years ended 31 March 2015 and 31 March 2014 which has not been adjusted in the Restated Consolidated Financial Information are as follows:

(i) Financial year ended 31 March 2015 and 31 March 2014:

Qualification - Main Audit Report
The Company has not consolidated the financial statements of its Joint Venture Entity, Star Metropolis Health Services Middle East LLC, Dubai because of non- availability of adequate information, which is not in accordance with Accounting Standard (AS) 27: Financial Reporting of Interests in Joint Ventures. Had the Joint Venture been consolidated, many elements in the accompanying consolidated financial statements would have been affected. The effects on the consolidated financial statements of the failure to consolidate have not been determined.

4 Payments to auditors (including service tax)

Rs. in million

Particulars	Year ended 31 March	
	2015	2014
As auditor		
Statutory audit	3.71	3.32
In other capacity		
Other services		
- Certification work	0.09	0.08
	3.80	**3.40**

5 Non-cancellable operating lease

The Company has taken various commercial properties on leases for its offices, laboratories and staff accommodation. Future minimum rentals payable under non-cancellable operating leases are as follows:

Rs. in million

Particulars	As at and for the year ended 31 March	
	2015	2014
Future minimum lease payments		
Not later than one year	52.27	31.12
Later than one year but not later than five years	93.62	54.12
Later than five years	32.91	-
	178.80	**85.24**
Operating lease payments charged off to Consolidated Statement of Profit and Loss, as restated	192.55	148.98

6 Segment reporting

The primary segment of the Group has been determined on the basis of business segments. The Group has only one business segment, which is pathology service. The entire operations are governed by the same set of risks and returns and hence have been considered as representing a single business segment. The geographical segment has been considered as the secondary segment since the Group earns its income not only from India but also from outside India.

Rs. in million

Particulars	As at and for the year ended 31 March	
	2015	2014
Revenue		
Segment revenue (Gross)		
India	3,880.74	3,327.74
Outside India	666.43	536.95
Carrying value of segment assets		
India	3,964.96	3,424.82
Outside India	413.44	248.48

Annexure IVA: Statement of Notes to the Restated Consolidated Financial Information

7 Contingent liabilities and commitments

Rs. in million

Particulars	As at 31 March	
	2015	2014
a) Contingent liabilities		
Claims against the Company not acknowledged as debt		
- Claims by customers	0.32	0.32
- Claims by suppliers/contractors	0.11	1.61
- Claims pending in consumer dispute redressal forum	0.40	2.59
	0.83	**4.52**
b) Commitments*		
Estimated amount of capital commitments remaining to be executed	0.90	16.29
Estimated amount of commitment to invest in certain subsidiaries through equity contribution	5.35	7.60
	6.25	**23.89**

* Apart from above disclosed commitments, the Company has entered into Reagent Rental Agreement for a period ranging from 3 to 6 years with some of its major raw material suppliers. As per these agreements, Company is using the lab equipment free of cost against the annual commitment to purchase agreed value of raw materials. These equipment can be used only against the supplier's brand of raw material. The management believes that the purchase commitment will be met in the normal course of business.

8 **(a)** The financial statements of all subsidiaries, considered in the consolidated financial statements, are drawn upto 31 March 2015 except Metropolis Health Services (South Africa) (Pty) Limited, Metropolis Bramser Lab Services (Mtius) Limited, Metropolis Healthcare Ghana Limited and Metropolis Star Lab Kenya Limited where it is drawn upto 31 December 2014. The financial statements of Metropolis Health Services (South Africa) (Pty) Limited, Metropolis Bramser Lab Services (Mtius) Limited, Metropolis Healthcare Ghana Limited and Metropolis Star Lab Kenya Limited are not adjusted for the period between 31 December 2014 and the date of the Company's financial statements being 31 March 2015 since there were no significant transactions and events that occurred in this period.

(b) While preparing the consolidated financial statements as at and for the year ended 31 March 2014, the Company had not consolidated a step down subsidiary viz. Metropolis Bramser Lab Services (Mtius) Limited., a 70% subsidiary of Metropolis Healthcare (Mauritius) Limited. The controlling interest in the step down subsidiary was acquired on 19 December 2013. Considering the volume of operations of the step down subsidiary, the management believed that the impact of not consolidating its financial statements in the financial statements of the Company in the previous year would not be material for the users of the financial statements. However the same has been consolidated in current year.

9 Upto the year ended 31 March 2015, the Company had an investment of Rs.12.98 million and receivables of Rs. 64.08 million from Star Metropolis Health Services Middle East LLC ('Star Metropolis'), a joint venture of the Company. Management considered investment in Star Metropolis as strategic in nature and believed that the diminution in value is only temporary in nature. Further, in respect of balance receivable, the management was evaluating all possible means and had initiated necessary steps to recover the receivables and expected to recover the same in due course and hence believed that no provision was required. However, as at 31 March 2016, considering the present financial position and the future expected performance with respect to Star Metropolis, the management believes that the diminution in the value of the said investment is other than temporary and has accordingly provided Rs. 12.98 million for diminution in value of investments. Further, in respect of balance receivable, considering the financial position of Star Metropolis, the management considers the same to be doubtful and has accordingly provided Rs. 64.08 million as doubtful.

10 Summary of assets and liabilities in Joint Venture

The Company has not consolidated a Joint Venture entity viz. Star Metropolis Health Services Middle East LLC, Dubai (the "Joint Venture"), (% shareholding - 34%), while preparing the restated consolidated financial information as at 31 March 2015 and 31 March 2014 due to non-availability of adequate information. The summary of Company's proportionate share of assets, liabilities, profit and revenue in the Joint Venture based on the unaudited financial statements of the Joint Venture in accordance with International Financial Reporting Standards as at 31 December 2012 and which have not been consolidated are as given below:

Rs. in million

Particulars	**Year ended 31 December 2012**	**Year ended 31 December 2011**
Reserve and surplus	-10.64	(14.90)
Total revenue	78.24	72.51
Net profit before tax	2.40	3.57
Non-current assets	4.41	6.66
Current assets	55.00	47.32
Current liabilities	54.78	51.82

Metropolis Healthcare Limited

Annexure IVA: Statement of Notes to the Restated Consolidated Financial Information

11 **Disclosure of additional information pertaining to the Parent and Subsidiaries as per Schedule III of Companies Act, 2013**

	2015				2014			
Particulars	**Net assets i.e. total assets minus total liabilities**		**Share in profit or loss**		**Net assets i.e. total assets minus total liabilities**		**Share in profit or loss**	
	As a % of consolidated net assets	**Rs. in million**	**As a % of consolidated profit or loss**	**Rs. in million**	**As a % of consolidated net assets**	**Rs. in million**	**As a % of consolidated profit or loss**	**Rs. in million**
Parent								
Metropolis Healthcare Limited	84.63	3,062.04	70.61	430.53	87.35	2,640.59	82.17	464.76
Subsidiaries								
Indian								
Sudharma Metropolis Health Services Private Limited	6.82	246.60	7.54	46.00	6.67	201.65	6.98	39.48
Sanket Metropolis Health Services (India) Private Limited	0.27	9.68	(0.99)	(6.06)	0.52	15.78	(0.80)	(4.54)
Desai Metropolis Health Services Private Limited	3.00	108.41	5.64	34.41	2.45	74.15	4.68	26.47
R.V. Metropolis Diagnostics & Health Care Center Private Limited	2.79	101.10	4.29	26.17	2.49	75.15	4.70	26.59
Final Diagnosis Private Limited	0.22	7.84	0.12	0.71	0.24	7.13	(0.09)	(0.50)
Metropolis Healthcare (Jodhpur) Private Limited	-0.04	(1.46)	(0.17)	(1.05)	(0.01)	(0.41)	(0.04)	(0.25)
Metropolis Healthcare (Chandigarh) Private Limited	-0.28	(10.22)	(0.63)	(3.85)	(0.21)	(6.37)	(0.62)	(3.53)
Micron Metropolis Healthcare Private Limited	0.56	20.13	1.21	7.41	0.42	12.72	1.08	6.09
Mulay Metropolis Healthcare Private Limited	0.41	14.82	0.87	5.29	0.32	9.67	0.74	4.16
Dr. Patel Metropolis Healthcare Private Limited	0.70	25.31	1.33	8.14	0.57	17.17	1.38	7.80
Raj Metropolis Healthcare Private Limited	0.12	4.30	0.13	0.79	0.12	3.51	0.06	0.32
Amins Pathology Laboratory Private Limited	0.88	31.95	2.08	12.69	0.64	19.26	2.89	16.32
Ekopath Metropolis Lab Services Private Limited	0.08	2.78	(0.12)	(0.73)	(0.05)	(1.49)	(0.31)	(1.77)
Metropolis Health Product Retail Private Limited	-0.12	(4.32)	(0.43)	(2.63)	(0.06)	(1.69)	(0.48)	(2.70)
Lab One Metropolis Healthcare Services Private Limited	0.54	19.43	0.87	5.32	0.47	14.10	0.06	0.34
Golwilkar Metropolis Health Services (India) Private Limited	6.99	252.79	12.26	74.73	5.89	178.14	11.04	62.46
Foreign								
Metropolis Healthcare Mauritius Limited	0.30	10.72	1.56	9.50	0.89	27.05	(0.92)	(5.23)
Metropolis Health Services (South Africa) (Pty) Limited	-0.13	-4.73	3.31	20.21	(0.88)	(26.60)	3.70	20.93
Nawaloka Metropolis Laboratories Private Limited	2.13	76.94	4.42	26.93	2.46	74.38	3.10	17.55
Total eliminations	(3.62)	(131.06)	(2.47)	(15.04)	(5.16)	(155.91)	(8.58)	(48.51)
Share of minority interest	(6.21)	(224.70)	(11.43)	(69.72)	(5.13)	(154.98)	(10.73)	(60.66)
Total	**100.00**	**3,618.35**	**100.00**	**609.75**	**100.00**	**3,023.00**	**100.00**	**565.58**

The above amounts/percentage of net assets and net profit or loss are determined based on the amount of the respective entities included in Restated Consolidated Financial Information before elimination of inter company balances and transactions.

Metropolis Healthcare Limited

Annexure VA: Share capital

Particulars	As at 31 March	
	2015	2014
Authorised share capital		
Equity shares of Rs. 10 each		
- Number of shares	5,50,00,000	5,50,00,000
- Amount in Rs. million	550.00	550.00
Issued, subscribed and fully paid up		
Equity shares of Rs. 10 each		
- Number of shares	98,64,130	98,64,130
- Amount in Rs. million	98.64	98.64

a) **Reconciliation of equity share capital**

Particulars	As at 31 March	
	2015	2014
Balance at the beginning of the year		
- Number of shares	98,64,130	98,64,130
- Amount in Rs. million	98.64	98.64
Add: Shares issued during the year		
- Number of shares	-	-
- Amount in Rs. million	-	-
Balance at the end of the year		
- Number of shares	98,64,130	98,64,130
- Amount in Rs. million	98.64	98.64

b) **Shareholders holding more than 5% of the shares of the company**

Particulars	As at 31 March	
	2015	2014
Dr. G.S.K. Velu		
- Number of shares	34,04,100	34,04,100
- Percentage of holding (%)	34.51%	34.51%
Dr. Sushil Kanubhai Shah		
- Number of shares	32,65,700	32,65,700
- Percentage of holding (%)	33.11%	33.11%
Foxcreek Investments Limited		
- Number of shares	-	26,57,730
- Percentage of holding (%)	-	26.94%
Bacchus Hospitality Services and Real Estate Private Limited		
- Number of shares in million	26,57,730	-
- Percentage of holding (%)	26.94%	-

c) Employee share based payments

The 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".

The details of this revised scheme are as follows :

Particulars	As at 31 March	
	2015	2014
Exercise price (in Rs.)	100	100
Vesting commenced on	1 October 2008	1 October 2008
The movement in MESOS – 2007 revised is as below:		
Outstanding at the beginning of the year	1,27,315	1,27,315
Exercised	-	-
Lapsed/ forfeited / surrendered	-	-
Outstanding at the end of the year	1,27,315	1,27,315
Vested as at end of year	1,27,315	1,27,315

The Company follows intrinsic value method for recognition of stock compensation cost. Since the intrinsic value was equal to exercise price on the date of grant, no compensation cost was recognised in the books. Further the fair value of equity share as at the date of grant was less than the exercise price and thereby no compensation cost arises under the fair value approach.

d) Details of shares issued pursuant to contract without payment being received in cash, allotted as fully paid up by way of bonus issues and brought back during the last 5 years

The Company has not issued any shares during the period of five years immediately preceeding 31 March 2015 for consideration other than cash.

e) Terms/rights attached to shares

The Company has only one class of equity shares having a par value of Rs. 10 per share. Each holder of equity shares is entitled to one vote per share. The dividend, if proposed by the Board of Directors, will be paid in Indian Rupees and 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, if any. The distribution will be in proportion to the number of equity shares held by the shareholders.

f) 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 at the same meeting, the equity share capital (Authorised, Issued and Paid-up) of the Company was subdivided from Rs. 10.00 (Rupees ten) each to equity shares of Rs. 2.00 (Rupees two) each.

Metropolis Healthcare Limited

Annexure VIA: Reserves and surplus

Rs. in million

Particulars	As at 31 March	
	2015	2014
Capital reserve on consolidation		
Balance at the beginning of the year	-	-
Add: Additions made during the year	1.00	-
Balance at the end of the year	**1.00**	**-**
Securities premium reserve		
Balance at the beginning of the year	582.64	582.64
Add: Additions made during the year	-	-
Balance at the end of the year	**582.64**	**582.64**
Capital redemption reserve		
Balance at the beginning of the year	0.02	-
Add: Additions made during the year	-	0.02
Balance at the end of the year	**0.02**	**0.02**
General reserve		
Balance at the beginning of the year	175.10	152.43
Add: Additions made during the year	-	22.65
Add: Effect of buy back of shares in R.V. Metropolis Diagnostics & Healthcare Centre Private Limited, a subsidiary company	-	0.02
Balance at the end of the year	**175.10**	**175.10**
Foreign currency translation reserve		
Balance at the beginning of the year	3.68	2.17
Add: Exchange fluctuation in relation to non-integral foreign operations	(6.62)	1.51
Balance at the end of the year	**(2.94)**	**3.68**
Surplus in the Restated Consolidated Statement of Profit and Loss		
Balance at the beginning of the year	2,162.92	1,635.20
Add: Transferred from the Restated Consolidated Statement of Profit and Loss	609.75	565.58
Less: Dividend proposed/paid	-	(13.81)
Less: Tax on dividends distributed during the year	(1.17)	(3.09)
Less: Premium on buy back of equity shares	-	(1.72)
Less: Transfer to capital redemption reserve	-	(0.02)
Less: Transfer to general reserve	-	(22.65)
Add: Effect of buy back of shares in R.V. Metropolis Diagnostics & Healthcare Centre Private Limited, a subsidiary company	-	3.43
Less: Impact of depreciation [Also, refer note (a) below]	(7.61)	-
Balance at the end of the year	**2,763.89**	**2,162.92**
	3,519.71	**2,924.36**

Note:

a) Consequent to the introduction of Schedule II to the Companies Act, 2013, the useful life of certain fixed assets were revised. Accordingly, Rs. 7.87 million (net of deferred tax Rs. 4 million but including minorities share of Rs. 0.26 million) representing carrying value of the fixed assets with revised useful life as NIL was adjusted against the opening balance in the statement of profit and loss as at 1 April 2014.

Metropolis Healthcare Limited

Annexure VIIA: Long-term borrowings

Rs. in million

Particulars	As at 31 March			
	2015		2014	
	Long-term	Current maturities	Long-term	Current maturities
Secured				
Term loan				
From bank	36.46	62.50	98.96	62.50
Vehicle loans				
From banks	0.15	0.14	0.29	0.31
Unsecured				
From director of subsidiary company	0.35	-	0.35	-
From shareholder of subsidiary company	32.51	-	34.90	-
From other	2.82	-	-	-
	72.29	**62.64**	**134.50**	**62.81**
The above amount includes				
Amount disclosed under the head 'Other current liabilities' (Also, refer Annexure XIIIA)	-	62.64	-	62.81

Note:

From banks

Term loan from HDFC Bank is secured by way of equitable mortgage on commercial property situated at Vidyavihar, Mumbai. Term loan has an interest of HDFC Bank's base rate plus 175 bps. The same is repayable in 48 equal monthly instalments starting from 18 November 2012.

Vehicle loans represents loans taken from HDFC Bank and ICICI Bank for purchase of vehicles. These loans are secured against hypothecation of vehicles purchased. The loan is repayable in 3 years from the date of first disbursement in equal monthly instalments. The loan from HDFC Bank has been fully repaid during the year.

From director/shareholder of subsidiary companies

Loan taken by a subsidiary company from its director is repayable after 12 months from the balance sheet date.

Loan taken by a subsidiary company from its shareholder represents interest free loan taken from the minority shareholder of the subsidiary company. The loan will be repayable in the event if the subsidiary company is placed in liquidation or under judicial management, whether provisional or final, and whether compulsory or voluntary or it enters into a compromise or other similar arrangement with its creditors generally.

From other

Loan taken by a subsidiary company from Interaf S.A. Limited is repayable after 12 months from the balance sheet date.

Annexure VIIIA: Deferred tax liabilities (net)

Rs. in million

Particulars	As at 31 March	
	2015	2014
Deferred tax liability arising on account of :		
Timing difference on tangible and intangible assets depreciation and amortisation	15.07	46.57
Total deferred tax liabilities (A)	15.07	46.57
Deferred tax assets arising on account of		
Provision for bad and doubtful debts	0.42	16.54
Provision for employee benefits	1.01	9.91
Disallowances under section 40(a)(ia) and 43 of the Income Tax Act, 1961	-	2.77
Others	0.80	0.82
Total deferred tax assets (B)	2.23	30.04
Net deferred tax liabilities (A-B)	**12.84**	**16.53**

Metropolis Healthcare Limited

Annexure IXA: Provisions

Rs. in million

Particulars	**As at 31 March**			
	2015		**2014**	
	Long-term	**Short-term**	**Long-term**	**Short-term**
Provisions for employee benefits				
- Gratuity [Also, refer note (a) below]	30.30	21.93	18.99	14.33
- Leave entitlement [Also, refer note (c) below]	-	3.49	-	3.00
Proposed dividend to equity shareholders	-	-	-	13.81
Provision for wealth tax	-	-	-	0.04
Dividend tax	-	-	-	2.35
Provision for taxation (net of advance tax)	-	15.60	-	-
	30.30	**41.02**	**18.99**	**33.53**

Metropolis Healthcare Limited

Notes:

Employee benefits

(a) Defined benefit plan

The Group has gratuity as defined benefit retirement plan for its eligible employees. Disclosures as required by Accounting Standard - 15 (Revised) on "Employee Benefits" (AS - 15) are as under :

Rs. in million

Particulars	As at and for the years ended 31 March	
	2015	2014
Change in defined benefit obligation		
Projected benefit obligation at the beginning of the year	47.14	36.63
Service cost	6.02	6.50
Interest cost	4.94	3.36
Actuarial loss	9.05	2.59
Benefits paid	-0.97	-1.94
Projected benefit obligation at the end of the year	**66.18**	**47.14**
Change in fair value of plan assets		
Fair value of plan assets at the beginning of the year	13.82	11.10
Expected return on plan assets	1.82	1.58
Actuarial gain/(loss)	-0.08	-0.07
Employer contributions	1.00	2.41
Benefits paid	-2.61	-1.20
Fair value of plan assets at the end of the year	**13.95**	**13.82**
Amount recognised in the Restated Consolidated Statement of Assets and Liabilities		
Present value of projected benefit obligation at the end of the year	66.18	47.14
Fair value of plan assets at the end of the year	-13.95	-13.82
Liability recognised in the Restated Consolidated Statement of Assets and Liabilities	**52.23**	**33.32**
Net cost recognised in Restated Consolidated Statement of Profit and Loss		
Current service cost	6.02	6.50
Interest cost	4.94	3.36
Expected returns on plan assets	-1.82	-1.58
Net actuarial loss	9.13	2.66
* the expenses have been recognised in Annexure XXVIIIA	**18.27**	**10.94**
Assumptions used*		
Discount rate	7.90%	9.03%
Long-term rate of compensation increase	7.50%	7.50%
Rate of return on plan assets	7.90%	8.70%
Attrition rate	20.00%	15.00%
* The assumptions with respect to the Company and its domestic subsidiaries. For Nawaloka Metropolis Laboratories Private Limited,		
Discount rate	9.50%	10.00%
Long-term rate of compensation increase	8.00%	8.00%
Attrition rate	4%-22%	4%-22%

(b) Defined contribution plan

The Company contributes towards statutory provident fund as per the Employees Provident Fund and Miscellaneous Provisions Act, 1952 and towards employee state insurance as per the Employees' State Insurance Act, 1948. These are defined contribution to provident fund as per AS - 15 (Revised). The amount of contribution to provident fund and employee state insurance scheme recognised as expenses is provided below:

Rs. in million

Particulars	Year ended 31 March	
	2015	2014
Contribution to provident fund and employee state insurance scheme	62.80	40.94

(c) Other employee benefits

The liability for leave entitlement and compensated absences at the year end:

Rs. in million

Particulars	As at 31 March	
	2015	2014
Liability for leave entitlement and compensated absences	3.49	3.00

Metropolis Healthcare Limited

Annexure XA: Long-term liabilities

Rs. in million

Particulars	**As at 31 March**	
	2015	**2014**
Sundry deposits	6.14	6.25
Other liabilities	1.69	-
	7.83	**6.25**

Annexure XIA: Short-term borrowings

Rs. in million

Particulars	**As at 31 March**	
	2015	**2014**
Unsecured		
From directors of a subsidiary company [Also, refer note below]	1.94	1.95
	1.94	**1.95**

Note:
Loan taken by subsidiary companies from their directors are repayable within 12 months from the balance sheet date.

Annexure XIIA: Trade payables

Rs. in million

Particulars	**As at 31 March**	
	2015	**2014**
Total outstanding dues of micro enterprises and small enterprises [Also, refer note below]	-	-
Total outstanding dues of creditors other than micro enterprises and small enterprises		
- Related parties (Also, refer Annexure XXXIVA)	4.75	4.81
- Others	318.88	224.56
	323.63	**229.37**

Note:
Dues to micro, small and medium enterprises pursuant to the Micro, Small and Medium Enterprises Development Act (MSMED), 2006, based on information received and available with the Company:

	31 March 2015	**31 March 2014**
a. Principal and interest amount remaining unpaid	-	-
b. Interest due thereon remaining unpaid	-	-
c. Interest paid by the Company in terms of Section 16 of the MSMED, 2006, along with the amount of the payment made to the supplier beyond the appointed day	-	-
d. Interest due and payable for the period of delay in making payment (which have been paid but beyond the appointed day during the period) but without adding interest specified under the MSMED, 2006)	-	-
e. Interest accrued and remaining unpaid	-	-
f. Interest remaining due and payable even in the succeeding years, until such date when the interest dues as above are actually paid to the small enterprises	-	-

Metropolis Healthcare Limited

Annexure XIIIA: Other current liabilities

Rs. in million

Particulars	As at 31 March	
	2015	2014
Current maturities of long-term borrowings (Also, refer Annexure VIIA)	62.64	62.81
Advance received from customers	33.99	33.25
Statutory dues	26.03	25.26
Capital creditors	0.06	-
Interest accrued but not due	-	2.84
Due to a related party (Also, refer Annexure XXXIVA)	3.93	1.61
Book overdraft	55.22	58.60
Employee related dues	74.84	67.99
Security deposits	5.49	4.19
Other liabilities	39.94	49.89
	302.14	**306.44**

Metropolis Healthcare Limited

Annexure XIVA: Property, plant and equipment

Rs. in million

Gross block	Freehold land	Buildings	Leasehold improvements	Furniture and fixtures	Laboratory equipment	Office equipment	Computers	Vehicles	Total
Balance as at 1 April 2013	**103.54**	**711.14**	**42.39**	**113.57**	**428.62**	**83.22**	**158.55**	**32.42**	**1,673.45**
Additions	-	25.62	9.91	16.85	74.22	30.98	36.86	2.68	**197.12**
Disposals	-	(1.49)	-	(0.76)	(20.15)	(1.02)	(1.85)	(1.78)	**(27.05)**
Acquired in business takeover	-	-	-	2.08	12.68	0.65	0.74	0.40	**16.55**
Translation reserve	-	-	(0.53)	0.37	3.19	0.15	(1.58)	0.20	**1.80**
Balance as at 31 March 2014	**103.54**	**735.27**	**51.77**	**132.11**	**498.56**	**113.98**	**192.72**	**33.92**	**1,861.87**
Additions	-	20.13	20.20	32.75	103.02	27.50	30.93	8.14	**242.67**
Disposals	-	(0.94)	-	-	(1.18)	(2.75)	-	(0.51)	**(5.38)**
Acquired in business takeover	-	5.04	-	0.40	9.80	0.45	0.83	1.10	**17.62**
Translation reserve	-	(1.04)	(0.45)	0.02	(1.13)	(0.11)	(2.32)	(0.18)	**(5.21)**
Balance as at 31 March 2015	**103.54**	**758.46**	**71.52**	**165.28**	**609.07**	**139.07**	**222.16**	**42.47**	**2,111.57**

Rs. in million

Accumulated depreciation	Freehold land	Buildings	Leasehold improvements	Furniture and fixtures	Laboratory equipment	Office equipment	Computers	Vehicles	Total
Balance as at 1 April 2013	**-**	**130.24**	**15.02**	**57.97**	**247.46**	**37.93**	**121.37**	**21.33**	**631.32**
Depreciation charge	-	29.93	8.89	10.81	44.68	10.13	24.80	3.06	**132.30**
Adjustment (Also refer note below)	-	(0.86)	-	(0.14)	(1.65)	(0.29)	(0.02)	0.00^	**(2.96)**
Reversal on disposal of assets	-	(0.64)	-	(0.60)	(17.63)	(0.73)	(1.81)	(1.52)	**(22.93)**
Acquired in business takeover	-	-	-	0.61	3.32	0.01	0.41	0.07	**4.42**
Translation reserve	-	-	(0.51)	0.12	0.82	0.02	(1.39)	0.03	**(0.91)**
Balance as at 31 March 2014	**-**	**158.67**	**23.40**	**68.77**	**277.00**	**47.07**	**143.36**	**22.97**	**741.24**
Depreciation charge	-	29.43	10.70	14.15	56.46	45.10	23.42	4.53	**183.79**
Reversal on disposal of assets	-	-	-	-	(0.87)	(1.80)	-	(0.24)	**(2.91)**
Acquired in business takeover	-	1.05	-	0.26	6.60	0.33	0.75	0.72	**9.71**
Translation reserve	-	(0.24)	(0.38)	(0.05)	(1.22)	(0.38)	(1.71)	(0.09)	**(4.07)**
Balance as at 31 March 2015	**-**	**188.91**	**33.72**	**83.13**	**337.97**	**90.32**	**165.82**	**27.89**	**927.76**

Rs. in million

Net block	Freehold land	Buildings	Leasehold improvements	Furniture and fixtures	Laboratory equipment	Office equipment	Computers	Vehicles	Total
As at 31 March 2014	**103.54**	**576.60**	**28.37**	**63.34**	**221.56**	**66.91**	**49.36**	**10.95**	**1,120.63**
As at 31 March 2015	**103.54**	**569.55**	**37.80**	**82.15**	**271.10**	**48.75**	**56.34**	**14.58**	**1,183.81**

Note:

As at 31 March 2015, the Company has an investment in Final Diagnosis Private Limited (FDPL), a wholly owned subsidiary of the Company of Rs. 58.72 million. Considering the present financial position and future expected performance of FDPL, management believes that diminution in the value of said investment is other than temporary and accordingly made an application with the Hon'ble High Court of Judicature at Bombay for utilisation balance standing to the credit of the Securities Premium Account of the Company for diminution in value of investments. The Hon'ble High Court of Judicature at Bombay, vide its Order dated 24 September 2012 has sanctioned the scheme approved by members by a Special Resolution passed at the Extra-ordinary General Meeting held on 1 August 2012 for utilization of Rs. 58.72 million out of the balance standing to the credit of the securities premium account. While preparing the consolidated financial statements of the Company, the goodwill attributable to acquisition of FDPL amounting to Rs. 48.15 million and other assets as at year end aggregating Rs. 10.57 has been adjusted against the securities premium account.

Metropolis Healthcare Limited

Annexure XVA: Intangible assets

Rs. in million

Gross block	Computer software	Goodwill	Total
Balance as at 1 April 2013	**37.02**	**198.54**	**235.56**
Additions	1.20	4.50	**5.70**
Acquired in business takeover	0.08	23.99	**24.07**
Translation reserve	(0.39)	-	**(0.39)**
Balance as at 31 March 2014	**37.91**	**227.03**	**264.94**
Additions	10.78	-	**10.78**
Adjustment	-	(1.17)	**(1.17)**
Translation reserve	(0.26)	-	**(0.26)**
Balance as at 31 March 2015	**48.43**	**225.86**	**274.29**

Rs. in million

Accumulated amortisation	Computer software	Goodwill	Total
Balance as at 1 April 2013	**29.04**	**55.31**	**84.35**
Amortisation charge	1.57	26.59	**28.16**
Translation reserve	(0.36)	-	**(0.36)**
Balance as at 31 March 2014	**30.25**	**81.90**	**112.15**
Amortisation charge	6.98	26.25	**33.23**
Depreciation adjustment	-	(0.08)	**(0.08)**
Translation reserve	(0.26)	-	**(0.26)**
Balance as at 31 March 2015	**36.97**	**108.07**	**145.04**

Rs. in million

Net block	Computer software	Goodwill	Total
As at 31 March 2014	**7.66**	**145.13**	**152.79**
As at 31 March 2015	**11.46**	**117.79**	**129.25**

Annexure XVIA: Non-current investments

Rs. in million

Particulars	As at 31 March	
	2015	**2014**
Trade investments		
(Valued at cost unless stated otherwise)		
Investments in equity shares (unquoted)		
In subsidiary		
Metropolis Bramser Lab Services (Mtius) Limited [Also refer note 8(b)]	-	0.01
In joint venture		
Star Metropolis Health Services Middle East LLC, Dubai	12.98	12.98
In others		
Centre for Digestive and Kidney Disease Private Limited	17.50	17.50
Non-trade investments		
(Valued at cost unless stated otherwise)		
Investments in equity shares (unquoted)		
Textiles Traders Co-operative Bank Limited	0.03	0.03
Surat People's Co-operative Bank Limited	0.00^	0.00^
The Saraswat Co-operative Bank Limited	0.03	0.03
	30.54	30.55
Less: Provision for diminution in value of investments	(12.98)	(12.98)
Total	**17.56**	**17.57**
Aggregate amount of unquoted investments at cost	30.54	30.55
Provision for diminution in value of investments	(12.98)	(12.98)

^ represents amount less than Rs. 5,000.

Details of number of shares held by the Company

Particulars	As at 31 March	
	2015	**2014**
Equity instruments (Full paid-up and face value of Rs. 10 each unless stated otherwise)		
Trade investments		
In subsidiary		
Metropolis Bramser Lab Services (Mtius) Limited (MUR 10 each)	-	700
In joint venture		
Star Metropolis Health Services Middle East LLC, Dubai (AED of 1,000 each)	1,020	1,020
In others		
Centre for Digestive and Kidney Disease Private Limited	17,50,000	17,50,000
Non-trade investments		
Textiles Traders Co-operative Bank Limited (Face value of Rs. 25 each)	1,100	1,100
Surat People's Co-operative Bank Limited (Face value of Rs. 100 each)	1	1
The Saraswat Co-operative Bank Limited	2,500	2,500

Metropolis Healthcare Limited

Annexure XVIIA: Deferred tax assets (net)

Rs. in million

Particulars	As at 31 March	
	2015	2014
Deferred tax assets		
Deferred tax asset arising on account of :		
Timing difference on tangible and intangible assets depreciation and amortisation	6.58	5.25
Provision for bad and doubtful debts	25.79	7.67
Provision for employee benefits	16.00	2.52
Disallowances under section 40(a)(ia) and 43B of the Income Tax Act, 1961	7.46	0.37
Others	2.69	0.82
Total deferred tax assets (A)	58.52	16.63
Deferred tax liability arising on account of :		
Timing difference on tangible and intangible assets depreciation and amortisation	29.81	0.22
Others	3.75	0.71
Total deferred tax liabilities (B)	33.56	0.93
Net deferred tax assets (A-B)	**24.96**	**15.70**

Annexure XVIIIA: Loans and advances

Rs. in million

Particulars	As at 31 March			
	2015		2014	
	Long-term	Short-term	Long-term	Short-term
(Unsecured, considered good unless otherwise stated)				
Capital advances				
- Considered good	1.53	48.33	4.36	56.54
- Considered doubtful	-	-	-	1.07
Security deposits				
- Considered good	82.29	21.52	68.30	20.70
- Considered doubtful	1.66	1.40	-	3.06
Advances to related parties (Also, refer Annexure XXXIVA)				
- Considered doubtful	-	4.23	-	4.23
Subscription money pending allotment				
- Considered doubtful	13.00	-	13.00	-
Prepaid expenses	-	18.34	-	13.58
Advance taxes (net of provision for taxes)	14.92	-	18.60	-
MAT credit entitlement	2.91	-	4.11	-
Other advances				
- Considered good	1.04	18.37	3.04	11.19
- Considered doubtful	-	6.55	0.11	4.45
	117.35	118.74	111.52	114.82
Less : Provision for doubtful advances	(14.66)	(12.18)	(13.11)	(12.81)
	102.69	**106.56**	**98.41**	**102.01**

Annexure XIXA: Other non-current assets

Rs. in million

Particulars	As at 31 March	
	2015	2014
Bank deposits with maturity more than 12 months (Also, refer Annexure XXIIIA)	1.20	8.21
	1.20	**8.21**

Metropolis Healthcare Limited

Annexure XXA: Current investments

Rs. in million

Particulars	As at 31 March	
	2015	2014
Non-trade investments		
(Valued at lower of cost and fair value unless stated otherwise)		
Investments in mutual funds (unquoted)		
Axis - FTP	20.00	20.00
Axis -Liquid Plan	92.99	-
Axis Liquid Fund - Daily Dividend Reinvestment	17.00	-
Axis Liquid Fund - Daily Dividend - CFDD	7.53	-
Birla SL - Cash Manager Daily Dividend	3.00	-
Birla SL - Fixed Term Plan	107.00	106.50
Birla SL - FMP Series	-	5.00
Birla SL - Income Plus Regular Growth	23.50	11.00
Birla Sun Life Cash Plus	1.50	1.50
Birla Sunlife Cash	1.08	1.02
Birla SL - Cash Manager - Daily Dividend - Regular Plan - Reinvestment	47.20	-
Birla Sun Life Cash Plus- Daily Dividend- Regular Plan	10.05	-
BNP Paribas Bond Fund	17.14	17.14
BNP Paribas Bond Fund Growth	10.00	10.00
BNP Paribas Bond Fund Regular Growth	32.00	32.00
BNP PARIBAS Bond fund- Regular plan-Growth	5.00	5.00
BNP Paribas Fixed Term Fund Series 24A	-	15.00
BNP Paribas Short Term Income Fund	1.50	1.50
BNP Short term Income fund	2.50	2.50
BNP Paribas Overnight Fund	20.30	-
DSP BlackRock - Income Opportunity Regular Growth	95.00	95.00
DSP BlackRock FMP Series	5.00	5.00
DSP Blackrock Income Opportunity fund -Regular plan Growth	5.00	5.00
DWS Short Maturity Fund	27.50	27.50
Franklin - India TM Account- Super Institutional Plan	10.05	-
HDFC - Cash Management Treasury Advantage Plan Daily Dividend	0.52	-
HDFC - FMP Regular Growth	140.78	155.00
HDFC - High Interest Dynamic Plan (G)	32.50	32.50
HDFC Cash Management Fund	1.50	1.50
HDFC FMP 371D- regular plan	2.50	2.50
HDFC FMP 372D- regular plan	1.00	1.00
HDFC HIF Dynamic Plan	12.50	12.50
HDFC High Interest Dynamic Plan - Growth	5.00	-
HDFC - Cash Mgmt Treasury Advantage Plan Daily Dividend	10.26	-
ICICI P Annual Interval Fund IV	6.50	6.50
ICICI P FMO	-	10.00
ICICI Pru - Income Opportunities Fund Growth	7.50	7.50
ICICI Pru - Regular Savings Fund Growth	10.00	10.00
ICICI Pru Short-Term Plan	5.00	5.00
ICICI Prudential Fixed Maturity Fund	3.00	3.00
ICICI Prudential flexible income plan	-	4.00
ICICI Prudential Flexible Income -Regular Plan	5.64	5.64
ICICI Prudential FMP Series	120.83	94.83
ICICI Prudential Income Opportunities Fund- Regular plan -Growth	7.50	7.50

Metropolis Healthcare Limited

Annexure XXA: Current investments

Rs. in million

Particulars	As at 31 March	
	2015	2014
ICICI Prudential STF	10.00	10.00
ICICI Prudential FMP Series 74- 370 days Plan S regular plan cumulative	12.50	-
ICICI Prudential -Daily dividend plan	1.53	-
ICICI Pru - Liquid Plan Reg Daily Dividend	0.71	-
ICICI Pru - Flexible Income Plan Reg Daily Dividend	4.61	-
ICICI Prudential Flexible Income - Daily Dividend	52.66	-
ICICI Prudential Liquid Plan - Daily Dividend	21.45	-
ICICI Prudential Flexible Income - Regular Plan - Daily Dividend	7.13	-
IDBI - Short-term Bond Fund Growth	40.00	40.00
IDBI Dynamic Bond Fund	5.00	5.00
IDBI Dynamic bond fund -Growth	10.00	10.00
IDBI Liquid Fund- Regular Plan - Daily Dividend- LFDD	20.85	-
IDFC FTP Series	7.00	7.00
IDFC SSIF – MTP	12.50	12.50
IDFC SSIF MT Plan	5.00	5.00
IDFC Super Saver Income Fund-Investment plan-Growth	13.00	13.00
IDFC Super Saver Income Fund-Investment plan-Growth	-	5.00
IDFC - DBF Regular Plan	10.00	-
Kotak - Bond Plan A (G)	-	10.69
Kotak - Income Opportunities Fund Growth	55.00	55.00
Kotak Floater Long Term Dividend	5.63	5.63
Kotak FMP Sr 139 Growth Fund	-	7.00
Kotak FMP	30.00	10.00
L&T FMP -X Plan	-	10.00
L&T FMP -X Plan S (G)	5.00	5.00
L&T Short-Term Income Fund	5.00	5.00
LIC Nomura - FMP	-	20.00
LNT Short-term opportunities fund	2.50	2.50
L&T FMP Series 10 - Plan E - Growth	10.00	-
Reliance - Regular Savings Debt Plan Growth	50.00	50.00
Reliance FHF XXV	5.32	5.32
SBI - DFS	120.72	113.44
SBI - Dynamic Bond Fund - Growth	30.60	41.16
SBI Magnum Income Fund	16.13	16.13
SBI Treasury Advantage Fund	-	5.65
Tata floater Fund	-	4.00
Tata FMP	64.00	25.00
Tata FMP SR 47	5.00	5.00
Tata - Liquid Fund Plan A - Daily Dividend	10.05	-
Templeton India Low Duration	10.84	10.11
Templeton India Short-Term Income Plan	5.00	5.00
Templeton STIP	12.50	12.50
UTI Fixed Term Inc Fund	54.35	54.35
Total	**1,665.95**	**1,305.61**
Aggregate market value of current investments	1,867.16	1,390.62

Metropolis Healthcare Limited

Annexure XXA: Current investments

Details of number of units held by the Company

Particulars	As at 31 March	
	2015	2014
Investments in mutual funds		
Axis - FTP	20,00,000	20,00,000
Axis -Liquid Plan	92,960	-
Axis Liquid Fund - Daily Dividend Reinvestment	17,000	-
Axis Liquid Fund - Daily Dividend - CFDD	7,530	-
Birla SL - Cash Manager Daily Dividend	29,921	-
Birla SL - Fixed Term Plan	1,07,00,000	1,06,49,608
Birla SL - FMP Series	-	5,00,000
Birla SL - Income Plus Regular Growth	3,95,575	1,96,800
Birla Sun Life Cash Plus	7,473	7,473
Birla Sunlife Cash	10,797	10,147
Birla SL - Cash Manager - Daily Dividend - Regular Plan - Reinvestment	4,70,538	-
Birla Sun Life Cash Plus- Daily Dividend- Regular Plan	1,00,354	-
BNP Paribas Bond Fund	12,29,791	12,29,791
BNP Paribas Bond Fund Growth	8,19,906	8,19,906
BNP Paribas Bond Fund Regular Growth	23,00,843	23,00,843
BNP PARIBAS Bond fund- Regular plan-Growth	3,57,849	3,57,849
BNP Paribas Fixed Term Fund Series 24A	-	15,00,000
BNP Paribas Short Term Income Fund	1,07,428	1,07,428
BNP Short term Income fund	1,79,046	1,79,046
BNP Paribas Overnight Fund	20,293	-
DSP BlackRock - Income Opportunity Regular Growth	54,24,135	54,24,135
DSP BlackRock FMP Series	5,00,000	5,00,000
DSP Blackrock Income Opportunity fund -Regular plan Growth	2,82,098	2,82,098
DWS Short Maturity Fund	12,87,128	12,87,128
Franklin - India TM Account- Super Institutional Plan	10,046	-
HDFC - Cash Management Treasury Advantage Plan Daily Dividend	52,001	-
HDFC - FMP Regular Growth	1,40,77,680	1,55,00,000
HDFC - High Interest Dynamic Plan (G)	7,96,925	7,96,925
HDFC Cash Management Fund	57,362	57,362
HDFC FMP 371D- regular plan	2,50,000	2,50,000
HDFC FMP 372D- regular plan	1,00,000	1,00,000
HDFC HIF Dynamic Plan	3,14,134	3,14,134
HDFC High Interest Dynamic Plan - Growth	1,23,045	-
HDFC - Cash Mgmt Treasury Advantage Plan Daily Dividend	10,23,162	-
ICICI P Annual Interval Fund IV	4,31,372	4,31,372
ICICI P FMO	-	10,00,000
ICICI Pru - Income Opportunities Fund Growth	2,04,144	2,04,144
ICICI Pru - Regular Savings Fund Growth	8,63,713	8,63,713
ICICI Pru Short-Term Plan	2,03,987	2,03,987
ICICI Prudential Fixed Maturity Fund	3,00,000	3,00,000
ICICI Prudential flexible income plan	-	37,830
ICICI Prudential Flexible Income -Regular Plan	5,64,305	5,64,305
ICICI Prudential FMP Series	1,20,83,156	94,83,157
ICICI Prudential Income Opportunities Fund- Regular plan -Growth	4,67,954	4,67,954
ICICI Prudential STF	4,12,633	4,12,633
ICICI Prudential FMP Series 74- 370 days Plan S regular plan cumulative	12,50,000	-
ICICI Prudential -Daily dividend plan	14,435	-
ICICI Pru - Liquid Plan Reg Daily Dividend	7,064	-
ICICI Pru - Flexible Income Plan Reg Daily Dividend	43,614	-

Metropolis Healthcare Limited

Annexure XXA: Current investments

Details of number of units held by the Company

Particulars	As at 31 March	
	2015	2014
ICICI Prudential Flexible Income - Daily Dividend	4,98,014	-
ICICI Prudential Liquid Plan - Daily Dividend	2,14,339	-
ICICI Prudential Flexible Income - Regular Plan - Daily Dividend	67,445	-
IDBI - Short-term Bond Fund Growth	35,17,031	35,17,031
IDBI Dynamic Bond Fund	14,72,294	14,72,294
IDBI Dynamic bond fund -Growth	9,78,464	9,78,464
IDBI Liquid Fund- Regular Plan - Daily Dividend- LFDD	20,742	-
IDFC FTP Series	7,00,000	7,00,000
IDFC SSIF – MTP	6,16,213	6,16,213
IDFC SSIF MT Plan	2,42,992	2,42,992
IDFC Super Saver Income Fund-Investment plan-Growth	5,45,988	5,45,988
IDFC Super Saver Income Fund-Investment plan-Growth	-	1,23,045
IDFC - DBF Regular Plan	5,91,300	-
Kotak - Bond Plan A (G)	-	3,39,405
Kotak - Income Opportunities Fund Growth	46,48,969	46,48,969
Kotak Floater Long Term Dividend	5,62,985	5,62,985
Kotak FMP Sr 139 Growth Fund	-	7,00,000
Kotak FMP	30,00,000	10,00,000
L&T FMP -X Plan	-	10,00,000
L&T FMP -X Plan S (G)	5,00,102	5,00,102
L&T Short-Term Income Fund	3,99,939	3,99,939
LIC Nomura - FMP	-	20,00,000
LNT Short-term opportunities fund	2,13,926	2,13,926
L&T FMP Series 10 - Plan E - Growth	10,00,000	-
Reliance - Regular Savings Debt Plan Growth	33,77,039	33,77,039
Reliance FHF XXV	5,32,282	5,32,282
SBI - DFS	1,20,71,564	1,13,21,564
SBI - Dynamic Bond Fund - Growth	22,50,906	30,55,401
SBI Magnum Income Fund	5,96,918	5,96,918
SBI Treasury Advantage Fund	-	5,647
Tata floater Fund	-	3,986
Tata FMP	64,00,000	25,00,000
Tata FMP SR 47	5,00,099	5,00,099
Tata - Liquid Fund Plan A - Daily Dividend	9,017	-
Templeton India Low Duration	10,32,948	9,67,357
Templeton India Short-Term Income Plan	2,066	2,066
Templeton STIP	5,209	5,209
UTI Fixed Term Inc Fund	54,34,654	54,34,654

Metropolis Healthcare Limited

Annexure XXIA: Inventories

Rs. in million

Particulars	As at 31 March	
	2015	**2014**
Valued at lower of cost and net realisable value		
Raw materials and consumables	183.32	144.27
	183.32	**144.27**

Annexure XXIIA: Trade receivables

Rs. in million

Particulars	As at 31 March	
	2015	**2014**
Outstanding for a period exceeding six months from the date they are due for payment		
Unsecured, considered good	148.46	16.66
Unsecured, considered doubtful	138.97	136.63
	287.43	153.29
Less: Provision for bad and doubtful debts	(138.97)	(136.63)
	148.46	16.66
Other debts		
Unsecured, considered good	559.17	479.23
Unsecured, considered doubtful	1.80	0.27
	560.97	479.50
Less: Provision for bad and doubtful debts	(1.80)	(0.27)
	559.17	479.23
	707.63	**495.89**

The above outstanding balances includes the receivables from related parties amounting Rs. 60.68 million as at 31 March 2015 (Rs. 60.07 million as at 31 March 2014).

Metropolis Healthcare Limited

Annexure XXIIIA: Cash and bank balances

Rs. in million

Particulars	As at 31 March	
	2015	**2014**
Cash and cash equivalents		
Cash on hand	11.08	11.78
Balances with banks		
- in current accounts	123.43	120.65
- in deposit accounts (with maturity upto 3 months)	27.75	23.91
Balance in Commercial Bank of Ceylon PLC, Sri Lanka	39.13	8.45
Balance in Ned Bank, South Africa	30.26	21.78
Cheques on hand	5.39	10.48
	237.04	197.05
Other bank balances		
Fixed deposits with maturity of more than three months but less than twelve months*#	53.55	36.81
Fixed deposits with maturity of more than twelve months	1.20	8.21
Deposit against the borrowings and guarantees	-	0.36
Margin money (represents fixed deposit with lien)	-	0.28
	54.75	45.66
Less: Amounts disclosed as 'Other non-current assets' (Also, refer Annexure XIXA)	1.20	8.21
	290.59	**234.50**
The above cash and bank balances includes amount		
* Pledged against bank guarantee	0.27	0.34
# Fixed deposits with lien	2.49	-

Annexure XXIVA: Other current assets

Rs. in million

Particulars	As at 31 March	
	2015	**2014**
Unsecure, Considered good		
Interest accrued but not due	4.05	3.25
	4.05	**3.25**

Metropolis Healthcare Limited

Annexure XXVA: Revenue from operations

Rs. in million

Particulars	Year ended 31 March	
	2015	2014
Revenue from operations		
Service income	4,547.17	3,864.69
	4,547.17	**3,864.69**
Other operating revenue		
Sundry balances written back	7.80	17.84
	7.80	**17.84**
	4,554.97	**3,882.53**

Annexure XXVIA: Other income

Rs. in million

Particulars	Year ended 31 March		Nature (recurring/ non-recurring)	Related/ not related to business activity
	2015	2014		
Interest				
- from others	19.64	17.59	Recurring	Not related
Dividend from mutual funds	8.46	2.44	Recurring	Not related
Net gain on redemption of mutual fund investments	18.13	35.01	Recurring	Not related
Miscellaneous income	5.11	12.62	Recurring	Not related
	51.34	**67.66**		
Profit before tax	**1,010.71**	**949.40**		
% of other income to profit before tax	**5.08%**	**7.13%**		

Note:
The classification of 'Other income' as recurring or non-recurring and related or non-related to business activity is based on the current operations and business activities of the Company, as determined by the management.

Annexure XXVIIA: Cost of materials consumed

Rs. in million

Particulars	Year ended 31 March	
	2015	2014
Cost of materials consumed		
Opening stock	144.27	136.33
Add: Stock acquired through business takeover	-	1.15
Add: Purchases during the year	1,328.82	1,119.09
Less: Closing stock (Also, refer Annexure XXIA)	(183.32)	(144.27)
	1,289.77	**1,112.30**

Metropolis Healthcare Limited

Annexure XXVIIIA: Employee benefit expenses

Rs. in million

Particulars	**Year ended 31 March**	
	2015	**2014**
Salaries, wages and bonus	854.07	680.81
Gratuity expenses [Also, refer annexure IXA (a)]	18.27	10.94
Contribution to provident and other funds [Also refer annexure IXA (b)]	62.80	40.94
Staff welfare	45.54	19.25
	980.68	**751.95**

Note: Director's remuneration amounting Rs. 32.01 million (31 March 2014: Rs. 17.51 million) has been included in Salaries, wages and bonus.

Annexure XXIXA: Finance costs

Rs. in million

Particulars	**Year ended 31 March**	
	2015	**2014**
Interest on loans	16.41	23.80
	16.41	**23.80**

Annexure XXXA: Depreciation and amortisation expense

Rs. in million

Particulars	**Year ended 31 March**	
	2015	**2014**
Depreciation of tangible assets (Also, refer Annexure XIVA)	183.79	132.30
Amortisation of intangible assets (Also, refer Annexure XVA)	33.23	28.16
Less: Transferred to retained earnings [Also, refer Annexure VIA(a)]	(11.87)	-
	205.15	**160.46**

Annexure XXXIA: Other expenses

Rs. in million

Particulars	**Year ended 31 March**	
	2015	**2014**
Accreditation	5.91	5.40
Laboratory expenses	13.83	21.46
Power and fuel	81.54	68.15
Rent	192.55	148.98
Repairs and maintenance		
- Buildings	6.82	8.18
- Plant and equipment	32.79	23.06
- Others	24.72	32.10
Insurance	9.90	8.19
Rates and taxes	14.32	18.25
Payments to auditors [Also, refer Annexure IVA(4)]	3.80	3.40
Loss on sale of fixed assets (net)	0.11	1.07
Legal and professional	275.94	228.35
Travelling and conveyance	68.49	49.97
Printing and stationery	60.39	50.80
Advertisement	20.59	9.01
Donation	0.11	0.53
Provision for bad and doubtful debts (net)	3.88	19.58
Bad debts written off	7.49	31.14
Provision for doubtful advances (net)	0.92	7.22
Postage and courier	96.70	79.90
Royalty	1.39	1.16
Communication	25.53	23.62
Sales promotion and entertainment	47.27	17.95
Director sitting fee	0.13	0.18
Bank charges	5.21	4.76
Office	1.67	1.59
Foreign exchange loss (net)	0.03	1.15
Management fees	8.01	7.71
Miscellaneous	56.12	44.02
	1,066.16	**916.88**

Annexure XXXIIA: Restated Statement of Dividend declared by the Company

I) After bonus and split of shares

Particulars	As at and for the year ended 31 March	
	2015	2014
Equity share capital (Rs. in million)	98.64	98.64
Number of equity shares	5,12,93,476	5,12,93,476
Face value per share (Rs.)	2.00	2.00
Dividend on equity shares		
Rate of dividend	-	14.00%
Dividend declared (Rs. in million)	-	13.81
Dividend tax rate	-	17.00%
Dividend distribution tax (Rs. in million)	-	2.35
Dividend per equity share	-	0.27

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 at the same meeting, the equity share capital (Authorised, Issued and Paid-up) of the Company was subdivided from Rs. 10.00 (Rupees ten) each to equity shares of Rs. 2.00 (Rupees two) each. Accordingly, the calculation above reflect the effect of bonus issue and share split retrospectively for all periods presented.

II) Before bonus and split of shares

Particulars	As at and for the year ended 31 March	
	2015	2014
Class of shares		
Equity share capital (Rs. in million)	98.64	98.64
Number of equity shares	98,64,130	98,64,130
Face value per share (Rs.)	10.00	10.00
Dividend on equity shares		
Rate of dividend	-	14.00%
Dividend declared (Rs. in million)	-	13.81
Dividend tax rate	-	17.00%
Dividend distribution tax (Rs. in million)	-	2.35
Dividend per equity share	-	1.40

Note:
The above statements (I and II) should be read with the Statement of Notes to the Restated Consolidated Financial Information, in Annexure IVA.

Metropolis Healthcare Limited

Annexure XXXIIIA: Restated Consolidated Statement of Accounting and other ratios

I) After bonus and split of shares

Sr. no.	Particulars	As at and for the year ended 31 March	
		2015	**2014**
A	Restated Net worth (Rs. in millions)	3,618.35	3,023.00
B	Restated net profit after tax (Rs. in millions)	609.75	565.58
	Weighted average number of equity shares outstanding during the year		
C	For basic earnings per share	5,12,93,476	5,12,93,476
D	For diluted earnings per share	5,12,93,476	5,12,93,476
	Earnings per share		
E	Basic earnings per share (Rs.) **(B/C)**	11.89	11.03
F	Diluted earnings per share (Rs.) **(B/D)**	11.89	11.03
G	**Return on net worth (%) (B/A*100)**	**16.85%**	**18.71%**
H	Number of shares outstanding at the end of the year	5,12,93,476	5,12,93,476
I	**Net asset value per equity share of Rs.10 each (Rs.) (A/H)**	**7.05**	**58.94**
J	Face value per equity share (Rs.)	2.00	2.00

II) Before bonus and split of shares

Sr. no.	Particulars	As at and for the year ended 31 March	
		2015	**2014**
A	Restated Net worth (Rs. in millions)	3,618.35	3,023.00
B	Restated net profit after tax (Rs. in millions)	609.75	565.58
	Weighted average number of equity shares outstanding during the year		
C	For basic earnings per share	98,64,130	98,64,130
D	For diluted earnings per share	98,64,130	98,64,130
	Earnings per share		
E	Basic earnings per share (Rs.) **(B/C)**	61.81	57.34
F	Diluted earnings per share (Rs.) **(B/D)**	61.81	57.34
G	**Return on net worth (%) (B/A*100)**	**16.85%**	**18.71%**
H	Number of shares outstanding at the end of the year	98,64,130	98,64,130
I	**Net asset value per equity share of Rs.10 each (Rs.) (A/H)**	**36.68**	**306.46**
J	Face value per equity share (Rs.)	10.00	10.00

Notes:

1) The ratio has been computed as below :

a) Basic and diluted earnings per share (Rs.)

$$\frac{\text{Restated Net Profit after tax attributable to equity shareholders}}{\text{Weighted average number of equity shares outstanding during the year}}$$

b) Net asset value per equity share (Rs.)

$$\frac{\text{Restated Net worth as at the year end}}{\text{Total number of equity shares outstanding as at the year end}}$$

c) Return on net worth (%)

$$\frac{\text{Restated Net Profit after tax attributable to equity shareholders}}{\text{Restated Net worth as at the year end}}$$

2) The figures disclosed above are based on the Restated Consolidated Financial Information of the group.

3) Weighted average number of equity shares is the number of equity shares outstanding at the beginning of the year adjusted by the number of equity shares issued during the year multiplied by the time weighting factor. The time weighting factor is the number of days for which the specific shares are outstanding as a proportion of total number of days during the year.

4) Net worth for the ratios represents sum of share capital and reserves and surplus (capital reserve on consolidation, capital redemption reserve, securities premium reserve, foreign currency translation reserve, general reserve and surplus in the Restated consolidated statement of profit and loss).

5) 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 at the same meeting, the equity share capital (Authorised, Issued and Paid-up) of the Company was subdivided from Rs. 10.00 (Rupees ten) each to equity shares of Rs. 2.00 (Rupees two) each. Accordingly, the calculation above reflect the effect of bonus issue and share split retrospectively for all periods presented.

6) The above statement should be read with the Statement of Notes to the Restated Consolidated Financial Information, in Annexure IVA.

Metropolis Healthcare Limited

Annexure XXXIVA: Restated Consolidated Statement of Related party disclosures

(a) Names of related parties

Description of Relationship	Year ended 31 March 2015	Year ended 31 March 2014
(I) Joint Venture	Star Metropolis Health Services Middle East LLC, Dubai	Star Metropolis Health Services Middle East LLC, Dubai
(II) Key Management Personnel (KMP)	Dr. Sushil Kanubhai Shah, Chairman Dr. G.S.K. Velu, Vice Chairman Ms. Ameera Sushil Shah, Managing Director and CEO Mr. Mangesh Kulkarni, Chief Financial Officer Mr. Sanket Shah, Company Secretary	Dr. Sushil Kanubhai Shah, Chairman Dr. G.S.K. Velu, Vice Chairman Ms. Ameera Sushil Shah, Managing Director and CEO Mr. Mangesh Kulkarni, Chief Financial Officer Mr. Sanket Shah, Company Secretary
(III) Relatives of KMP	Dr. Duru Sushil Shah Mrs. Subha K. Velu Mrs. Gomathy Velu	Dr. Duru Sushil Shah Mrs. Subha K. Velu Mrs. Gomathy Velu
(IV) Other related parties (entities in which either of the KMP's have significant influence)	Trivitron Healthcare Private Limited Trivitech Healthcare Private Limited Bio Systems Diagnostics Private Limited Trivitron Medical Systems Private Limited Trivitron Diagnostics Private Limited Bacchus Hospitality Services Private Limited Span Diagnostics Private Limited Diasorin Trivitron Healthcare Private Limited	Trivitron Healthcare Private Limited Trivitech Healthcare Private Limited Bio Systems Diagnostics Private Limited Trivitron Medical Systems Private Limited Trivitron Diagnostics Private Limited Bacchus Hospitality Services Private Limited Span Diagnostics Private Limited Diasorin Trivitron Healthcare Private Limited

Metropolis Healthcare Limited

Annexure XXXIVA: Restated Consolidated Statement of Related party disclosures

(b) Transactions and outstanding balances with related parties

Rs. in million

Particulars	As at and for the year ended 31 March	
	2015	2014
(I) Joint Venture		
Outstanding balances (considered doubtful and fully provided)		
Loans and advances	4.23	4.23
Trade receivables	59.85	59.85
Investments made	12.98	12.98
(III) KMP		
Transactions		
Remuneration		
Ms. Ameera Sushil Shah	32.01	17.51
Mr. Mangesh Kulkarni	4.14	-
Mr. Sanket Shah	0.27	-
Rent paid		
Dr. Sushil Kanubhai Shah	8.95	8.27
Professional fees		
Dr. Sushil Kanubhai Shah	6.00	6.00
Outstanding balances		
Trade payables		
Dr. Sushil Kanubhai Shah	-	0.50
Other current liabilities		
Ms. Ameera Sushil Shah	3.30	1.61
Mr. Mangesh Kulkarni	0.60	-
Mr. Sanket Shah	0.03	-
(IV) Relatives of KMP		
Transactions		
Services rendered		
Dr. Duru Sushil Shah	2.08	1.87
Rent paid		
Mrs. Subha K. Velu	2.21	2.04
Mrs. Gomathy Velu	2.07	1.91
Outstanding balances		
Trade payables		
Mrs. Subha K. Velu	-	0.11
Mrs. Gomathy Velu	-	0.10
Trade receivables		
Dr. Duru Sushil Shah	0.18	0.22
(V) Other related parties (entities in which either of the KMP's have significant influence)		
Transactions		
Purchase of goods and services		
Trivitron Healthcare Private Limited	25.62	20.15
Bio Systems Diagnostics Private Limited	2.65	1.89
Span Diagnostics Private Limited	0.15	-
Trivitron Medical Systems Private Limited	0.08	-
Diasorin Trivitron Healthcare Private Limited	0.63	-

Metropolis Healthcare Limited

Annexure XXXIVA: Restated Consolidated Statement of Related party disclosures

(b) Transactions and outstanding balances with related parties

Rs. in million

Particulars	As at and for the year ended 31 March	
	2015	2014
Purchase of fixed assets		
Bio Systems Diagnostics Private Limited	0.32	0.45
Trivitron Healthcare Private Limited	2.49	-
Sale of fixed assets		
Bio Systems Diagnostics Private Limited	-	0.06
AMC charges		
Trivitron Healthcare Private Limited	0.48	0.41
Bio Systems Diagnostics Private Limited	0.07	0.03
Outstanding balances		
Trade payables		
Trivitron Healthcare Private Limited	4.62	2.89
Bio Systems Diagnostics Private Limited	0.10	1.21
Span Diagnostics Private Limited	0.03	-
Trivitron Medical Systems Private Limited	0.01	-
Trade receivables		
Bio Systems Diagnostics Private Limited	0.53	-
Trivitron Medical Systems Private Limited	0.04	-
Diasorin Trivitron Healthcare Private Limited	0.07	-

Notes:
a. The above statement should be read with the Statement of Notes to the Restated Consolidated Financial Information, in Annexure IVA.

Metropolis Healthcare Limited

Annexure XXXVA: Restated Consolidated Statement of Capitalisation as at 31 March 2015

Rs. in million

Particulars	Pre issue as at 31 March 2015	Post issue
Borrowings		
Short-term	1.94	•
Long-term (including current maturities) (A)	134.94	•
Total borrowings (B)	136.88	
Shareholders' fund		
Share capital	98.64	•
Reserve and surplus	3,519.71	•
Total shareholders' fund (C)	3,618.35	•
Long-term borrowings/equity ratio* {(A)/(C)}	**0.04**	•
Total borrowings/equity ratio {(B)/(C)}	**0.04**	•

* Equity = Total Shareholder's Funds

Notes:

1) Short-term borrowings implies borrowings repayable within 12 months from the Balance Sheet date.
Long-term borrowings are debts other than short-term borrowings and also includes the current maturities of longterm borrowings (included in other current liabilities)
2) The above has been computed on the basis of the 'Restated Consolidated Statement of Assets and Liabilities, in Annexure IA.
3) The above statement should be read with the 'Statement of Notes to the Restated Consolidated Financial Information, in Annexure IVA.

- The corresponding figures (post issue) can be calculated only on the conclusion of the book building process and hence have not been furnished.

As per our report of even date attached

For **Walker Chandiok & Co LLP**
Chartered Accountants
Firm's Registration No.: 001076N/N500013

For and on behalf of board of directors
Metropolis Healthcare Limited
U73100MH2000PLC192798

Sudhir N. Pillai
Partner
Membership No: 105782

Dr. Sushil Shah
Chairman & Executive Director
DIN: 00179918

Ameera Shah
Managing Director
DIN: 00208095

Vijender Singh
Chief Executive Officer

Tushar Karnik
Chief Financial Officer
Membership No: 046817

Jayant Prakash
Company Secretary
Membership No: FCS 6742

Place : Mumbai
Date : 24th September 2018

Place : Mumbai
Date : 24th September 2018

Independent Auditor's Report on Restated Standalone Financial Information

Private and confidential

The Board of Directors
Metropolis Healthcare Limited
250D, Udyog Bhavan,
Hind Cycle Lane, Worli
Mumbai – 400 030

24 September 2018

Dear Sirs and Madam,

1. We have examined the attached Restated Standalone Financial Information of Metropolis Healthcare Limited (the "Company"), which comprise of the Restated Standalone Statement of Assets and Liabilities as at 31 March 2018, 31 March 2017, 31 March 2016, 31 March 2015 and 31 March 2014, the Restated Standalone Statement of Profit and Loss and Restated Standalone Statement of Changes in Equity for each of the years ended 31 March 2018, 31 March 2017 and 31 March 2016, the Restated Standalone Statement of Profit and Loss for the years ended 31 March 2015 and 31 March 2014 and the Restated Standalone Statement of Cash Flows for the years ended 31 March 2018, 31 March 2017, 31 March 2016, 31 March 2015 and 31 March 2014 and the summary of significant accounting policies and notes for the respective years, read with the annexures and notes thereto and other restated financial information explained in paragraph 6 below, as approved by the Board of Directors of the Company at their meeting held on 24 September 2018, for the purpose of inclusion in the Draft Red Herring Prospectus ("DRHP") prepared by the Company in connection with its proposed Initial Public Offer of equity shares ("IPO") prepared in terms of the requirements of:

    a) Section 26 of Part I of Chapter III of the Companies Act, 2013 ("the Act");

    b) the Securities and Exchange Board of India (Issue of Capital and Disclosure Requirements) Regulations, 2009 as amended from time to time in pursuance of provisions of Securities and Exchange Board of India Act, 1992 ("ICDR Regulations"); and

    c) The Guidance Note on Reports in Company Prospectuses (Revised 2016) issued by the Institute of Chartered Accountants of India ("ICAI") as amended from time to time (the "Guidance Note").

2. The preparation of the Restated Standalone Financial Information is the responsibility of the Company's management for the purpose set out in paragraph 9 below. The management's responsibility includes designing, implementing and maintaining adequate internal control relevant to the preparation and presentation of the Restated Standalone Financial Information. The management is also responsible for identifying and ensuring that the Company complies with the Act, ICDR Regulations and the Guidance Note. Our responsibility is to examine the Restated Standalone Financial Information and confirm whether such Restated Standalone Financial Information comply with the requirements of the Act, ICDR Regulations and the Guidance Note.

Independent Auditor's Report on Restated Standalone Financial Information *(Continued)*

3. We have examined such Restated Standalone Financial Information taking into consideration:

   a) The terms of reference and terms of our engagement agreed upon with you in accordance with our engagement letter dated 10 September 2018 in connection with the proposed IPO of the Company; and

   b) The Guidance Note.

4. These Restated Standalone Financial Information have been compiled by the management from:

   a) As at and for the year ended 31 March 2018: The audited standalone Ind AS financial statements of the Company as at and for the year ended 31 March 2018, prepared in accordance with the Indian Accounting Standards (Ind AS) prescribed under Section 133 of the Act, read with the Companies (Indian Accounting Standards) Rules, 2015 and the Companies (Indian Accounting Standards) (Amendment) Rules, 2016 and other relevant provisions of the Act, which have been approved by the Board of Directors at their Board meeting held on 7 September 2018;

   b) As at and for the year ended 31 March 2017: The audited standalone financial statements of the Company as at and for the year ended 31 March 2017, prepared in accordance with Accounting Standards prescribed under Section 133 of the Act read with Rule 7 of the Companies (Accounts) Rules 2014, and the other relevant provisions of the Act ("Previous GAAP"), which has been approved by the Board of Directors at their Board meeting held on 14 June 2017. These financial statements have been translated into figures as per Ind AS to align accounting policies, exemptions and disclosures as adopted by the Company on its first time adoption of Ind AS as on 1 April 2016 ('transition date'), which have also been audited by us;

   c) As at and for the year ended 31 March 2016: The audited standalone financial statements of the Company as at and for the year ended 31 March 2016, prepared in accordance with Previous GAAP was audited by Walker Chandiok & Co. LLP, Chartered Accountants ("Previous Auditors"), and approved by the Board of Directors at their Board meeting held on 15 July 2016. These financial statements have been translated into figures as per Ind AS to align accounting policies, exemptions and disclosures as adopted by the Company on transition to Ind AS, which have been audited by us; and

   d) As at and for the year ended 31 March 2015 and 31 March 2014: Audited standalone financial statements of the Company as at and for the year ended 31 March 2015 prepared in accordance with Previous GAAP and for the year ended 31 March 2014 prepared in accordance with the accounting standards prescribed under Section 211(3C) of the Companies Act, 1956. These financial statements were audited by Previous Auditors, and approved by the Board of Directors at their meeting held on 4 September 2015 and 26 August 2014 respectively.

   e) Standalone financial statements for the financial years ended 31 March 2016, 31 March 2015 and 31 March 2014 were audited by Previous Auditors, whose reports have been furnished to us by the management of the Company. Our opinion on the examination of the restated financial information, for the years ended 31 March 2015 and 31 March 2014, included in the Restated Standalone Financial Information are on the basis of the report issued by the Previous Auditors. Further, for the year ended 31 March 2016, financial statements have been translated into figures as per Ind AS to align accounting policies, exemptions and disclosures as adopted by the Company on transition to Ind AS, which have been audited by us.

Independent Auditor's Report on Restated Standalone Financial Information *(Continued)*

Previous Auditors have also confirmed that the restated standalone financial information as at and for the years ended 31 March 2015 and 31 March 2014:

(a) have been made after incorporating adjustments for the changes in accounting policies retrospectively in respective financial years to reflect the same accounting treatment as per changed accounting policy for all the reporting years;

(b) have been made after incorporating adjustments for the material amounts in the respective financial years to which they relate; and

(c) do not contain any extra-ordinary items that need to be disclosed separately, other than those presented in the Restated Standalone Financial Information and do not have any qualifications requiring adjustments.

5. Based on our examination and in accordance with the requirements of the Act, ICDR Regulations, the Guidance Note and terms of our engagement agreed with you, and for reliance placed on the reports of the previous auditors as referred to in paragraph 4 above, we report that:

a) The Restated Standalone Statement of Assets and Liabilities of the Company as at 31 March 2018, 31 March 2017 and 31 March 2016 under Ind AS, as set out in Annexure-I to this report, are after making adjustments and regrouping/reclassifications as in our opinion were appropriate and more fully described in Annexure VII: Statement of Adjustments to Audited Standalone Financial Statements; and Restated Standalone Statement of Assets and Liabilities as at 31 March 2015 and 31 March 2014 under Previous GAAP, as set out in Annexure – IA to this report, are after making adjustments and regrouping/reclassifications as in our opinion were appropriate and more fully described in Annexure IV(A)(5): Statement of Notes to the Restated Standalone Financial Information

b) The Restated Standalone Statement of Profits and Loss of the Company for the years ended 31 March 2018, 31 March 2017 and 31 March 2016 under Ind AS, as set out in Annexure-II to this report, are after making adjustments and regrouping/reclassifications as in our opinion were appropriate and more fully described in Annexure VII: Statement of Adjustments to Audited Standalone Financial Statements; and Restated Standalone Statement of Profits and Loss for the years ended 31 March 2015 and 31 March 2014 under Previous GAAP, as set out in Annexure – IIA to this report, are after making adjustments and regrouping/reclassifications as in our opinion were appropriate and more fully described in Annexure IV(A)(5): Statement of Notes to the Restated Standalone Financial Information

c) The Restated Standalone Statement of Changes in Equity of the Company for the years ended 31 March 2018, 31 March 2017 and 31 March 2016 under Ind AS, as set out in Annexure-III to this report are after making adjustments and regrouping/reclassifications as in our opinion were appropriate and more fully described in Annexure VII: Statement of Adjustments to Audited Standalone Financial Statements

Independent Auditor's Report on Restated Standalone Financial Information *(Continued)*

d) The Restated Standalone Statement of Cash Flows of the Company for the years ended for the years ended 31 March 2018, 31 March 2017 and 31 March 2016 under Ind AS, as set out in Annexure-IV to this report, are after making adjustments and regrouping/reclassifications as in our opinion were appropriate and more fully described in Annexure VII: Statement of Adjustments to Audited Standalone Financial Statements; and Restated Standalone Statement of Cash Flows for the years ended 31 March 2015 and 31 March 2014 under Previous GAAP, as set out in Annexure – IIIA to this report, are after making adjustments and regrouping/reclassifications as in our opinion were appropriate and more fully described in Annexure IV(A)(5): Statement of Notes to the Restated Standalone Financial Information.

e) Based on the above, according to the information and explanations given to us and also as per the reliance placed on the reports submitted by the Previous Auditors for the respective years, we further report that the Restated Standalone Financial Information:

   i. have been made after incorporating adjustments for change in accounting policies retrospectively in respective financial years to reflect the same accounting treatment as per changed accounting policy for all the reporting years;

   ii. have been made after incorporating adjustments for the material amounts in the respective financial years to which they relate;

   iii. do not contain any extra-ordinary items that need to be disclosed separately other than those presented in the Restated Standalone Financial Information in the respective financial years; and

   iv. do not have any qualifications and other remarks / comments in the Companies (Auditor's Report) Order, 2003 issued by Central Government of India under sub-section (4A) of Section 227 of Companies Act 1956 / Companies (Auditor's Report) Order, 2015 / Companies (Auditor's Report) Order, 2016 ('the Order') issued by the Central Government of India, in terms of sub-section (11) of Section 143 of the Act, which require any corrective adjustment in the Restated Standalone Financial Information except for the following qualification included in the Previous Auditor's report on the standalone financial statements for the years ended 31 March 2015 and 31 March 2014, which have been adjusted in these Restated Standalone Financial Information as further detailed in Annexure IV(A)(5): Statement of Notes to the Restated Standalone Financial Information.

As at and for the years ended 31 March 2015 and 31 March 2014

(a) Attention is drawn to Annexure IV(A), sub-note 5(A) of the restated standalone financial statements, wherein it is stated that the Company's non-current investment as at 31 March 2015 and 31 March 2014 include an investment amounting to Rs.12.98 million in its joint venture company, Star Metropolis Health Services Middle East LLC, and trade receivables as at that date include Rs. 64.09 million due from the aforesaid joint venture company; both being considered good and recoverable by the management. However, in the absence of sufficient appropriate audit evidence, we are unable to comment upon the carrying value if this investment, recoverability of the aforesaid trade receivable and the consequential impact, if any, on the financial statements.

Independent Auditor's Report on Restated Standalone Financial Information *(Continued)*

6. We have also examined the following restated standalone other financial information of the Company set out in the following Annexures, proposed to be included in the DRHP, prepared by the management and approved by the Board of Directors on 24 September 2018 for the years ended 31 March 2018, 31 March 2017, 31 March 2016, 31 March 2015 and 31 March 2014. In respect of the years ended 31 March 2015 and 31 March 2014 these information have been included based upon the reports submitted by previous auditors and relied upon by us:

   As at and for the years ended 31 March 2018, 31 March 2017 and 31 March 2016

   i. Basis of preparation and significant accounting policies as enclosed in Annexure V;
   ii. Notes to the Restated Standalone Financial Information as enclosed in Annexure VI;
   iii. Statement of Adjustments to Audited Financial Statements as enclosed in Annexure VII;
   iv. Restated Standalone Statement of Accounting ratios, as enclosed in Annexure VIII;
   v. Restated Standalone Statement of Capitalization, as enclosed in Annexure IX;
   vi. Restated Standalone Statement of Dividend, as enclosed in Annexure X;
   vii. Restated Standalone Statement of Other Income, as enclosed in Annexure XI; and
   viii. Restated Standalone Statement of Tax Shelter, as enclosed in Annexure XII.

   As at and for the years ended 31 March 2015 and 31 March 2014

   i. Basis of preparation and significant accounting policies as enclosed in Annexure IVA;
   ii. Statement of Notes to the Restated Standalone Financial Information, as enclosed in Annexure IVA to XXIXA;
   iii. Statement of Adjustments to Audited Standalone Financial Statements as enclosed in Annexure- IV(A)(5);
   iv. Restated Standalone Statement of Accounting ratios, as enclosed in Annexure XXXIA;
   v. Restated Standalone Statement of Capitalisation, as enclosed in Annexure XXXIIIA;
   vi. Restated Standalone Statement of Dividend, as enclosed in Annexure XXXA;
   vii. Restated Standalone Statement of Other Income , as enclosed in Annexure XXIVA;
   viii. Restated Standalone Statement of Tax Shelter, as enclosed in Annexure XXXIVA.

   According to the information and explanations given to us and also as per the reliance placed on the reports submitted by the previous auditors, in our opinion, the Restated Standalone Financial Information and the above Restated Standalone other financial information contained in Annexures I to XII as at and for the years ended 31 March 2018, 31 March 2017 and 31 March 2016 and Annexures IA to XXXIVA for the years ended 31 March 2015 and 31 March 2014 accompanying this report, read with Summary of Significant Accounting Policies disclosed in Annexure-V for the years ended 31 March 2018, 31 March 2017 and 31 March 2016 and Annexures IVA Statement of Notes to the Restated Standalone Financial Information for the years ended 31 March 2015 and 31 March 2014, are prepared after making adjustments and regroupings/reclassifications as considered appropriate and have been prepared in accordance with the Act, the Rules, the ICDR Regulations and the Guidance Note.

Independent Auditor's Report on Restated Standalone Financial Information *(Continued)*

7. This report should not in any way be construed as a reissuance or re-dating of any of the previous audit reports issued by us, nor should this report be construed as a new opinion on any of the financial statements referred to herein.

8. We have no responsibility to update our report for events and circumstances occurring after the date of the report.

9. Our report is intended solely for use of the management for inclusion in the DRHP to be filed with Securities and Exchange Board of India, the stock exchanges where the equity shares of the Company are proposed to be listed ("Stock Exchanges") and the relevant Registrar of Companies in India, in connection with this Proposed IPO of the Company, as the case may be. Our report should not be used, referred to or distributed for any other purpose except with our prior consent in writing.

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

Akeel Master
Partner
Membership No: 046768

Place: Mumbai
Date: 24 September 2018

Metropolis Healthcare Limited

Restated Standalone Statement of Assets and Liabilities
as at March 31, 2018

(Rs. in million)

Annexure - I

PARTICULARS	***Notes to Annexure VI***	**March 31, 2018**	March 31, 2017	March 31, 2016 (Proforma)
ASSETS				
Non current assets				
Property, plant and equipment	*3*	**859.78**	808.99	815.51
Goodwill	*4*	**459.39**	459.39	-
Other intangible assets	*4*	**168.80**	148.93	7.88
Financial assets				
i. Investments	*5*	**578.31**	391.16	440.68
ii. Loans	*6*	**16.99**	34.29	56.67
iii. Derivatives	*7*	**161.21**	161.22	149.10
iv. Other non current financial assets	*8*	**82.03**	0.33	-
Other non current assets	*9*	**16.84**	82.86	49.84
Total non current assets		**2,343.35**	2,087.17	1,519.68
Current assets				
Inventories	*10*	**133.21**	90.11	95.11
Financial assets				
i. Investments	*11*	**461.32**	998.64	766.58
ii. Trade receivables	*12*	**800.21**	631.76	481.74
iii. Cash and cash equivalents	*13*	**165.92**	44.77	106.17
iv. Bank balances other than cash and cash equivalents	*13 (b)*	**89.26**	12.46	4.21
v. Loans	*14*	**189.39**	211.80	220.48
vi. Other current financial assets	*15*	**15.99**	6.89	9.54
Other current assets	*16*	**33.82**	32.46	21.96
Total current assets		**1,889.12**	2,028.89	1,705.79
Total Assets		**4,232.47**	4,116.06	3,225.47
EQUITY AND LIABILITIES				
Equity				
Equity share capital	*17*	**95.44**	95.44	95.44
Other equity	*18*	**3,425.15**	2,572.06	2,405.45
Total Equity		**3,520.59**	2,667.50	2,500.89
Non-current liabilities				
Financial liabilities				
i Other non-current financial liabilities	*19*	**24.31**	86.62	-
Provisions	*20*	**26.99**	25.43	24.09
Deferred tax liabilities (net)	*32*	**33.83**	91.95	73.87
Total non-current liabilities		**85.13**	204.00	97.96
Current liabilities				
Financial liabilities				
i. Trade payables	*21*	**254.98**	210.76	166.64
ii. Other current financial liabilities	*22*	**243.07**	802.30	159.99
Other current liabilities	*23*	**53.30**	126.25	195.22
Provisions	*20*	**28.13**	25.60	22.21
Current tax liabilities (net)	*23 (a)*	**47.27**	79.65	82.56
Total Current liabilities		**626.75**	1,244.56	626.62
Total Equity and Liabilities		**4,232.47**	4,116.06	3,225.47

Note:

The above statement should be read with Basis of Preparation and Significant Accounting Policies appearing in Annexure V, Notes to Restated Standalone Financial Information in Annexure VI and Statement of Adjustments to Audited Standalone Financial Statements appearing in Annexure VII.

As per our examination 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
U73100MH2000PLC192798

Akeel Master
Partner
Membership No: 046768

Dr. Sushil Shah
Chairman & Executive Director
DIN: 00179918

Ameera Shah
Managing Director
DIN: 00208095

Vijender Singh
Chief Executive Officer

Tushar Karnik
Chief Financial Officer
Membership No: 046817

Jayant Prakash
Company Secretary
Membership No: FCS 6742

Place:Mumbai
Date: 24th September 2018

Place:Mumbai
Date: 24th September 2018

-

Metropolis Healthcare Limited

Restated Standalone Statement of Profit and Loss

for the year ended March 31, 2018

(Rs. in million)

Annexure - II

PARTICULARS	***Notes to Annexure VI***	**March 31, 2018**	March 31, 2017	March 31, 2016 (Proforma)
Revenue from operations	*24*	**4,376.74**	3,559.50	3,047.78
Other income	*25*	**142.44**	216.73	356.74
Total Income		**4,519.18**	3,776.23	3,404.52
Expenses				
Cost of material consumed	*26*	**1,020.08**	914.09	821.52
Laboratory testing charges	*27*	**35.15**	16.30	27.04
Employee benefits expense	*28*	**982.85**	841.64	710.17
Finance costs	*29*	**11.56**	3.46	7.72
Depreciation and amortisation expense	*30*	**128.96**	108.36	103.94
Other expenses	*31*	**1,162.03**	708.00	642.86
Total Expenses		**3,340.63**	2,591.85	2,313.25
Profit before tax		**1,178.55**	1,184.38	1,091.27
Income tax expense	*32*			
Current tax		**400.00**	370.00	348.00
Deferred tax		**(58.06)**	21.49	(29.57)
Total tax expense		**341.94**	391.49	318.43
Profit for the year		**836.61**	792.89	772.84
Other Comprehensive Income				
(i) Items that will not be reclassified subsequently to profit and loss				
Remeasurements of the defined benefit plans		**(0.23)**	(1.12)	(2.41)
Income tax on above		**0.08**	0.39	0.83
(ii) Items that will subsequently be reclassified to profit and loss				
Debt instruments through Other Comprehensive Income- net change in fair value		**0.04**	-	-
Income tax on above		**(0.01)**	-	-
Other Comprehensive Income (Net of tax)		**(0.12)**	(0.73)	(1.58)
Total Comprehensive Income for the Year		**836.49**	792.16	771.26
Earnings per equity share				
Equity shares of face valus of Rs. 10 each				
Basic earnings per share (Rs.)	*33*	**16.86**	15.98	15.35
Diluted earnings per share (Rs.)	*33*	**16.76**	15.87	15.24

Notes:

The above statement should be read with Basis of Preparation and Significant Accounting Policies appearing in Annexure V, Notes to Restated Standalone Financial Information in Annexure VI and Statement of Adjustments to Audited Standalone Financial Statements appearing in Annexure VII.

As per our examination 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
U73100MH2000PLC192798

Akeel Master
Partner
Membership No: 046768

Dr. Sushil Shah
Chairman & Executive Director
DIN: 00179918

Ameera Shah
Managing Director
DIN: 00208095

Vijender Singh
Chief Executive Officer

Tushar Karnik
Chief Financial Officer
Membership No: 046817

Jayant Prakash
Company Secretary
Membership No: FCS 6742

Place: Mumbai
Date: 24th September 2018

Place: Mumbai
Date: 24th September 2018

Metropolis Healthcare Limited

Restated Standalone Statement of Changes in Equity
for the year ended March 31, 2018

(Rs. in million)

Annexure - III

A. Equity Share Capital (Refer Note 17)

Particulars	Number of shares	Amount (Rs. in million)
Equity Share Capital		
Balance as at April 1, 2015 (Proforma)	9,864,130	98.64
Changes in equity share capital during the year		
- Shares bought back during the year	(320,484)	(3.20)
Balance as at March 31, 2016 (Proforma)	9,543,646	95.44
Changes in equity share capital during the year	-	-
Balance as at March 31, 2017	9,543,646	95.44
Changes in equity share capital during the year	-	-
Balance as at March 31, 2018	**9,543,646**	**95.44**

B. Other Equity (Refer Note 18)

Particulars	Fully convertible share warrants (refer note 46)	Reserves and Surplus					Other comprehensive income	Total
		Securities Premium account	General Reserve	Capital redemption reserves	Employee stock options reserve	Retained earnings	FVOCI Debt Instruments	
Balance as at April 1, 2015 (Proforma)	-	582.64	159.03	-	-	2,522.80	-	3,264.47
Profit for the year	-	-	-	-	-	772.84	-	772.84
Gain/loss on re-measurement of defined benefit plans	-	-	-	-	-	(1.58)	-	(1.58)
Total comprehensive income for the year	-	-	-	-	-	771.26	-	771.26
Transfer to capital redemption reserve	-	-	-	3.20	-	(3.20)	-	-
Interim Dividend paid	-	-	-	-	-	(767.43)	-	(767.43)
Tax on Interim dividend	-	-	-	-	-	(127.62)	-	(127.62)
Premium on buy back of equity shares	-	-	-	-	-	(600.00)	-	(600.00)
Tax on buy back of equity shares	-	-	-	-	-	(135.23)	-	(135.23)
Balance at March 31, 2016 (Proforma)	**-**	**582.64**	**159.03**	**3.20**	**-**	**1,660.58**	**-**	**2,405.45**

Metropolis Healthcare Limited

Restated Standalone Statement of Changes in Equity *(Continued)*
for the year ended March 31, 2018

(Rs. in million)

ANNEXURE - III ***(Continued)***

B. Other Equity (Refer Note 18) *(Continued)*

Particulars	Fully convertible share warrants (refer note 46)	Reserves and Surplus					Other comprehensive income	Total
		Securities Premium	General Reserve	Capital redemption reserves	Employee stock options reserve	Retained earnings	FVOCI Debt Instruments	
Balance as at April 1, 2016	0.02	582.64	159.03	3.20	-	1,621.01	-	2,365.90
Profit for the year	-	-	-	-	-	792.89	-	792.89
Gain/loss on re-measurement of defined benefit plans	-	-	-	-	-	(0.73)	-	(0.73)
Total comprehensive income	-	-	-	-	-	792.16	-	792.16
Interim Dividend paid	-	-	-	-	-	(500.00)	-	(500.00)
Tax on Interim dividend	-	-	-	-	-	(86.43)	-	(86.43)
Share based payments (refer note 28)	-	-	-	-	0.43	-	-	0.43
Balance at March 31, 2017	0.02	582.64	159.03	3.20	0.43	1,826.74	-	2,572.06
Profit for the year	-	-	-	-	-	836.61	-	836.61
Gain/loss on re-measurement of defined benefit plans	-	-	-	-	-	(0.15)	-	(0.15)
Fair valuation of Debt instruments measured at FVOCI	-	-	-	-	-	-	0.03	0.03
Total comprehensive income	-	-	-	-	-	836.46	0.03	836.49
Share based payments (refer note 28)	-	-	-	-	16.60	-	-	16.60
Balance at March 31, 2018	**0.02**	**582.64**	**159.03**	**3.20**	**17.03**	**2,663.20**	**0.03**	**3,425.15**

Restated Standalone Statement of Changes in Equity *(Continued)*
for the year ended March 31, 2018

(Rs. in million)

ANNEXURE - III *(Continued)*

B. Other Equity (Refer Note 18) *(Continued)*

Note:

The above statement should be read with Basis of Preparation and Significant Accounting Policies appearing in Annexure - V, Notes to Restated Standalone Financial Information in Annexure VI and Statement of Adjustments to Audited Standalone Financial Statements appearing in Annexure VII.

As per our examination 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
U73100MH2000PLC192798

Akeel Master
Partner
Membership No: 046768

Dr. Sushil Shah
Chairman & Executive Director
DIN: 00179918

Ameera Shah
Managing Director
DIN: 00208095

Vijender Singh
Chief Executive Officer

Tushar Karnik
Chief Financial Officer
Membership No: 46817

Jayant Prakash
Company Secretary
Membership No: FCS 6742

Place: Mumbai
Date: 24th September 2018

Place: Mumbai
Date: 24th September 2018

Metropolis Healthcare Limited

Restated Standalone Statement of Cash Flow

for the year ended March 31, 2018

(Rs. in million)

Annexure- IV

PARTICULARS	March 31, 2018	March 31, 2017	March 31, 2016 (Proforma)
A. CASH FLOW FROM OPERATING ACTIVITIES:			
Profit before tax	**1,178.55**	1,184.38	1,091.27
Adjustments for:			
Depreciation and amortisation expense	**128.96**	108.36	103.94
(Profit) on sale of property plant and equipments (net)	**-**	(0.21)	(0.03)
(Gain) on redemption of mutual fund investment	**(59.81)**	(132.13)	(150.55)
Provision for dimunition in value of investment	**28.69**	0.10	-
Loss on sale of non-current investments	**7.33**	-	-
Provision for doubtful advances written back	**29.87**	(1.78)	5.59
Provision for bad and doubtful debts	**51.15**	9.13	16.13
Bad debts written off	**0.76**	-	-
Employee share based payment expense	**16.60**	0.43	-
Interest expense	**11.56**	3.46	7.72
Foreign exchange loss (net)	**0.47**	6.45	4.84
Changes in fair value of derivative assets	**0.01**	(12.12)	23.59
Sundry balance written (back)/ off	**-**	-	0.02
Interest income	**(18.89)**	(43.39)	(10.83)
Dividend income from mutual funds and related parties	**(102.77)**	(106.61)	(248.83)
Changes in fair value of current investments	**39.03**	86.00	56.72
Operating profit before working capital changes	**1,311.51**	1,102.07	899.58
Adjustments for changes in working capital:			
Increase in other assets	**(1.97)**	(21.95)	(4.31)
(Increase) / Decrease in inventories	**(43.10)**	5.01	1.52
(Increase) in trade receivables	**(220.89)**	(160.35)	(76.09)
(Increase) in loans	**(15.59)**	(8.09)	(35.26)
Increase in provisions	**3.84**	3.61	13.75
Increase in trade payables	**43.87**	31.73	28.70
Increase / (Decrease) in other financial liabilities	**6.43**	693.54	(8.05)
Increase / (Decrease) in other liabilities	**19.67**	(665.19)	17.87
Cash generated from operating activities	**1,103.77**	980.38	837.71
Income tax (paid)	**(432.38)**	(364.95)	(260.98)
Net cash generated from operating activities (A)	**671.39**	615.43	576.73
B. CASH FLOW FROM INVESTING ACTIVITIES:			
Purchase of property, plant and equipment and capital work-in-progress (including capital advances)	**(105.32)**	(115.69)	(85.86)
Proceeds from sale of property, plant and equipment	**-**	0.37	0.27
Purchase consideration paid towards acquisition of business	**(131.87)**	(410.13)	-
Purchase of other intangible assets	**(41.12)**	(0.19)	(2.79)
Purchase of current investments	**(3,972.77)**	(1,429.77)	(879.30)
Proceeds from sale of current investments	**4,530.93**	1,243.82	1,798.72
Proceeds from sale of joint venture	**0.04**	-	-
Purchase of stake in Joint venture	**(0.10)**	-	-
Purchase of additional stake in subsidiary	**(229.31)**	(0.03)	(46.31)
Proceeds from sale of non - current investments	**6.22**	-	0.10
Loan (paid) / repaid by related parties	**24.16**	57.60	33.35
Interest received	**11.05**	44.61	9.68
Dividends received	**102.77**	106.61	248.83
Proceeds from investments in bank deposits (having original maturity of more than three months)	**(158.49)**	(8.58)	(0.91)
Net cash generated from/(used in) investing activities (B)	**36.19**	(511.38)	1,075.78

Metropolis Healthcare Limited

Restated Standalone Statement of Cash Flow *(Continued)*

for the year ended March 31, 2018

(Rs. in million)

ANNEXURE - IV ***(Conitnued)***

PARTICULARS	March 31, 2018	March 31, 2017	March 31, 2016 (Proforma)
C. CASH FLOW FROM FINANCING ACTIVITIES:			
Payments for shares bought back	-	-	(603.20)
Payment of tax on shares bought back	-	(0.15)	(135.08)
Repayment of long-term borrowing	-	(36.46)	(36.46)
Interest paid on term loan	-	(1.22)	(7.72)
Payment of dividend tax	**(86.43)**	(127.62)	-
Payment of dividend	**(500.00)**	-	(767.43)
Net cash (used in) financing activities (C)	**(586.43)**	(165.45)	(1,549.89)
Net Increase/(Decrease) in cash and cash equivalents	**121.15**	(61.40)	102.62
Cash and cash equivalents as at the beginning of the year	**44.77**	106.17	3.55
Cash and cash equivalents as at the end of the year	**165.92**	44.77	106.17

1. The Cash Flow Statement has been prepared under the "Indirect Method" as set out in the Indian Accounting Standard - 7 "Cash Flow Statement"

2. The figures in the brackets indicate outflow of cash and cash equivalents.

3. The movement of borrowing as per Ind AS 7 is as follows:

	March 31, 2016 (Proforma)
Balance as at the beginning of the year	36.46
Cashflows	(36.46)
Non cash changes	-
Balance as at the end of the year	-

Note:

The above statement should be read with Basis of Preparation and Significant Accounting Policies appearing in Annexure - V, Notes to Restated Standalone Financial Information in Annexure VI and Statement of Adjustments to Audited Standalone Financial Statements appearing in Annexure VII.

As per our examination 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
U73100MH2000PLC192798

Akeel Master
Partner
Membership No: 046768

Dr. Sushil Shah
Chairman & Executive Director
DIN: 00179918

Ameera Shah
Managing Director
DIN: 00208095

Vijender Singh
Chief Executive Officer

Tushar Karnik
Chief Financial Officer
Membership No: 46817

Jayant Prakash
Company Secretary
Membership No: FCS 6742

Place: Mumbai
Date: 24th September 2018

Place: Mumbai
Date: 24th September 2018

Annexure - V

Basis of preparation and significant accounting policies

1 Background of the Company and nature of operation

Metropolis Healthcare Limited (the 'Company'), was incorporated as Pathnet India Private Limited in the year 2000 and is engaged in the business of providing pathology and related healthcare services. The registered office of the Company is located at 250-D, Udyog Bhavan, Hind Cycle Marg, Worli, Mumbai.

2 Basis of preparation, measurement and significant accounting policies

2.1 Basis of preparation and measurement

a Statement of compliance:

(i) The Restated Standalone Statement of Assets and Liabilities of the Company as at March 31, 2018, March 31, 2017 and March 31, 2016, Restated Standalone Statement of Profit and Loss, Restated Standalone Statement of Changes in Equity and Restated Standalone Statement of Cash Flows for the years ended March 31, 2018, March 31, 2017 and March 31, 2016 and the summary of significant accounting policies and Restated Other Statements Financial Information from Annexure VI to XII (hereinafter collectively referred to as "Restated Statements Financial Information") (hereinafter collectively referred to as "Restated Standalone Financial Information") have been prepared under Indian Accounting Standards ("Ind AS") notified under the Companies (Indian Accounting Standards) Rules, 2015 (as amended) read with Section 133 of the Companies Act, 2013 and other relevant provisions of the Companies Act, to the extent applicable.

The Restated Standalone Financial Information has been compiled from Audited Standalone Financial Statements of the Company for the year ended March 31, 2018 which includes the comparative standalone financial statements for the year ended March 31, 2017 prepared in accordance with Ind AS and for the year ended March 2016 have been compiled based on Audited Standalone Financial Statements prepared under previous generally accepted accounting principles (Previous GAAP or Indian GAAP) (hereinafter collectively referred to as “Audited Standalone Financial Statements”) adjusted in conformity with Ind AS.

(ii) The Restated Standalone Financial Information have been prepared by the management for the purpose of inclusion in the Draft Red Herring Prospectus (DRHP), Red Herring Prospectus ("RHP") and Prospectus (collectively referred to as the "Offer Documents") in connection with the proposed listing of equity shares of the Company by way of an initial public offer, which is to be filed by the Company with the Securities and Exchange Board of India ("SEBI"), the Registrar of Companies, Mumbai and the concerned Stock Exchanges in accordance with the requirements of:

a) Section 26 of Part I of Chapter III of the Companies Act, 2013 ("the Act");
b) The Securities and Exchange Board of India (Issue of Capital and Disclosure Requirements) Regulations, 2009 as amended from time to time in pursuance of provisions of Securities and Exchange Board of India Act, 1992 ("ICDR Regulations") and
c) Guidance note on reports in Company prospectuses (revised 2016) (the "Guidance Note") issued by the Institute of Chartered Accountants of India (the "ICAI").

(iii) These Restated Standalone Financial Information have been compiled by the Management from the Audited Standalone Financial Statements and :
• there were no audit qualifications on these financial statements,
• there were no changes in accounting policies during the years of these financial statements,
• material amounts relating to adjustments for previous years (if any) in arriving at profit/loss of the years to which they relate, have been appropriately adjusted,
•adjustments for reclassification of the corresponding items of income, expenses, assets and liabilities, in order to bring them in line with the groupings as per the audited standalone financial statements of the Company as at and for the year ended March 31, 2018 and the requirements of the ICDR Regulations, and
• the resultant tax impact on above adjustments has been appropriately adjusted in deferred tax in the respective years and the impact of current tax in respect of short/excess income tax arising out of assessments, appeals, revised income tax returns, etc., has been adjusted in the current tax of respective years to which they relate.

(iv) The restated standalone financial information for the year ended March 31, 2016 has been prepared on Proforma basis (i.e. “Proforma Standalone Ind AS financial information”), in accordance with requirements of SEBI Circular SEBI/HO/CFD/DIL/CIR/P/2016/47 dated March 31, 2016 (“SEBI Circular”) and Guidance Note on Reports in Company Prospectus (Revised 2016) issued by ICAI ("Guidance Note"). As envisaged by the SEBI Circular, the Company has followed the same accounting policy choices (both mandatory exceptions and optional exemptions availed as per Ind AS 101) as initially adopted on its Ind AS transition date (i.e. April 1, 2016) while preparing proforma financial information for the Financial Year 2015-16 and accordingly suitable restatement adjustments (both remeasurements and reclassifications) in the accounting heads have been made in the proforma financial information. This proforma Ind AS financial information have been prepared by making Ind AS adjustments to the audited Indian GAAP financial statements as at and for the year ended March 31, 2016

As specified in the Guidance Note, the equity balance computed under Proforma Ind AS financial statements for the year ended March 31, 2016 and equity balance computed in opening Ind AS Balance sheet as at transition date (i.e. April 1, 2016), prepared for filing under Companies Act, 2013, differs due to restatement adjustments made as at April 1, 2015 and for the year ended 2015-16. Accordingly, the closing equity balance as at March 31, 2016 of the Proforma Ind AS financial statements has not been carried forward to opening Ind AS Balance sheet as at transition date already adopted for reporting under Companies Act, 2013. Reconciliation of the same is disclosed in Annexure VI note 50 E to 50 G.

(v) Compliance with Ind AS:

These financial statements comply in all material aspects with Indian Accounting Standards (Ind AS) notified under Section 133 of the Companies Act, 2013 (the Act) [Companies (Indian Accounting Standards) Rules, 2015] and other relevant provisions of the Act.

The financial statements up to year ended March 31, 2017 were prepared in accordance with the accounting standards notified under Companies (Accounts) Rules, 2014 and other relevant provisions of the Act (“Indian GAAP” or “Previous GAAP”).

Financial statements for the year ended March 31, 2018 were the first set of Ind AS financial statements issued by the Company, hence were covered by Ind AS 101, ‘First Time Adoption of Indian Accounting Standards’. The transition to Ind AS has been carried out from the accounting principles generally accepted in India (‘Indian GAAP’), which is considered as the Previous GAAP, for the purposes of Ind AS 101. Reconciliations and explanations of the effect of the transition from Previous GAAP to Ind AS on the Company`s Equity, Statement of Profit and Loss and Cash Flow Statement are provided in Annexure VI Note 50C & 50D

The standalone Ind AS financial information were authorized for issue by the Company's Board of Directors on 24th September 2018.

(Rs. in million)

ANNEXURE - V *(Continued)*

2 Basis of preparation, measurement and significant accounting policies *(Continued)*

2.1 Basis of preparation and measurement *(Continued)*

a Statement of compliance: *(Continued)*

All amounts included in these Restated Standalone Financial Information are reported in Million of Indian rupees (Rs. in Million) except per share data and unless stated otherwise. All amounts in the financial statements has been rounded off to the nearest million or decimal thereof.

b Current vs non-current classification:

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

Assets:
An asset is classified as current when it satisfies any of the following criteria:
a) it is expected to be realised in, or is intended for sale or consumption in, the Company's normal operating cycle;
b) it is held primarily for the purpose of being traded;
c) it is expected to be realised within twelve months after the reporting date; or
d) it is cash or cash equivalent unless it is restricted from being exchanged or used to settle a liability for at least twelve months after the reporting date.

Liabilities:
A liability is classified as current when it satisfies any of the following criteria:
a) it is expected to be settled in the Company's normal operating cycle;
b) it is held primarily for the purpose of being traded;
c) it is due to be settled within twelve months after the reporting date; or
d) the Company does not have an unconditional right to defer settlement of the liability for at least twelve months after the reporting date. Terms of a liability that could, at the option of the counterparty, result in its settlement by the issue of equity instruments do not affect its classification.

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

c 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

d Key estimates and assumptions

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

The areas involving critical estimates or judgements are :

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

e 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.

(Rs. in million)

ANNEXURE - V *(Continued)*

2 Basis of preparation, measurement and significant accounting policies *(Continued)*

2.1 Basis of preparation and measurement *(Continued)*

e Measurement of fair values *(Continued)*

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 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 (Refer Note 34)
- Share-based payment arrangements (Refer Note 40)
- Business combination (Refer Note 36)

f Standards issued but not yet effective

Appendix B to Ind AS 21, Foreign currency transactions and advance consideration:

On March 28, 2018, Ministry of Corporate Affairs ('MCA') has notified the Companies (Indian Accounting Standards) Amendment Rules, 2018 containing Appendix B to Ind AS 21, Foreign currency transactions and advance consideration which clarifies the date of the transaction for the purpose of determining the exchange rate to use on initial recognition of the related asset, expense or income, when an entity has received or paid advance consideration in a foreign currency. The amendment will come into force from April 1, 2018. The Company does not expect any material impact on account of this change.

Ind AS 115- Revenue from Contract with Customers:

Ministry of Corporate Affairs ('MCA') has notified Ind AS 115 'Revenue from Contract with Customers' which is effective from 1 April, 2018.
Ind AS 115 introduces a new framework of five step model for the analysis of revenue transactions. The model specifies that revenue should be recognised when (or as) an entity transfer control of goods or services to a customer at the amount to which the entity expects to be entitled as against the current guidance which is based on risk and rewards. The Company does not expect any material impact on account of this change.

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

b) Property plant and equipment

Recognition and measurement:

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

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

(Rs. in million)

ANNEXURE - V *(Continued)*

2 Basis of preparation, measurement and significant accounting policies *(Continued)*

2.2 Significant accounting policies *(Continued)*

b) Property plant and equipment *(Continued)*

Recognition and measurement: *(Continued)*

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 period 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 & Equipments) : (Electrical Machinery, X-ray & diagnostic equipment's namely Cat-stan, Ultrasound , ECG monitors.)	13 years	10 years
Computers	6 years	3 years
Furniture and Fixtures	15 years	10 years
Vehicles	10 years	8 years

Leasehold improvement are depreciated over the tenure of lease term.

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

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.

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 statement of profit and loss.

(Rs. in million)

ANNEXURE - V *(Continued)*

2 Basis of preparation, measurement and significant accounting policies *(Continued)*

2.2 Significant accounting policies *(Continued)*

c) Intangible assets *(Continued)*

Amortization: *(Continued)*

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 and joint venture.

1. Financial assets

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

Subsequent measurement
For the purpose of subsequent measurement, financial assets are classified in four categories:
• Amortized cost,
• Fair value through profit (FVTPL)
• Fair value through other comprehensive income (FVTOCI)
on the basis of its business model for managing the financial assets and the contractual cash flow characteristics of the financial asset

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

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

Fair value through profit and loss ('FVTPL'):
All financial assets that do not meet the criteria for amortised cost or fair value through other comprehensive income are measured at fair value through profit or loss with all changes recognized in the Statement of Profit and Loss. Interest (basis EIR method) income 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.

(Rs. in million)

ANNEXURE - V ***(Continued)***

2 Basis of preparation, measurement and significant accounting policies *(Continued)*

2.2 Significant accounting policies *(Continued)*

e) Financial Instruments ***(Continued)***

1. Financial assets ***(Continued)***

Fair value through Other Comprehensive Income ('FVOCI')
Financial assets are measured at FVOCI if both the following conditions are met:
The asset is held within a business model whose objective is achieved by both
- collecting contractual cash flows and selling financial assets and
- contractual terms of the asset give rise on specified dates to cash flows that are SPPI on the principal amount outstanding.

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

Derecognition:
A financial asset (or, where applicable, a part of a financial asset or a part of a group of similar financial assets) is primarily derecognized (i.e. removed from the Company's balance sheet) when:
The contractual rights to receive cash flows from the financial asset have expired, or
The Company has transferred its rights to receive cash flows from the asset or has assumed an obligation to pay the received cash flows in full without material delay to a third party under a 'pass-through' arrangement; and either
- (a) the Company has transferred substantially all the risks and rewards of the asset, or
- (b) the Company has neither transferred nor retained substantially all the risks and rewards of the asset, but has transferred control of the asset.

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

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

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

2. Financial liabilities

(Rs. in million)

ANNEXURE - V *(Continued)*

2 Basis of preparation, measurement and significant accounting policies *(Continued)*

e) Financial Instruments *(Continued)*

2. Financial liabilities *(Continued)*

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.

(Rs. in million)

ANNEXURE - V *(Continued)*

2 Basis of preparation, measurement and significant accounting policies *(Continued)*

2.2 Significant accounting policies *(Continued)*

e) Financial Instruments *(Continued)*

2. Financial liabilities *(Continued)*

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 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 comprise of revenue from providing healthcare services such as health check up and laboratory services.

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.

Revenue is measured at the fair value of the consideration received or receivable, taking into account the amount of discounts allowed by the entity.

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.

(Rs. in million)

ANNEXURE - V *(Continued)*

2 Basis of preparation, measurement and significant accounting policies *(Continued)*

2.2 Significant accounting policies *(Continued)*

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 period in which the employees render the related service are classified as short term employee benefits and are recognized as an expense in the Statement of Profit and Loss as the related service is provided.

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

(ii) 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 is recorded separately for each vesting portion of the award as if the award, in substance, was multiple awards.

When the terms of an equity-settled award are modified, the minimum expense recognised is the expense had the terms had not been modified, if the original terms of the awards are met. An additional expense is recognised for any modification that increases the total fair value of the share-based payment transaction, or is otherwise beneficial to the employee as measured at the date of modification.

(iii) Post-Employment Benefits

Defined Contribution Plans:

A defined contribution plan is a post-employment benefit plan under which a Company pays specified contributions to a separate entity and has no obligation to pay any further amounts.The Company makes contribution to provident fund in accordance with Employees Provident Fund and Miscellaneous Provisions Act, 1952 and Employee State Insurance. Contribution paid or payable in respect of defined contribution plan is 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, together with adjustments for unrecognised acturial gain losses and past service costs. The defined benefit/obligation are calculated at balance sheet date by an independent actuary using the projected unit credit method.

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

m) Leases:

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

Operating lease:

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

n) Income-tax

Income tax expense /income comprises current tax expense income and deferred tax expense income. It is 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 rate 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.

(Rs. in million)

ANNEXURE - V *(Continued)*

2 Basis of preparation, measurement and significant accounting policies *(Continued)*

2.2 Significant accounting policies *(Continued)*

n) Income-tax *(Continued)*

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 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

<u>Functional and Presentation currency</u>

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

Transactions and balances

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

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

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

p) Dividend

The Company recognizes 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 period attributable to the equity shareholders by the weighted average number of equity shares outstanding during the period.

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.

Metropolis Healthcare Limited

Notes to Restated Standalone Financial Information
as at March 31, 2018

(Rs. in million)

Annexure VI

3 Property, Plant and Equipment

As at March 31, 2018

DESCRIPTION	Freehold land	Buildings	Laboratory equipments	Furniture & fixtures	Vehicles	Office equipment	Computers	Total
Cost as at 1 April 2017	**103.54**	**441.53**	**191.89**	**72.25**	**5.65**	**44.62**	**50.54**	**910.02**
Additions during the year	-	**48.20**	**54.79**	**19.36**	**10.00**	**19.26**	**6.89**	**158.50**
Disposals during the year	-	-	-	-	-	-	-	-
Cost as at 31 March, 2018 (A)	**103.54**	**489.73**	**246.68**	**91.61**	**15.65**	**63.88**	**57.43**	**1,068.52**
Accumulated depreciation as at 1 April 2017	-	**22.51**	**31.95**	**14.86**	**1.29**	**13.49**	**16.93**	**101.03**
Depreciation charged during the year	-	**23.43**	**36.81**	**14.32**	**3.56**	**17.20**	**12.39**	**107.71**
Disposals during the year	-	-	-	-	-	-	-	-
Accumulated depreciation as at 31 March 2018 (B)	-	**45.94**	**68.76**	**29.18**	**4.85**	**30.69**	**29.32**	**208.74**
Net carrying amount as at 31 March 2018 (A)- (B)	**103.54**	**443.79**	**177.92**	**62.43**	**10.80**	**33.19**	**28.11**	**859.78**

As at March 31, 2017

DESCRIPTION	Freehold land	Buildings	Laboratory equipment	Furniture & fixtures	Vehicles	Office equipment	Computers	Total
Deemed Cost as at 1 April 2016	103.54	441.53	143.05	53.32	5.67	31.91	36.49	815.51
Additions during the year	-	-	34.82	18.93	-	11.91	13.90	79.56
Additions on account of business combination (Refer Note 36)	-	-	14.02	-	0.06	0.97	0.15	15.20
Disposals during the year	-	-	-	-	(0.08)	(0.17)	-	(0.25)
Cost as at 31 March, 2017 (A)	103.54	441.53	191.89	72.25	5.65	44.62	50.54	910.02
Accumulated depreciation as at 1 April 2016								
Additions during the year								
Depreciation charged during the year	-	22.51	31.95	14.86	1.31	13.56	16.93	101.12
Disposals during the year	-	-	-	-	(0.02)	(0.07)	-	(0.09)
Accumulated depreciation as at 31 March 2017 (B)	-	22.51	31.95	14.86	1.29	13.49	16.93	101.03
Net carrying amount as at 31 March 2017 (A)- (B)	103.54	419.02	159.94	57.39	4.36	31.13	33.61	808.99

Notes to Restated Standalone Financial Information
as at March 31, 2018

(Rs. in million)

Annexure VI *(Continued)*

3 Property, Plant and Equipment *(Continued)*

As at March 31, 2016 (Proforma)

DESCRIPTION	Freehold land	Buildings	Laboratory equipment	Furniture & fixtures	Vehicles	Office equipment	Computers	Total
Deemed Cost as at 1 April 2015 (Proforma)	103.54	466.26	139.83	45.69	7.84	29.65	37.59	830.40
Additions during the year	-	1.09	34.46	19.53	-	15.06	15.72	85.86
Disposals during the year	-	-	-	-	(0.29)	(0.02)	-	(0.31)
Cost as at 31 March, 2016 (A) (Proforma)	**103.54**	**467.35**	**174.29**	**65.22**	**7.55**	**44.69**	**53.31**	**915.95**
Accumulated depreciation as at 1 April 2015 (Proforma)								
Depreciation charged during the year	-	25.82	31.24	11.90	1.94	12.78	16.82	100.50
Disposals during the year	-	-	-	-	(0.06)	-	-	(0.06)
Accumulated depreciation as at 31 March 2016 (B) (Proforma)	**-**	**25.82**	**31.24**	**11.90**	**1.88**	**12.78**	**16.82**	**100.44**
Net carrying amount as at 31 March 2016 (A)- (B) (Proforma)	**103.54**	**441.53**	**143.05**	**53.32**	**5.67**	**31.91**	**36.49**	**815.51**

Transition to Ind AS:

On transition to Ind AS, the Company has elected to continue with the net carrying value of all of its property, plant and equipment (PPE) recognised as at April 1, 2016 measured as per the previous GAAP and use that net carrying value as the deemed cost of the PPE. While preparing Proforma Ind AS restated financial information for the year ended March 31, 2016, the Group has opted the same accounting policy choice as adopted on transition date and accordingly the net carrying value of its PPE as at March 31, 2015 has been used as deemed cost of PPE as at April 1, 2015.

As at April 1, 2015 (Proforma)

Particulars	Freehold land	Buildings	Laboratory equipment	Furniture & fixtures	Vehicles	Office equipment	Computers	Total
Gross block	103.54	638.90	336.80	100.01	24.29	98.06	155.56	1,457.16
Accumulated depreciation	-	172.64	196.97	54.32	16.45	68.41	117.97	626.76
Net block	103.54	466.26	139.83	45.69	7.84	29.65	37.59	830.40

Notes to Restated Standalone Financial Information
as at March 31, 2018

(Rs. in million)

Annexure VI *(Continued)*

3 Property, Plant and Equipment *(Continued)*

As at March 31, 2016 (Proforma)

As at April 1, 2016

Particulars	Freehold land	Buildings	Laboratory equipment	Furniture & fixtures	Vehicles	Office equipment	Computers	Total
Gross block	103.54	639.99	371.26	119.54	22.55	112.80	171.28	1,540.96
Accumulated depreciation	-	198.46	228.21	66.22	16.88	80.89	134.79	725.45
Net block	103.54	441.53	143.05	53.32	5.67	31.91	36.49	815.51

Notes to Restated Standalone Financial Information *(Continued)*

as at March 31, 2018

(Rs. in million)

Annexure VI

4 Intangible Assets

As at March 31, 2018

Particulars	Goodwill*	Other Intangible Assets			Total Other Intangible Assets
		Computer Software	Brand*	Customer Relationships*	
Cost as at 1 April 2017	459.39	8.07	117.00	31.10	156.17
Additions during the year	-	41.12	-	-	41.12
Disposals during the year	-	-	-	-	-
Cost as at 31 March, 2018 (A)	459.39	49.19	117.00	31.10	197.29
Accumulated amortisation as at 1 April, 2017	-	4.25	1.95	1.04	7.24
Amortisation recognised for the year	-	3.33	11.70	6.22	21.25
Disposals during the year	-	-	-	-	-
Accumulated amortisation as at 31 March 2018 (B)	-	7.58	13.65	7.26	28.49
Net carrying amount as at 31 March 2018 (A)- (B)	459.39	41.61	103.35	23.84	168.80

As at March 31, 2017

Particulars	Goodwill*	Other Intangible Assets			Total Other Intangible Assets
		Computer Software	Brand*	Customer Relationships*	
Deemed Cost as at 1 April 2016	-	7.88	-	-	7.88
Additions during the year	-	0.19	-	-	0.19
Additions on account of business combination (refer Note 36)	459.39	-	117.00	31.10	148.10
Disposals during the year	-	-	-	-	-
Cost as at 31 March, 2017 (A)	459.39	8.07	117.00	31.10	156.17
Accumulated amortisation as at 1 April, 2016					
Amortisation recognised for the year	-	4.25	1.95	1.04	7.24
Disposals during the year	-	-	-	-	-
Accumulated amortisation as at 31 March 2017 (B)	-	4.25	1.95	1.04	7.24
Net carrying amount as at 31 March 2017 (A)- (B)	459.39	3.82	115.05	30.06	148.93

* Goodwill, Brand name and Customer Relationships of Rs. 459 Million, Rs. 117 Million and Rs. 31.1 Million respectively, are on account of acquisition of Sanjeevani Pathology Laboratory, Rajkot during the previous year ended 31 March 2017. (Refer note 36)

As at March 31, 2016 (Proforma)

DESCRIPTION	Other Intangible Assets	Total Other Intangible Assets
	Computer Software	
Deemed Cost as at 1 April 2015 (Proforma)	8.53	8.53
Additions during the year	2.79	2.79
Disposals during the year	-	-
Cost as at 31 March, 2016 (A) (Proforma)	11.32	11.32
Accumulated amortisation as at 1 April, 2015 (Proforma)		
Amortisation recognised for the year	3.44	3.44
Disposals during the year	-	-
Accumulated amortisation as at 31 March 2016 (B) (Proforma)	3.44	3.44
Net carrying amount as at 31 March 2016 (A)- (B) (Proforma)	7.88	7.88

Transition to Ind AS:

On transition to Ind AS, the Company has elected to continue with the net carrying value of all of its intangible assets recognised as at April 1, 2016 measured as per the previous GAAP and use that net carrying value as the deemed cost of the intangible asset. While preparing Proforma Ind AS restated financial information for the year ended March 31, 2016, the Company has opted the same accounting policy choice as adopted on transition date and accordingly the net carrying value of its intangibles as at March 31, 2015 has been used as deemed cost of intangible assets as at April 1, 2015.

(Rs. in million)

Annexure VI *(Continued)*

4 Intangible Assets *(Continued)*

As at April 1, 2015 (Proforma)

Particulars	Other Intangible Assets Computer Software	Total
Gross block	39.49	39.49
Accumulated depreciation	30.96	30.96
Net block	**8.53**	**8.53**

As at April 1, 2016

Particulars	Other Intangible Assets Computer Software	Total
Gross block	42.29	42.29
Accumulated depreciation	34.41	34.41
Net block	**7.88**	**7.88**

Goodwill with indefinite useful life

Carrying amount of goodwill which is allocated to the pathology division as at 31 March 2018 is Rs. 459.39 million (March 31, 2017: Rs. 459.39 million and March 31, 2016 - Rs.Nil). It has arisen on account of business purchase from Sanjeevani Pathology Laboratory.

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

Cash Generating Unit	31 March 2018	31 March 2017	31 March 2016
Sanjeevani Pathology Laboratory	459.39	459.39	-

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

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

Key assumptions used in the value-in-use calculations

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

(Rs. in million)

Annexure VI ***(Continued)***

4 Intangible Assets *(Continued)*

Key assumptions used in the value-in-use calculations ***(Continued)***

Particulars	**31 March 2018**	**31 March 2017**
Pre tax discount rate	12.50%	12.50%
Terminal value growth rate	6.00%	6.00%
Budgeted EBITDA growth rate	15-20%	15-20%

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

The estimated recoverable amount of the CGU exceeds its carrying amount and hence no impairment loss has been recoginsed during the year. The Company has also performed sensitivity analysis calculations on the projections used and discount rate applied. Given the significant headroom that exists, and the results of the sensitivity analysis performed, it is concluded that there is no significant risk that reasonable changes in any key assumptions would cause the carrying value of goodwill to exceed its value in use.

Notes to Restated Standalone Financial Information *(Continued)*
as at March 31, 2018

(Rs. in million)

Annexure VI

	March 31, 2018	March 31, 2017	March 31, 2016 (Proforma)
5 Non current investments			
Investment in Subsidiary Companies			
Unquoted equity shares at cost			
Golwilkar Metropolis Health Services (India) Private Limited 10,000 (March 31, 2017: 7,000, March 31, 2016: 7,000) Equity shares of Face value of Indian Rupees 100 each (Fully paid up)	**284.61**	56.80	56.80
Metropolis Healthcare Lanka Pvt. Ltd, Sri Lanka 250,000 Equity shares of Face value of Sri Lankan Rupee 10 each (Fully paid up) (Subsidiary w.e.f. 1April 2017)	**1.10**	-	-
Sanket Metropolis Health Services (India) Private Limited 150,000 (March 31, 2017: 150,000, March 31, 2016: 150,000) Equity shares of Face value of Indian Rupees 10 each (Fully paid up)**	**27.12**	27.12	27.12
Desai Metropolis Health Services Private Limited 81,600 (March 31, 2017: 81,600, March 31, 2016: 81,600) Equity shares of Face value of Indian Rupees 100 each (Fully paid up)	**116.67**	116.67	137.12
Sudharma Metropolis Health Services Private Limited 1,215 (March 31, 2017: 1,215, March 31, 2016: 1,215) Equity shares of Face value of Indian Rupees 5,000 each (Fully paid up)	**35.80**	35.80	35.80
R.V.Metropolis Diagnostics & Health Care Center Private Limited 2,590 (March 31, 2017: 2,590, March 31, 2016: 2,590) Equity shares of Face value of Indian Rupees 100 each (Fully Paid up)	**28.08**	28.08	28.08
Final Diagnosis Private Limited** 903,519 (March 31, 2017: 903,519, March 31, 2016: 903,519) Equity shares of Face value of Indian Rupees 10 each (Fully Paid up)	**58.72**	58.72	58.72
Dr. Patel Metropolis Healthcare Private Limited, 35,000 (March 31, 2017: 35,000, March 31, 2016: 35,000) Equity shares of Face value of Indian Rupees 10 each (Fully Paid up)	**9.87**	9.87	9.87
Mulay Metropolis Healthcare Private Limited - Nil (March 31, 2017: 2,079, March 31, 2016: 2,079) Equity shares of Face value of Indian Rupees 100 each (Fully Paid up)	**-**	13.54	13.54
Micron Metropolis Healthcare Private Limited, 85,000 (March 31, 2017: 85,000, March 31, 2016: 85,000) Equity shares of Face value of Indian Rupees 10 each (Fully Paid up)	**33.19**	33.19	62.19
Metropolis Healthcare (Jodhpur) Private Limited 10,000 (March 31, 2017: 7,000, March 31, 2016: 7,000) Equity shares of Face value of Indian Rupees 10 each (Fully Paid up)**	**1.57**	0.07	0.07
Metropolis Healthcare (Chandigarh) Private Limited** 10,000 (March 31, 2017: 10,000, March 31, 2016: 7,000) Equity shares of Face value of Indian Rupees 10 each (Fully Paid up)	**0.10**	0.10	0.07
Ekopath Metropolis Lab Services Private Limited 306,000 (March 31, 2017: 306,000, March 31, 2016: 306,000) Equity shares of Face value of Indian Rupees 10 each (Fully Paid up)	**3.06**	3.06	3.06
Metropolis Healthcare Mauritius Limited 225,100 (March 31, 2017: 225,100, March 31, 2016: 225,100) Equity shares of Face value of USD 1 each (Fully Paid up)	**12.75**	12.75	12.75
Amins Pathology Laboratory Private Limited 100,000 (March 31, 2017: 100,000, March 31, 2016: 100,000) Equity shares of Face value of Indian Rupees 10 each (Fully Paid up)	**1.00**	1.00	1.00
Lab One Metropolis Healthcare Services Private Limited 678,300 (March 31, 2017: 678,300, March 31, 2016: 678,300) Equity shares of Face value of Indian Rupees 100 each (Fully Paid up)	**34.61**	34.61	34.61
Total Investment in subsidiaries (A)	**648.25**	431.38	480.80

Metropolis Healthcare Limited

Notes to Restated Standalone Financial Information *(Continued)*
as at March 31, 2018

(Rs. in million)

Annexure VI ***(Continued)***

	March 31, 2018	March 31, 2017	March 31, 2016 (Proforma)
5 Non Current Investments ***(Continued)***			
Investment in joint ventures			
Unquoted equity shares at cost			
Metropolis Healthcare Lanka Private Limited (March 31, 2017: 250,000, March 31, 2016: 250,000) Equity shares of Face value of Sri Lankan Rupee 10 each (Fully paid up) (Joint Venture up to 31 March 2017)	**-**	1.10	1.10
Metropolis Health Services (South Africa) (Pty.) Ltd, Nil (March 31, 2017: Nil, March 31, 2016: 51) Equity shares of Face value of South African Rand 1 each (Fully paid up)	**-**	-	0.00^
Metropolis Histoxpert Digital Services Private Limited 6,500 (March 31, 2017: Nil, March 31, 2016: Nil) Equity shares of Face value of Rs.10 each (Fully paid up)	**0.07**	-	-
Total Investment in joint venture (B)	**0.07**	1.10	1.10
^ Amount below Rs.5000			
Investment in Associates			
Unquoted equity shares at cost			
Star Metropolis Health Services Middle East LLC, Dubai 1,020 (March 31, 2017: 1,020, March 31, 2016: 1,020) Equity shares of Face value of AED 1000 each (Fully paid up)**	**12.98**	12.98	12.98
Total Investment in associates (C)	**12.98**	12.98	12.98
Investment in Others			
Unquoted equity shares at Fair Value through Other Comprehensive Income			
Centre for Digestive and Kidney Disease Private Limited 1,750,000 (March 31, 2017: 1,750,000, March 31, 2016: 1,750,000) Equity shares of Indian Rupees 10 each (Fully Paid up)	**17.50**	17.50	17.50
Total Investment in others (D)	**17.50**	17.50	17.50
Total value of investments (A+B+C+D)	**678.80**	462.96	512.38
** Less : Provision for impairment	**(100.49)**	(71.80)	(71.70)
Total	**578.31**	391.16	440.68

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	678.80	462.96	512.38
Aggregate amount of impairment in value of investments	100.49	71.80	71.70

Notes to Restated Standalone Financial Information *(Continued)*
as at March 31, 2018

(Rs. in million)

Annexure VI

		March 31, 2018	March 31, 2017	March 31, 2016 (Proforma)
6	**Non-current loans**			
	(Unsecured,considered good)			
	Security deposits	**10.06**	9.75	19.60
	Loans to related parties* (Refer Note 35)	**6.93**	24.54	37.07
		16.99	34.29	56.67
	(Unsecured,considered doubtful)			
	Security deposits	**4.13**	4.13	4.13
	Loans to related parties* (Refer Note 35)	**12.29**	-	-
		16.42	4.13	4.13
	Less : Provision for doubtful advances	**(16.42)**	(4.13)	(4.13)
	Total	**16.99**	34.29	56.67

* Unsecured loans given to related parties are payable within 3 to 5 years and carry interest in the range of 5-10%.

		March 31, 2018	March 31, 2017	March 31, 2016 (Proforma)
7	**Derivatives**			
	Call options on shares of subsidiary*	**161.21**	161.22	149.10
	Total	**161.21**	161.22	149.10

* The Company has call option on shares held by non-controlling interests, which gives the company right to buy such shares in future from non-controlling interests as per the agreed terms.

		March 31, 2018	March 31, 2017	March 31, 2016 (Proforma)
8	**Other non-current financial assets**			
	(Unsecured, considered good)			
	Fixed Deposits with banks^	**82.03**	0.33	
		82.03	0.33	-
	(Unsecured,considered doubtful)			
	Subscription money pending allotment			13.00
		-	-	13.00
	Less : Provision for doubtful advances			(13.00)
	Total	**82.03**	**0.33**	-

^ Includes Rs. 82.03 million (March 31, 2017: Rs. 0.33 million; March 31, 2016 : Rs. Nil) of fixed deposits pledged against bank guarantee

Notes to Restated Standalone Financial Information *(Continued)*
as at March 31, 2018

(Rs. in million)

Annexure VI

		March 31, 2018	March 31, 2017	March 31, 2016 (Proforma)
9	**Other non current assets**			
	(Unsecured, considered good unless otherwise stated)			
	Capital advance	**15.62**	82.24	48.33
	Prepaid expenses	**1.22**	0.62	1.51
	Total	**16.84**	82.86	49.84
10	**Inventories**			
	(at lower of cost and net realisable value)			
	Raw materials (Reagents, chemicals, diagnostic kits, medicines and consumables)	**133.21**	90.11	95.11
	Total	**133.21**	90.11	95.11
11	**Current Investments**			
	Investments in mutual funds (Non-trade, Unquoted at Fair Value through Profit or Loss)			
	Birla SL - Cash Manager - Daily Dividend - Regular Plan - Reinvestment - 16,484 (March 31, 2017 - 199,516, March 31, 2016 - Nil) Units of Face Value Rs.100 each	**6.88**	20.08	-
	Birla SL - Fixed Term Plan - Nil (March 31, 2017: 3,150,000, March 31, 2016: 10,700,000) Units of Face Value Rs.10 each	**-**	40.21	130.84
	DSP BlackRock FMP Series - Nil (March 31, 2017: Nil, March 31, 2016: 500,000) Units of Face Value Rs.10 each	**-**	-	6.23
	IDFC - DBF Regular Plan 591,300 (March 31, 2017: 591,300, March 31, 2016: 591,300) Units of Face Value Rs.17 each	**12.21**	11.92	10.54
	IDFC FTP Series - Nil (March 31, 2017: Nil, March 31, 2016: 700,000) Units of Face Value Rs.10 each	**-**	-	8.88
	HDFC - FMP Regular Growth - Nil (March 31, 2017 - 1,727,680, March 31, 2016 - 12,977,680) Units of Face Value Rs.10 each	-	21.96	157.59
	HDFC - Cash Mgmt Treasury Advantage Plan Daily Dividend - 573,598 (March 31, 2017 - 45,096,366, March 31, 2016 - Nil) Units of Face Value Rs.10 each	**20.99**	457.40	-
	Kotak FMP - Nil (March 31, 2017 - 2,000,000, March 31, 2016 - 2,500,000) Units of Face Value Rs.10 each	**-**	25.26	29.80
	ICICI Prudential Flexible Income - Daily Dividend - Nil (March 31, 2017: 2,877,113, March 31, 2016 - Nil) Units of Face Value Rs.100 each	-	304.21	-
	ICICI Prudential Fund Annual Interval Fund IV - Growth - Nil (March 31, 2017: Nil, March 31, 2016 - 431,372) Units of Face Value Rs.100 each	**-**	-	7.98
	ICICI Prudential FMP Series - Nil (March 31, 2017 - 5,749,999, March 31, 2016 - 10,983,156) Units of Face Value Rs.10 each	**-**	73.03	132.73
	UTI-Money Market Fund Ins Plan - 589 (March 31, 2017 - Nil, March 31, 2016 - Nil) Units of Face Value Rs.10 each	**1.14**	-	-
	Reliance FHF XXV - Nil (March 31, 2017 - Nil, March 31, 2016 - 532,282) Units of Face Value Rs.10 each	-	-	6.47
	UTI Fixed Term Income Fund - Growth Plan - Nil (March 31, 2017 - Nil, March 31, 2016 - 5,434,654) Units of Face Value Rs.10 each	-	-	66.45
	SBI - DFS - Nil (March 31, 2017 - Nil, March 31, 2016 - 11,321,564) Units of Face Value Rs.10 each	-	-	137.67

Notes to Restated Standalone Financial Information *(Continued)*
as at March 31, 2018

(Rs. in million)

Annexure VI *(Continued)*

		March 31, 2018	March 31, 2017	March 31, 2016 (Proforma)
11	**Current Investments *(Continued)***			
	Investments in mutual funds (Continued) **(Non-trade, Unquoted at Fair Value through Profit or Loss) (Continued)**			
	BNP Paribas Flexi Debt Fund - Growth 724,794 (March 31, 2017 - 724,906, March 31, 2016 - 724,906) Units of Face Value Rs.10 each	**21.50**	20.60	18.56
	Tata FMP - Nil (March 31, 2017 - 1,900,000, March 31, 2016 - 4,400,000) Units of Face Value Rs.10 each	**-**	23.97	52.84
		62.72	998.64	766.58
	(Non-trade, Unquoted at Fair Value through Other Comprehensive Income)			
	i) Investments in Non- convertible debentures			
	IndoStar Capital Finance Ltd - 100 (March 31, 2017 - Nil; March 31, 2016 - Nil) Units of Face Value Rs.10,00,000 each	**100.43**	-	-
	Ashirvad Micro Finance Ltd - 100 (March 31, 2017 - Nil; March 31, 2016 - Nil) Units of Face Value Rs.10,00,000 each	**100.60**	-	-
	ii) Investments in Commercial Papers			
	Reliance Securities - 200 (March 31, 2017 - Nil; March 31, 2016 - Nil) Units of Face Value Rs.5,00,000 each	**98.97**	-	-
	Kotak Mahindra Securities Ltd - 100 (March 31, 2017 - Nil; March 31, 2016 - Nil) Units of Face Value Rs.10,00,000 each	**98.60**	-	-
		398.60	-	-
	Total	**461.32**	998.64	766.58
	The aggregate amount and market value of quoted and unquoted current investments are as follows:			
	Aggregate amount of quoted investments	**-**	-	-
	Aggregate market value of quoted investments	**-**	-	-
	Aggregate amount of unquoted investments	**461.32**	998.64	766.58
	Aggregate amount of impairment in value of investments	**-**	-	-
12	**Trade receivables**			
	Trade receivables			
	Unsecured, considered good*	**800.21**	631.76	481.74
	Considered doubtful	**180.09**	128.94	119.81
		980.30	760.70	601.55
	Less: Provision for doubtful debts	**(180.09)**	(128.94)	(119.81)
	Total	**800.21**	631.76	481.74

* Trade receivables include amount receivable from companies where Director of the Company is a director (Refer Note 35).

Notes to Restated Standalone Financial Information *(Continued)*
as at March 31, 2018

(Rs. in million)

Annexure VI

		March 31, 2018	March 31, 2017	March 31, 2016 (Proforma)
13	**Cash and cash equivalents**			
	Balances with banks			
	- in current accounts	**146.48**	38.82	101.01
	- in EEFC account	**14.26**	0.72	-
	Cash on hand	**5.18**	5.23	5.16
	Total	**165.92**	44.77	106.17
13 (b)	**Bank balances other than cash and cash equivalents**			
	Fixed deposits with original maturity of more than 3 months but less than 12 months of reporting date *^	**89.26**	12.46	4.21
	Total	**89.26**	12.46	4.21

* Includes 0.3 million (March 31, 2017: 3.80 million; March 31, 2016: 0.57 million) pledged against bank guarantee

^ Includes 83.78 million (March 31, 2017: 8.66 million; March 31, 2016: Nil) fixed deposits under lien

		March 31, 2018	March 31, 2017	March 31, 2016 (Proforma)
14	**Current Loans** *(Unsecured, considered good)*			
	Security deposits	**64.85**	59.95	31.78
	Loans to related parties* (Refer Note 35)	**101.52**	108.07	141.73
	Advances to related parties (ReferNote 35)	**23.02**	43.78	46.97
		189.39	211.80	220.48
	(Unsecured, considered doubtful)			
	Advances to related parties (ReferNote 35)	**33.17**	15.45	4.23
		33.17	15.45	4.23
	Less : Provision for doubtful advances	**(33.17)**	(15.45)	(4.23)
		189.39	211.80	220.48

* Unsecured loans given to related parties are repayable on demand and carry interest in the range of 5-10%.

		March 31, 2018	March 31, 2017	March 31, 2016 (Proforma)
15	**Other current financial assets** *(Unsecured, considered good)*			
	Interest accrued but not due			
	- From related party	**6.21**	6.72	9.43
	- From bank deposits	**0.28**	0.17	0.11
	- On investments	**9.50**	-	-
	Total	**15.99**	6.89	9.54

Metropolis Healthcare Limited

Notes to Restated Standalone Financial Information *(Continued)*
as at March 31, 2018

(Rs. in million)

Annexure VI

		March 31, 2018	March 31, 2017	March 31, 2016 (Proforma)
16	**Other current assets**			
	(Unsecured, considered good)			
	Prepaid Expenses	**21.08**	21.27	15.00
	Advance to Suppliers	**8.21**	4.77	5.74
	Advance to employees	**2.37**	3.17	-
	Other advances	**2.16**	3.25	1.22
		33.82	32.46	21.96
	(Unsecured, considered doubtful)			
	Advance to Suppliers	**1.46**	1.46	1.46
	Other advances	**6.42**	6.55	6.55
		7.88	8.01	8.01
	Less : Provision for doubtful advances	**(7.88)**	(8.01)	(8.01)
	Total	**33.82**	32.46	21.96

Notes to Restated Standalone Financial Information *(Continued)*
as at March 31, 2018

(Rs. in million)

Annexure VI

17 Equity Share Capital

Details of the authorised, issued, subscribed and paid-up share capital as below:

[a] Authorised share capital

Particulars	As at March 31, 2018		As at March 31, 2017		As at March 31, 2016 (Proforma)	
	Number of equity shares	Amount (Rs million)	Number of equity shares	Amount (Rs million)	Number of equity shares	Amount (Rs million)
Equity shares of the par value of Rs. 10 each	**55,000,000**	**550.00**	55,000,000	550.00	55,000,000	550.00
Total	**55,000,000**	**550.00**	55,000,000	550.00	55,000,000	550.00

[b] Issued, subscribed and paid up

Particulars	As at March 31, 2018		As at March 31, 2017		As at March 31, 2016 (Proforma)	
	Number of equity shares	Amount(Rs million)	Number of equity shares	Amount (Rs million)	Number of equity shares	Amount(Rs million)
Equity shares of Rs.10 each fully paid up	**9,543,646**	**95.44**	9,543,646	95.44	9,543,646	95.44
Total	**9,543,646**	**95.44**	**9,543,646**	**95.44**	**9,543,646**	**95.44**

[c] Reconciliation of number of shares outstanding at the beginning and end of the year :

	As at March 31, 2018		As at March 31, 2017		As at March 31, 2016 (Proforma)	
	Number of equity shares	Amount (Rs million)	Number of equity shares	Amount (Rs million)	Number of equity shares	Amount (Rs million)
Equity :						
Outstanding at the beginning of the year	**9,543,646**	**95.44**	9,543,646	95.44	9,864,130	98.64
Less: Shares bought back during the year	-	-	-	-	(320,484)	(3.20)
Outstanding as on end of the year	**9,543,646**	**95.44**	9,543,646	95.44	9,543,646	95.44

Notes to Restated Standalone Financial Information *(Continued)*
as at March 31, 2018

(Rs. in million)

Annexure VI ***(Continued)***

17 Equity Share Capital *(Continued)*

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

Name of the shareholders	As at March 31, 2018		As at March 31, 2017		As at March 31, 2016 (Proforma)	
	Number of equity shares	Percentage	Number of equity shares	Percentage	Number of equity shares	Percentage
Dr. Sushil Shah	3,290,700	34.48%	3,290,700	34.48%	3,290,700	34.48%
CA Lotus Investments	3,010,276	31.54%	3,010,276	31.54%	3,010,276	31.54%
Bacchus Hospitality and Services Real Estate Private Limited	2,657,730	27.85%	2,657,730	27.85%	2,657,730	27.85%
Total	**8,958,706**	**93.87%**	**8,958,706**	**93.87%**	**8,958,706**	**93.87%**

[e] Terms/rights attached to equity shares :

The Company has only one class of Equity shares having a par value of Rs. 10 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

The Company has neither issued any bonus shares nor has there been any buy back of shares during the five years immediately preceding 31 March 2018 except for the buy-back of 320,484 shares of Rs. 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 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 Rs. 10/- (Rupees ten) each to equity shares of Rs. 2/- (Rupees two) each. The revised authorised share capital of the Company now stands at 295,754,015 equity shares of Rs 2/- each.

Metropolis Healthcare Limited

Notes to Restated Standalone Financial Information *(Continued)*
as at March 31, 2018

(Rs. in million)

Annexure VI

		March 31, 2018	March 31, 2017	March 31, 2016 (Proforma)
18	**Other Equity**			
	Fully convertible share warrants (Refer Note 46)	**0.02**	0.02	-
	Securities premium	**582.64**	582.64	582.64
	General reserve	**159.03**	159.03	159.03
	Capital redemption reserves	**3.20**	3.20	3.20
	Employee stock options reserve	**17.03**	0.43	-
	Retained earnings	**2,663.20**	1,826.74	1,660.58
	Debt instruments fair valued through OCI	**0.03**	-	-
		3,425.15	2,572.06	2,405.45
	Movement in balances of Other equity:			
	Securities Premium			
	Balance as at the beginning of the year	**582.64**	582.64	582.64
	Addition during the year	-	-	-
	Balance as at the end of the year	**582.64**	582.64	582.64
	General Reserve			
	Balance as at the beginning of the year	**159.03**	159.03	159.03
	Addition during the year	**-**	-	-
	Balance as at the end of the year	**159.03**	159.03	159.03
	Capital redemption reserve			
	Balance as at the beginning of the year	**3.20**	3.20	-
	Transfer from retained earnings	-	-	3.20
	Balance as at the end of the year	**3.20**	3.20	3.20
	Employee stock options reserve			
	Balance as at the beginning of the year	**0.43**	-	-
	Share based payments (Refer note 28)	**16.60**	0.43	-
	Balance as at the end of the year	**17.03**	0.43	-

Notes to Restated Standalone Financial Information *(Continued)*

as at March 31, 2018

(Rs. in million)

Annexure VI

18 Other Equity *(Continued)*

	March 31, 2018	March 31, 2017	March 31, 2016 (Proforma)
Retained earnings			
Balance as at the beginning of the year	**1,826.74**	1,621.01	2,522.80
Transferred from statement of profit and loss	**836.61**	792.89	772.84
Interim dividend paid	**-**	(500.00)	(767.43)
Tax on dividend distributed during the year	-	(86.43)	(127.62)
Premium on buy-back of equity shares	-	-	(600.00)
Tax on buy-back of equity shares	-	-	(135.23)
Transfer to capital redemption reserve	-	-	(3.20)
Other comprehensive income			
Remeasurement of defined benefit plan (net of tax)	**(0.15)**	(0.73)	(1.58)
Balance as at the end of the year	**2,663.20**	1,826.74	1,660.58
Debt instruments fair valued through OCI			
Balance as at the beginning of the year	-	-	-
Addition during the year	**0.03**	-	-
Balance as at the end of the year	**0.03**	-	-

Nature and purpose of reserves

Securities Premium Account

The amount received in excess of face value of the equity shares is recognised in Securities Premium Reserve.

General Reserve

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

Capital redemption reserves

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 40)

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 Restated Standalone Financial Information *(Continued)*
as at March 31, 2018

(Rs. in million)

Annexure VI

		March 31, 2018	March 31, 2017	March 31, 2016 (Proforma)
19	**Others non-current financial liabilities**			
	Deferred purchase consideration payable (Refer Note 36)	**24.31**	86.62	-
		24.31	86.62	-
20	**Provisions**			
	Non-Current			
	Provision for employee benefits			
	Gratuity (Refer Note 40)	**26.99**	25.43	24.09
	(A)	**26.99**	25.43	24.09
	Current Liability			
	Provision for employee benefits			
	Gratuity (Refer Note 40)	**24.95**	22.30	19.67
	Leave entitlement	**3.18**	3.30	2.54
	(B)	**28.13**	25.60	22.21
	Total (A)+(B)	**55.12**	51.03	46.30

Notes to Restated Standalone Financial Information *(Continued)*
as at March 31, 2018

(Rs. in million)

Annexure VI

	March 31, 2018	March 31, 2017	March 31, 2016 (Proforma)
21 Trade payables			
Trade payables			
Total outstanding dues of micro enterprises and small enterprises (Refer Note 21.1)	-	-	-
Total outstanding dues of creditors other than micro enterprises and small enterprises*	**254.98**	210.76	166.64
Total	**254.98**	210.76	166.64

* Trade payables include amount payable to companies where Director of the Company is a director (Refer Note 35)

21.1 Micro and Small Enterprises

There are no micro and small enterprises, to whom the Company owes dues, which are outstanding for more than 45 days as at March 31, 2018, March 31, 2017 and March 31, 2016. 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.

	March 31, 2018	March 31, 2017	March 31, 2016 (Proforma)
a. Principal and interest amount remaining unpaid	-	-	-
b. Interest due thereon remaining unpaid	-	-	-
c. Interest paid by the Company in terms of Section 16 of the Micro, Small and Medium Enterprises Development Act, 2006, along with the amount of the payment made to the supplier beyond the appointed day	-	-	-
d. Interest due and payable for the period of delay in making payment (which have been paid but beyond the appointed day during the period) but without adding interest specified under the Micro, Small and Medium Enterprises Act,2006)	-	-	-
e. Interest accrued and remaining unpaid	-	-	-
f. Interest remaining due and payable even in the succeeding years, until such date when the interest dues as above are actually paid to the small enterprises	-	-	-
Total	-	-	-

Notes to Restated Standalone Financial Information *(Continued)*
as at March 31, 2018

(Rs. in million)

Annexure VI *(Continued)*

	March 31, 2018	March 31, 2017	March 31, 2016 (Proforma)
22 Other current financial liabilities			
Current maturities of long-term borrowings *	-	-	36.46
Employee related dues	**100.95**	102.96	83.27
Payable towards purchase of property, plant and equipment	**6.09**	19.54	-
Payable towards acquisition of business (Refer Note 36)	**67.99**	125.99	-
Security deposits	**9.42**	13.82	8.69
Creditors for expenses	**58.62**	39.99	31.57
Interim dividends payable	-	500.00	-
Total	**243.07**	802.30	159.99

Terms of borrowing:

* Term loan, having an interest rate of base rate plus 175 bps, from HDFC bank is secured by way of equitable mortgage on commercial properties situated at Vidyavihar - Mumbai. The same is repayable in 48 equal monthly installments starting from the end of third month from the date of first drawdown i.e. June 30, 2012 .During the previous year 31 March 2017, the company has paid off the loan.

	March 31, 2018	March 31, 2017	March 31, 2016 (Proforma)
23 Other current liabilities			
Advance from customers	**25.51**	21.21	46.44
Statutory dues*	**27.79**	18.61	135.80
Dividend distribution tax	-	86.43	12.98
Total	**53.30**	126.25	195.22

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

23 (a) Current tax liabilities (net)			
Provision for taxation (net of advance tax - March 31, 2018: Rs. 1,508.73 million, March 31, 2017: Rs. 1,083.50 million, March 31, 2016: Rs. 1381.91 million)	**47.27**	79.65	82.56
Total	**47.27**	79.65	82.56

Notes to Restated Standalone Financial Information *(Continued)*
for the year ended March 31, 2018

(Rs. in million)

Annexure VI

		March 31, 2018	March 31, 2017	March 31, 2016 (Proforma)
24	**Revenue from operations**			
	Service income	**4,376.74**	3,558.75	3,046.68
	Other operating revenue	-	0.75	1.10
	Total	**4,376.74**	3,559.50	3,047.78
25	**Other Income**			
	Interest			
	- from banks	**2.38**	0.32	0.31
	- from related parties (Refer Note 35)	**6.21**	9.79	9.43
	- on income tax refund	**-**	26.84	-
	- on investments	**9.04**	-	-
	- others	**1.26**	6.44	1.09
	Dividend			
	- from mutual fund	**6.33**	21.88	10.21
	- from related parties (Refer Note 35)	**96.44**	84.73	238.62
	Provision for doubtful advances written back (net)	**-**	1.78	-
	Fair value gain on derivative assets measured at FVTPL	-	12.12	-
	Net gain on fair valuation of mutual fund investments	**20.78**	46.13	93.83
	Profit on sale of Property, Plant and Equipment	**-**	0.21	0.03
	Miscellaneous income	**-**	6.49	3.22
	Total	**142.44**	216.73	356.74
26	**Cost of material consumed**			
	Opening stock (Refer Note 10)	**90.11**	95.11	96.63
	Add: Purchases	**1,063.18**	909.09	820.00
	Less: Closing stock (Refer Note 10)	**(133.21)**	(90.11)	(95.11)
	Total	**1,020.08**	914.09	821.52
27	**Laboratory testing charges**			
	Laboratory testing charges	35.15	16.30	27.04
	Total	**35.15**	16.30	27.04
28	**Employee benefits expense**			
	Salaries, wages and bonus	**853.36**	750.03	624.67
	Gratuity expenses (Refer Note 40 (a))	**11.78**	9.55	8.30
	Contribution to provident and other funds (Refer Note 40 (b))	**48.20**	39.53	34.89
	Share based payment expenses (Refer Note 40 (c))	**16.60**	0.43	-
	Staff welfare expenses	**52.91**	42.10	42.31
	Total	**982.85**	841.64	710.17

Notes to Restated Standalone Financial Information *(Continued)*
for the year ended March 31, 2018

(Rs. in million)

Annexure VI

		March 31, 2018	March 31, 2017	March 31, 2016 (Proforma)
29	**Finance costs**			
	Interest on term loan	**-**	1.22	7.72
	Interest on deferred purchase consideration measured at amortized cost (Refer Note 36)	**11.56**	2.24	-
	Total	**11.56**	3.46	7.72
30	**Depreciation and amortisation expense**			
	Depreciation of property, plant and equipment (Refer note 3)	**107.71**	101.12	100.50
	Amortisation of intangible assets (Refer note 4)	**21.25**	7.24	3.44
	Total	**128.96**	108.36	103.94
31	**Other expenses**			
	Accreditation expenses	**8.03**	6.49	3.06
	Laboratory expenses	**4.51**	3.88	4.50
	Power and fuel	**58.68**	55.75	48.15
	Rent	**267.43**	185.65	126.70
	Repairs and maintenance			
	- Buildings	**2.53**	2.06	6.02
	- Laboratory equipment	**47.43**	24.46	20.37
	- Others	**35.62**	13.05	12.83
	Insurance	**5.66**	5.02	3.38
	Rates and taxes	**63.08**	23.92	26.29
	Bank charges	**14.82**	10.11	4.84
	Legal and professional	**188.17**	117.35	110.28
	Travelling and conveyance	**67.02**	53.21	49.45
	Printing and stationery	**37.08**	35.40	34.52
	Provision for bad and doubtful debts (net)	**51.15**	9.13	16.13
	Bad debts written off	**0.76**	-	-
	Provision for doubtful advances	**29.87**	-	5.59
	Sundry balance written off	**-**	-	0.02
	Postage and courier	**76.71**	49.01	41.42
	Communication	**25.93**	29.02	19.68
	Advertisement and sales promotion expenses	**89.27**	42.34	54.27
	Facility maintenance charges	**18.61**	13.85	11.57
	Loss on sale of Non-current investment (Refer Note 45)	**7.33**	-	-
	Fair value loss on derivative assets measured at FVTPL	**0.01**	-	23.59
	Payments to auditors (Refer Note 32.1)	**5.16**	3.76	3.38
	Corporate social responsibility expenses (Refer Note 42)	**6.41**	1.27	-
	Directors' sitting fee	**1.87**	0.98	0.81
	Foreign exchange loss (net)	**0.47**	6.45	4.84
	Provision for dimunition in value of investments	**28.69**	0.10	
	Miscellaneous expenses	**19.73**	15.74	11.17
	Total	**1,162.03**	708.00	642.86
32.1	**<u>Payment to Auditors</u>**			
	As Auditor	**5.16**	3.42	3.22
	For tax audit	**-**	0.34	0.16
		5.16	3.76	3.38

Metropolis Healthcare Limited

Notes to Restated Standalone Financial Information *(Continued)*

for the year ended March 31, 2018

(Rs. in million)

Annexure VI

32 Taxation

i. Income Tax expense

Particulars	31 March, 2018	31 March, 2017	31 March, 2016 (Proforma)
Current tax expense			
Current year	**400.00**	370.00	348.00
	400.00	370.00	348.00
Deferred tax expense			
Relating to addition & reversal of temporary differences	**(66.27)**	21.49	(29.57)
Relating to change in tax rate*	**8.21**	-	-
Total deferred tax	**(58.06)**	21.49	(29.57)
Tax expense for the year	**341.94**	391.49	318.43

***** Effective Income tax rate applicable to the Company for FY 2018-19 has changed from 34.608% to 34.944% on account of increase in health and education cess rate from 3% to 4% w.e.f. 1st April 2018. as per Finance Act, 2018. Accordingly the deferred tax rate applicable for FY 2017-18 has been changed.

ii Tax charge recognised directly to Other Comprehensive Income

March 31, 2018

Particulars	Before tax	Tax (expense) benefit	Net of tax
Items that will not be reclassified to profit or loss			
Remeasurements of the defined benefit plans	**(0.23)**	0.08	(0.15)
Items that will subsequently be reclassified to profit or loss			
Fair valuation of debt instruments measured at FVOCI	**0.04**	(0.01)	0.03
Total tax charge recognized directly to Other Comprehensive Income	**(0.19)**	0.07	(0.12)

March 31, 2017

Partiiculars	Before tax	Tax (expense) benefit	Net of tax
Items that will not be reclassified to profit or loss			
Remeasurements of the defined benefit plans	(1.12)	0.39	(0.73)
Total tax charge recognized directly to Other Comprehensive Income	**(1.12)**	**0.39**	**(0.73)**

March 31, 2016 (Proforma)

Partiiculars	Before tax	Tax (expense) benefit	Net of tax
Items that will not be reclassified to profit or loss			
Remeasurements of the defined benefit plans	(2.41)	0.83	(1.58)
Total tax charge recognized directly to Other Comprehensive Income	**(2.41)**	**0.83**	**(1.58)**

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

Particulars	31 March, 2018	31 March, 2017	31 March, 2016 (Proforma)
Profit before tax	**1,178.55**	1,184.38	1,091.27
Statutory income tax rate	**34.61%**	34.61%	34.61%
Expected income tax expense	**407.87**	409.89	377.67
Tax effect of adjustments to reconcile expected Income Tax Expense to reported Income Tax Expense:			
Expenses not allowed under Income tax	**12.77**	2.93	1.88
Income not subject to tax	**(35.57)**	(9.98)	(86.12)
Income taxable at different rate	**(9.20)**	(49.85)	3.45
Others	**(33.93)**	38.50	21.55
Total tax expense	**341.94**	391.49	318.43
Tax expense as statement of profit and loss	**341.94**	391.49	318.43

Metropolis Healthcare Limited

Notes to Restated Standalone Financial Information *(Continued)*

for the year ended March 31, 2018

(Rs. in million)

Annexure VI ***(Continued)***

32 Income Taxes *(Continued)*

iv Movement in deferred tax balances

March 31, 2018

Particulars	Net balance 1 April 2017	Recognised in profit or loss	Recognised in OCI	Increase due to acquisition	Net deferred tax asset/(liability)	Deferred tax asset	Deferred tax (liability)
Property, plant, equipment and intangibles	**(73.47)**	**39.67**	**-**	**-**	**(33.80)**	**-**	**(33.80)**
Current investments	**(14.79)**	**12.52**	**(0.01)**	**-**	**(2.29)**	**-**	**(2.29)**
Fair valuation of call options	**(32.24)**	**0.00**	**-**	**-**	**(32.24)**	**-**	**(32.24)**
Business combination	**(26.51)**	**(37.62)**	**-**	**-**	**(64.12)**	**-**	**(64.12)**
Provision for bad and doubtful debts	**44.62**	**28.75**	**-**	**-**	**73.37**	**73.37**	**-**
Provision for employee benefits	**17.66**	**1.52**	**0.08**	**-**	**19.26**	**19.26**	**-**
Employee Share based payments	**0.15**	**5.81**	**-**	**-**	**5.95**	**5.95**	**-**
Others	**(7.37)**	**7.41**	**-**	**-**	**0.04**	**0.04**	**-**
Tax Assets (Liabilities)	**(91.95)**	**58.06**	**0.07**	**-**	**(33.83)**	**98.62**	**(132.45)**

March 31, 2017

Particulars	Net balance 1 April 2016	Recognised in profit or loss	Recognised in OCI	Increase due to acquisition	Net deferred tax asset/(liability)	Deferred tax asset	Deferred tax (liability)
Property, plant, equipment and intangibles	(38.93)	(34.54)	-	-	(73.47)	-	(73.47)
Current investments	(45.71)	30.92	-	-	(14.79)	-	(14.79)
Fair valuation of call options	(29.82)	(2.42)	-	-	(32.24)	-	(32.24)
Business combination	-	(19.62)	-	(6.89)	(26.51)	-	(26.51)
Provision for bad and doubtful debts	41.61	3.01	-	-	44.62	44.62	-
Provision for employee benefits	35.48	(18.22)	0.39	-	17.66	17.66	-
Employee Share based payments	-	0.15	-	-	0.15	0.15	-
Others	(26.60)	19.23	-	-	(7.37)	-	(7.37)
Tax Assets (Liabilities)	(63.97)	(21.49)	0.39	(6.89)	(91.95)	62.43	(154.38)

March 31, 2016 (Proforma)

Particulars	Net balance 1 April 2015	Recognised in profit or loss	Recognised in OCI	Increase due to acquisition	Net deferred tax asset/(liability)	Deferred tax asset	Deferred tax (liability)
Property, plant, equipment and intangibles	(27.93)	(10.92)	-	-	(38.85)	-	(38.85)
Current investments	(65.34)	19.63	-	-	(45.71)	-	(45.71)
Fair valuation of call options	(44.43)	4.72	-	-	(39.71)	-	(39.71)
Provision for bad and doubtful debts	35.88	5.72	-	-	41.60	41.60	-
Provision for employee benefits	12.35	20.97	0.83	-	34.15	34.15	-
Employee Share based payments	7.54	(7.54)	-	-	-	-	-
Others	(22.34)	(3.01)	-	-	(25.35)	-	(25.35)
Tax Assets (Liabilities)	(104.27)	29.57	0.83	-	(73.87)	75.75	(149.62)

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 Restated Standalone Financial Information *(Continued)*

for the year ended March 31, 2018

(Rs. in million)

Annexure VI *(Continued)*

32 Income Taxes *(Continued)*

iv Movement in deferred tax balances *(Continued)*

Tax losses carried forward

Deferred tax assets are recognised to the extent that it is probable that taxable profit will be available against which the deductible temporary differences, carry forward of unabsorbed depreciation and tax losses can be utilised. Accordingly, in view of uncertainty, Deferred tax assets have not been recognised in respect of the following items, because it is not probable that future capital gains profit will be available against which the Company can use the benefits therefrom.

Particulars	31 March 2018		31 March 2017		31 March 2016 (Proforma)	
	Gross amount	Expiry date	Gross amount	Expiry date	Gross amount	Expiry date
Long term Capital loss	-	-	-	-	2.74	31-Mar-21
	-	-	-	-	2.91	31-Mar-22
	-	-	-	-	10.05	31-Mar-23
	-	-	-	-	5.43	31-Mar-24
Total	-		-	-	**21.13**	

Annexure VI (Continued)

33 Earnings per share (EPS)

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

[I] Earnings per equity share (after bonus and split of shares)

Particulars	**March 31, 2018**	March 31, 2017	March 31, 2016 (Proforma)
i. Profit attributable to equity holders (Rs in million)			
Profit attributable to equity holders for basic and diluted EPS	836.61	792.89	772.84
ii. Weighted average number of shares for calculating basic	49,626,960	49,626,960	50,360,045
iii. Effect of dilution			
Share options and warrants*	281,965	327,585	364,745
Weighted average number of shares for calculating diluted EPS	49,908,925	49,954,545	50,724,790
iv. Basic earnings per share (Rs.)	16.86	15.98	15.35
v. Diluted earnings per share (Rs.)	16.76	15.87	15.24

* Following share options and share warrants were excluded from the calculation of diluted weighted average number of equity shares as their effect is anti-dilutive:

For the year ended 31 March 2018 - 10,80,400 share options
For the year ended 31 March 2017 - 1,44,560 share options and 45,255 share warrants
For the year ended 31 March 2016 - 45,255 warrants

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 Rs. 10/- (Rupees ten) each to equity shares of Rs. 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.

[II] Earnings per equity share (before bonus and split of shares)

Particulars	**31 March 2018**	**31 March 2017**	**31 March 2016**
i. Profit attributable to equity holders (Rs. in million)			
Profit attributable to equity holders for basic and diluted EPS	**836.61**	792.89	772.84
ii. Weighted average number of shares for calculating basic EPS	**9,543,646**	9,543,646	9,684,624
iii. Effect of dilution			
Share options and warrants*	**54,224**	62,997	70,143
Weighted average number of shares for calculating diluted EPS	**9,597,870**	9,606,643	9,754,767
iv. Basic earnings per share (Rs.)	**87.66**	83.08	79.80
v. Diluted earnings per share (Rs.)	**87.17**	82.54	79.23

* Following share options and share warrants were excluded from the calculation of diluted weighted average number of equity shares as their effect is anti-dilutive:

For the year ended 31 March 2018 - 207,770 share options
For the year ended 31 March 2017 - 27,800 share options and 8,703 share warrants
For the year ended 31 March 2016 - 8,703 warrants

Notes to Restated Standalone Financial Information *(Continued)*

for the year ended March 31, 2018

(Rs. in million)

Annexure VI *(Continued)*

34 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.

	Carrying amount				Fair value			
As at March 31, 2018	**Fair value through profit and loss**	**Fair value through other comprehensive income**	**Amortised Cost**	**Total**	**Level 1**	**Level 2**	**Level 3**	**Total**
Non Current Financial assets								
Non-current investments - Equity instruments (other than Subsidiaries, Joint ventures and Associates)**	-	-	-	-	-	-	-	-
Non-current Loans- Security Deposits	-	-	10.06	10.06	-	10.06	-	10.06
Other Non-current Loans	-	-	6.93	6.93	-	-	-	-
Other Non current financial assets	-	-	82.03	82.03	-	-	-	-
Derivative instruments	161.21	-	-	161.21	-	-	161.21	161.21
Current Financial assets								
Investment in mutual funds	62.72	-	-	62.72	-	62.72	-	62.72
Investment in Non-Convertible Debentures	-	201.03	-	201.03	-	201.03	-	201.03
Investment in Commercial Papers	-	197.57	-	197.57	-	197.57	-	197.57
Trade receivables	-	-	800.21	800.21	-	-	-	-
Cash and cash equivalents	-	-	165.92	165.92	-	-	-	-
Bank Balances other than Cash and cash equivalents	-	-	89.26	89.26	-	-	-	-
Current loans	-	-	189.39	189.39	-	-	-	-
Other current financial assets	-	-	15.99	15.99	-	-	-	-
	223.93	**398.60**	**1,359.79**	**1,982.32**	**-**	**471.38**	**161.21**	**632.59**
Non Current Financial liabilities								-
Other non-current financial liabilities	-	-	24.31	24.31	-	24.31	-	24.31
Current Financial liabilities								
Trade payables	-	-	254.98	254.98	-	-	-	-
Other current financial liabilities	-	-	243.07	243.07	-	-	-	-
	-	**-**	**522.36**	**522.36**	**-**	**24.31**	**-**	**24.31**

Metropolis Healthcare Limited

Notes to Restated Standalone Financial Information *(Continued)*

for the year ended March 31, 2018

(Rs. in million)

Annexure VI *(Continued)*

34 Financial instruments – Fair values *(Continued)*

A. Accounting classification and fair values *(Continued)*

	Carrying amount				Fair value			
As at March 31, 2017	**Fair value through profit and loss**	**Fair value through other comprehensive income**	**Amortised Cost**	**Total**	**Level 1**	**Level 2**	**Level 3**	**Total**
Non Current Financial assets								
Non-current investments - Equity instruments (other than Subsidiaries, Joint ventures and Associates)**	-	-	-	-	-	-	-	-
Non-current Loans- Security Deposits	-	-	9.75	9.75	-	9.75	-	9.75
Other Non-current Loans	-	-	24.54	24.54	-	-	-	-
Other Non current financial assets	-	-	0.33	0.33	-	-		-
Derivative instruments	161.22	-	-	161.22	-	-	161.22	161.22
Current Financial assets								
Investment in mutual funds	998.64	-	-	998.64	-	998.64	-	998.64
Trade receivables	-	-	631.76	631.76	-	-	-	-
Cash and cash equivalents	-	-	44.77	44.77	-	-	-	-
Bank Balances other than Cash and cash equivalents	-	-	12.46	12.46	-	-	-	-
Current loans	-	-	211.80	211.80	-	-	-	-
Other current financial assets	-	-	6.89	6.89	-	-	-	-
	1,159.86	**-**	**942.30**	**2,102.16**	**-**	**1,008.39**	**161.22**	**1,169.61**
Non Current Financial liabilities								
Other non-current financial liabilities	-	-	86.62	86.62	-	86.62	-	86.62
Current Financial liabilities								
Trade payables	-	-	210.76	210.76	-	-	-	-
Other current financial liabilities	-	-	802.30	802.30	-	-	-	-
	-	**-**	**1,099.68**	**1,099.68**	**-**	**86.62**	**-**	**86.62**

Notes to Restated Standalone Financial Information *(Continued)*

for the year ended March 31, 2018

(Rs. in million)

Annexure VI *(Continued)*

34 Financial instruments – Fair values *(Continued)*

A. Accounting classification and fair values *(Continued)*

	Carrying amount				Fair value			
As at March 31, 2016 (Proforma)	**Fair value through profit and loss**	**Fair value through other comprehensive income**	**Amortised Cost**	**Total**	**Level 1**	**Level 2**	**Level 3**	**Total**
Non Current Financial assets								
Non-current investments - Equity instruments (other than Subsidiaries, Joint ventures and Associates)**	-	-	-	-	-	-	-	-
Non-current Loans- Security Deposits	-	-	19.60	19.60	-	19.60	-	19.60
Other Non-current Loans	-	-	37.07	37.07	-	-	-	-
Derivative instruments	149.10	-	-	149.10	-	-	149.10	149.10
Current Financial assets								
Investment in mutual funds	766.58	-	-	766.58	-	766.58	-	766.58
Trade receivables	-	-	481.74	481.74	-	-	-	-
Cash and cash equivalents	-	-	106.17	106.17	-	-	-	-
Bank Balances other than Cash and cash equivalents	-	-	4.21	4.21	-	-	-	-
Current loans	-	-	220.48	220.48	-	-	-	-
Other current financial assets	-	-	9.54	9.54	-	-	-	-
	915.68	**-**	**878.81**	**1,794.49**	**-**	**786.18**	**149.10**	**935.28**
Current Financial liabilities								
Borrowings	-	-	36.46	36.46	-	-	-	-
Trade payables	-	-	166.64	166.64	-	-	-	-
Other current financial liabilities	-	-	123.53	123.53	-	-	-	-
	-	**-**	**326.63**	**326.63**	**-**	**-**	**-**	**-**

** The fair value in respect of the unquoted equity investments cannot be reliably estimated. The Company has currently measured them at cost, i.e. Rs. 17.50 Million (31 March 2017: Rs. 17.50 Million; 1 April 2016: Rs. 17.50 Million)

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.

(Rs. in million)

Annexure VI *(Continued)*

34 Financial instruments – Fair values *(Continued)*

B. Fair value heirarchy

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

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

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

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

Financial instruments measured at fair value

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

Type	Valuation technique	Significant unobservable inputs	Inter-relationship between significant unobservable inputs and fair value measurement
Investment in mutual funds	The fair value of the units of mutual fund scheme are based on net asset value at the reporting date.	Not applicable	Not applicable
Investment in Commercial Papers	The fair value of commercial papers is derived through Stochastic Local Volatility process, where in yield is derived from trade data and pooled levels of similar instruments with similar maturity and credit rating that are traded in secondary market, adjusted by an illiquidity factor.	Not applicable	Not applicable
Investment in Non-Convertible Debentures	The fair value of Non-Convertible Debentures is derived through Stochastic Local Volatility process, where in yield is derived from trade data and pooled levels of similar instruments with similar maturity and credit rating that are traded in secondary market, adjusted by an illiquidity factor.	Not applicable	Not applicable
Non current financial assets and liabilities measured at amortized cost	Discounted cash flows: Under discounted cash flow method, future cash flows are discounted by using rates which reflect market risks. The valuation requires management to make certain assumptions about the model inputs, including forecast cash flows, discount rate and credit risk. The probabilities of the various estimates within the range can be reasonably assessed and are used in management's estimate of fair value.	Not applicable	Not applicable

Notes to Restated Standalone Financial Information *(Continued)*
for the year ended March 31, 2018

(Rs. in million)

Annexure VI *(Continued)*

34 Financial instruments – Fair values *(Continued)*

B. Fair value heirarchy *(Continued)*

Financial instruments measured at fair value *(Continued)*

Type	Valuation technique	Significant unobservable inputs	Inter-relationship between significant unobservable inputs and fair value measurement
Call option on shares of subsidiary- Desai Metropolis Health Services Private Limited	The Company has used Black-Scholes model to estimate the fair value of the options. Black-Scholes is a pricing model used to determine the fair price or theoretical value for a call or a put option based on six variables such as volatility, type of option, underlying stock price, time, strike price, and risk-free rate.	March 2016 * Equity value of unlisted company - Rs. 888.40 million * Volatility in share price of comparable companies - 18.20% March 2017 * Equity value of unlisted company - Rs. 997.40 million * Volatility in share price of comparable companies - 19.60% March 2018 * Equity value of unlisted company - Rs. 1,089.60 million * Volatility in share price of comparable companies - 16.70%	The estimated fair value would increase (decrease) if: • Equity value of unlisted company increases/ (decreases); or • increase / (decrease) of volatility in share price of comparable companies. Refer below for impact in Restated Profit & Loss (net of tax)
Call option on shares of subsidiary- Dr Patel Metropolis Healthcare Private Limited	The Company has used Black-Scholes model to estimate the fair value of the options. Black-Scholes is a pricing model used to determine the fair price or theoretical value for a call or a put option based on six variables such as volatility, type of option, underlying stock price, time, strike price, and risk-free rate.	March 2016 * Equity value of unlisted company - Rs. 315.3 million * Volatility in share price of comparable companies - 18.00% March 2017 * Equity value of unlisted company - Rs. 345.50 million * Volatility in share price of comparable companies - 19.00% March 2018 * Equity value of unlisted company - Rs. 377.10 million * Volatility in share price of comparable companies - 17.00%	The estimated fair value would increase (decrease) if: • Equity value of unlisted company increases/ (decreases); or • increase / (decrease) of volatility in share price of comparable companies. Refer below for impact in Restated Profit & Loss (net of tax)

Notes to Restated Standalone Financial Information *(Continued)*
for the year ended March 31, 2018

(Rs. in million)

Annexure VI *(Continued)*

34 Financial instruments – Fair values *(Continued)*

B. Fair value heirarchy *(Continued)*

Financial instruments measured at fair value *(Continued)*

Type	Valuation technique	Significant unobservable inputs	Inter-relationship between significant unobservable inputs and fair value measurement
Call option on shares of subsidiary- Ekopath Metropolis Lab Services Private Limited	The Company has used Black-Scholes model to estimate the fair value of the options. Black-Scholes is a pricing model used to determine the fair price or theoretical value for a call or a put option based on six variables such as volatility, type of option, underlying stock price, time, strike price, and risk-free rate.	March 2016 * Equity value of unlisted company - Rs. 45.80 million * Volatility in share price of comparable companies - 18.20% March 2017 * Equity value of unlisted company - Rs. 52 million * Volatility in share price of comparable companies - 18.60% March 2018 * Equity value of unlisted company - Rs. 58.50 million * Volatility in share price of comparable companies - 16.70%	The estimated fair value would increase (decrease) if: • Equity value of unlisted company increases/ (decreases); or • increase / (decrease) of volatility in share price of comparable companies. Refer below for impact in Restated Profit & Loss (net of tax)
Call option on shares of subsidiary- Lab One Metropolis Healthcare Services Private Limited	The Company has used Black-Scholes model to estimate the fair value of the options. Black-Scholes is a pricing model used to determine the fair price or theoretical value for a call or a put option based on six variables such as volatility, type of option, underlying stock price, time, strike price, and risk-free rate.	March 2016 * Equity value of unlisted company - Rs. 101.50 million * Volatility in share price of comparable companies - 18.20% March 2017 * Equity value of unlisted company - Rs. 113.20 million * Volatility in share price of comparable companies - 18.60% March 2018 * Equity value of unlisted company - Rs. 125.70 million * Volatility in share price of comparable companies - 16.70%	The estimated fair value would increase (decrease) if: • Equity value of unlisted company increases/ (decreases); or • increase / (decrease) of volatility in share price of comparable companies. Refer below for impact in Restated Profit & Loss (net of tax)

Notes to Restated Standalone Financial Information *(Continued)*
for the year ended March 31, 2018

(Rs. in million)

Annexure VI ***(Continued)***

34 Financial instruments – Fair values *(Continued)*

B. Fair value heirarchy ***(Continued)***

Financial instruments measured at fair value ***(Continued)***

Type	Valuation technique	Significant unobservable inputs	Inter-relationship between significant unobservable inputs and fair value measurement
Call option on shares of subsidiary- Micron Metropolis Healthcare Private Limited	The Company has used Black-Scholes model to estimate the fair value of the options. Black-Scholes is a pricing model used to determine the fair price or theoretical value for a call or a put option based on six variables such as volatility, type of option, underlying stock price, time, strike price, and risk-free rate.	March 2016 * Equity value of unlisted company - Rs. 129.10 million * Volatility in share price of comparable companies - 18.20% March 2017 * Equity value of unlisted company - Rs. 214.90 million * Volatility in share price of comparable companies - 18.60% March 2018 * Equity value of unlisted company - Rs. 244.60 million * Volatility in share price of comparable companies - 16.70%	The estimated fair value would increase (decrease) if: • Equity value of unlisted company increases/ (decreases); or • increase / (decrease) of volatility in share price of comparable companies. Refer below for impact in Restated Profit & Loss (net of tax)
Call option on shares of subsidiary- R.V. Metropolis Diagnostic & Healthcare Centre Private Limited	The Company has used Black-Scholes model to estimate the fair value of the options. Black-Scholes is a pricing model used to determine the fair price or theoretical value for a call or a put option based on six variables such as volatility, type of option, underlying stock price, time, strike price, and risk-free rate.	March 2016 * Equity value of unlisted company - Rs. 256.80 million * Volatility in share price of comparable companies - 18.00% March 2017 * Equity value of unlisted company - Rs. 485.40 million * Volatility in share price of comparable companies - 19.00% March 2018 * Equity value of unlisted company - Rs. 476.70 million * Volatility in share price of comparable companies - 17.00%	The estimated fair value would increase (decrease) if: • Equity value of unlisted company increases/ (decreases); or • increase / (decrease) of volatility in share price of comparable companies. Refer below for impact in Restated Profit & Loss (net of tax)

Notes to Restated Standalone Financial Information *(Continued)*

for the year ended March 31, 2018

(Rs. in million)

Annexure VI *(Continued)*

34 Financial instruments – Fair values *(Continued)*

B. Fair value heirarchy *(Continued)*

Transfers between Levels

There have been no transfers between levels during the reporting periods

Sensitivity analysis

	2018		2017		2016	
	Retated Profit & Loss, Net of tax		Retated Profit & Loss, Net of tax		Retated Profit & Loss, Net of tax	
	Increase	Decrease	Increase	Decrease	Increase	Decrease
Desai Metropolis Health Services Private Limited - Call option						
Movement in equity value of unlisted company by 10%	**0.40**	**(0.46)**	0.31	(0.30)	0.04	0.00^
Volatility in share price of comparable companies by 10%	**(0.06)**	**0.05**	(0.01)	0.01	0.05	(0.05)
Dr Patel Metropolis Healthcare Private Limited - Call option						
Movement in equity value of unlisted company by 10%	**0.12**	**(0.12)**	0.11	(0.11)	0.11	(0.11)
Volatility in share price of comparable companies by 10%	**(0.00)^**	**0.00^**	(0.00)^	0.00^	0.00^	(0.00)^
Ekopath Metropolis Lab Services Private Limited - Call option						
Movement in equity value of unlisted company by 10%	**0.53**	**(0.41)**	0.33	(0.16)	0.65	(0.58)
Volatility in share price of comparable companies by 10%	**(0.06)**	**0.07**	0.11	(0.11)	0.12	(0.12)
Lab One Metropolis Healthcare Services Private Limited - Call option						
Movement in equity value of unlisted company by 10%	**0.14**	**(0.07)**	0.05	(0.03)	(0.07)	0.09
Volatility in share price of comparable companies by 10%	**(0.01)**	**0.01**	(0.00)^	0.00^	0.03	(0.02)
Micron Metropolis Healthcare Private Limited - Call option						
Movement in equity value of unlisted company by 10%	**0.04**	**(0.08)**	0.06	(0.03)	(0.01)	0.01
Volatility in share price of comparable companies by 10%	**(0.02)**	**0.02**	(0.00)^	0.01	0.02	(0.03)
R.V Metropolis Diagnostic & Healthcare Centre Private Limited - Call option						
Movement in equity value of unlisted company by 10%	**(0.01)**	**0.02**	0.01	(0.00)^	(0.01)	0.01
Volatility in share price of comparable companies by 10%	**(0.00)^**	**0.00^**	(0.00)^	0.00^	0.00^	(0.00)^

^ Amount below Rs.5000

(Rs. in million)

Annexure VI *(Continued)*

34 Financial instruments – Fair values and risk management *(Continued)*

Financial risk management

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

The Company has exposure to the following risks arising from financial instruments
- Credit risk
- Liquidity risk
- Market risk

Credit risk

Credit risk is the risk of financial loss to the Company if a customer or counterparty to a financial instrument fails to meet its contractual obligations, and arises principally from the Company's trade and other receivables, 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 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 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.

Particulars	**Gross carrying amount**		
	March 31, 2018	**March 31, 2017**	**March 31, 2016 (Proforma)**
Future dues not impaired			
Not due	**173.93**	81.22	87.91
Past due 91-180 days	**217.60**	287.97	239.29
Past due 91-180 days	**126.92**	123.26	56.33
Past due 181-365 days	**132.11**	137.88	43.61
More than 365 days	**329.74**	130.37	174.41
	980.30	760.70	601.55

The movement in the provision for doubtful debts for the year ended 31 March 2018 and 31 March 2017 is as follows:

Particulars	**Amount (Rs Million)**
Balance as at April 1, 2015 (Proforma)	**103.68**
Movement during the year	16.13
Balance as at March 31, 2016 (Proforma)	**119.81**
Movement during the year	9.13
Balance as at March 31, 2017	**128.94**
Movement during the year	51.15
Balance as at March 31, 2018	**180.09**

b. Cash and cash equivalents and Other bank balances

The Company held cash and cash equivalents and other bank deposits of Rs. 332.03 million at March 31, 2018 (March 31, 2017: Rs. 52.33 million, March 31, 2016 : Rs. 105.22 million). The cash and cash equivalents and other bank balances are held with banks with good credit ratings.

(Rs. in million)

Annexure VI *(Continued)*

34 Financial instruments – Fair values and risk management *(Continued)*

Credit risk *(Continued)*

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. The Company does not expect any losses from non-performance by these counter-parties.

The loans and advances majorly pertains to loans to subsidiaries, joint venture and associates. These loans and advances which are outstanding as at March 31, 2018 Rs. 131.48 million (March 31, 2017: Rs. 176.40 million; March 31, 2016: Rs. 225.78 million), 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.

	Amount (Rs Million)
Balance as at 1 April 2015 (Proforma)	**17.23**
Movement during the year	4.13
Balance as at 31 March 2016 (Proforma)	**21.36**
Movement during the year	(1.78)
Balance as at 31 March 2017	**19.58**
Movement during the year	30.01
Balance as at 31 March 2018	**49.59**

Notes to Restated Standalone Financial Information *(Continued)*

for the year ended March 31, 2018

(Rs. in million)

Annexure VI ***(Continued)***

34 Financial instruments – Fair values and risk management *(Continued)*

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:

March 31, 2018

			Contractual cash flows			
Particulars	**Carrying amount**	**Total**	**Upto 1 year**	**1-3 years**	**3-5 years**	**More than 5 years**
Non-derivative financial liabilities						
Payable towards acquisition of business	**92.29**	**98.40**	**70.00**	**28.40**	-	-
Trade payables	**254.98**	**254.98**	**254.98**	-	-	-
Other current financial liabilities	**175.09**	**175.09**	**175.09**	-	-	-
Total	**522.36**	**528.47**	**500.07**	**28.40**	**-**	**-**

March 31, 2017

			Contractual cash flows			
Particulars	**Carrying amount**	**Total**	**Upto 1 year**	**1-3 years**	**3-5 years**	**More than 5 years**
Non-derivative financial liabilities						
Payable towards acquisition of business	212.61	230.27	131.60	98.67	-	-
Trade payables	210.76	210.76	210.76	-	-	-
Other current financial liabilities	676.31	676.31	676.31	-	-	-
Total	1,099.68	1,117.34	1,018.67	98.67	-	-

31 March 2016 (Proforma)

			Contractual cash flows			
Particulars	**Carrying amount**	**Total**	**Upto 1 year**	**1-3 years**	**3-5 years**	**More than 5 years**
Non-derivative financial liabilities						
Borrowings	36.46	36.46	36.46	-	-	-
Interest payable on borrowings	-	16.37	16.37	-	-	-
Trade payables	166.64	166.64	166.64	-	-	-
Other current financial liabilities	123.53	123.53	123.53	-	-	-
Total	326.63	343.00	343.00	-	-	-

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

Notes to Restated Standalone Financial Information *(Continued)*
for the year ended March 31, 2018

(Rs. in million)

Annexure VI *(Continued)*

34 Financial instruments – Fair values and risk management *(Continued)*

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 March 31, 2018, March 31, 2017 and March 31, 2016 (Proforma) are as below:

March 31, 2018	**USD**	**OMR**	**LKR**
Financial assets (A)			
Trade and other receivables	**70.99**	**3.06**	**13.59**
Loans	**80.06**	**-**	**1.10**
Interest receivable	**15.71**	**-**	**0.11**
Advance given	**0.63**	**-**	**-**
Financial liabilities (B)			
Trade and other payables	**2.37**	**-**	**-**
Net exposure (A - B)	**165.03**	**3.06**	**14.80**

March 31, 2017	**USD**	**OMR**	**LKR**
Financial assets (A)			
Trade and other receivables	84.83	7.16	-
Loans	90.73	-	1.10
Advance given	0.93	-	-
Financial liabilities (B)			
Trade and other payables	2.94	-	-
Advance taken	0.40	-	-
Net exposure (A - B)	**173.15**	**7.16**	**1.10**

March 31, 2016 (Proforma)	**USD**	**OMR**	**LKR**
Financial assets (A)			
Trade and other receivables	2.78	2.01	-
Loans	77.02	-	1.10
Financial liabilities (B)			
Trade and other payables	3.27	-	-
Net exposure (A - B)	**76.53**	**2.01**	**1.10**

Sensitivity analysis

A reasonably possible strengthening (weakening) of the Indian Rupee against foreign currencies at March 31 2018, March 31, 2017 and March 31 2016 would have affected the measurement of financial instruments denominated in foreign currencies and affected Restated Standalone 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.

	March 31, 2018		**March 31, 2017**		**March 31, 2016 (Proforma)**	
Effect in INR	**Strengthening**	**Weakening**	**Strengthening**	**Weakening**	**Strengthening**	**Weakening**
3% movement						
USD	**(4.95)**	**4.95**	(5.19)	5.19	(2.30)	2.30
OMR	**(0.09)**	**0.09**	(0.21)	0.21	(0.06)	0.06
LKR	**(0.44)**	**0.44**	(0.03)	0.03	(0.03)	0.03
	(5.49)	**5.49**	(5.44)	5.44	(2.39)	2.39

(Rs. in million)

Annexure VI *(Continued)*

34 Financial instruments – Fair values and risk management *(Continued)*

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.

	March 31, 2018	March 31, 2017	March 31, 2016 (Proforma)
Fixed-rate instruments			
Financial assets	**695.14**	139.62	163.55
Financial liabilities	**(92.29)**	(212.60)	-
	602.85	(72.98)	163.55
Variable-rate instruments			
Financial assets	-	-	-
Financial liabilities	-	-	(36.46)
	-	-	(36.46)
Total	**602.85**	(72.98)	127.09

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 Restated equity and Restated profit or loss by amounts shown below. This analyses assumes that all other variables, in particular, foreign currency exchange rates, remain constant. This calculation also assumes that the change occurs at the balance sheet date and has been calculated based on risk exposures outstanding as at that date. The year end balances are not necessarily representative of the average debt outstanding during the year.

	Profit or loss	
INR	**100 bp increase**	**100 bp decrease**
March 31, 2016 (Proforma)		
Variable-rate instruments	(0.36)	0.36
Cash flow sensitivity (net)	(0.36)	0.36

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

(Rs. in million)

Annexure VI *(Continued)*

34 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.

Notes to Restated Standalone Financial Information *(Continued)*

for the year ended March 31, 2018

(Rs. in million)

Annexure VI *(Continued)*

35 Related Party Disclosures, as required by Indian Accounting Standard 24 (Ind AS 24) are given below:

A)	Particulars	March 31, 2018	March 31, 2017	March 31, 2016 (Proforma)
	Where control exists			
	Subsidiary Companies	Golwilkar Metropolis Health Services (India) Private Limited	Golwilkar Metropolis Health Services (India) Private Limited	Golwilkar Metropolis Health Services (India) Private Limited
		Sanket Metropolis Health Services (India) Private Limited	Sanket Metropolis Health Services (India) Private Limited	Sanket Metropolis Health Services (India) Private Limited
		Desai Metropolis Health Services Private Limited	Desai Metropolis Health Services Private Limited	Desai Metropolis Health Services Private Limited
		Final Diagnosis Private Limited	Final Diagnosis Private Limited	Final Diagnosis Private Limited
		Sudharma Metropolis Health Services Private Limited	Sudharma Metropolis Health Services Private Limited	Sudharma Metropolis Health Services Private Limited
		R.V. Metropolis Diagnostics & Health Care Center Private Limited	R.V. Metropolis Diagnostics & Health Care Center Private Limited	R.V. Metropolis Diagnostics & Health Care Center Private Limited
		Dr. Patel Metropolis Healthcare Private Limited	Dr. Patel Metropolis Healthcare Private Limited	Dr. Patel Metropolis Healthcare Private Limited
		Mulay Metropolis Healthcare Private Limited	Mulay Metropolis Healthcare Private Limited	Mulay Metropolis Healthcare Private Limited
		Micron Metropolis Healthcare Private Limited	Micron Metropolis Healthcare Private Limited	Micron Metropolis Healthcare Private Limited
		Metropolis Healthcare (Jodhpur) Private Limited	Metropolis Healthcare (Jodhpur) Private Limited	Metropolis Healthcare (Jodhpur) Private Limited
		Metropolis Healthcare (Chandigadh) Private Limited	Metropolis Healthcare (Chandigadh) Private Limited	Metropolis Healthcare (Chandigadh) Private Limited
		Ekopath Metropolis Lab Services Private Limited	Ekopath Metropolis Lab Services Private Limited	Ekopath Metropolis Lab Services Private Limited
		Metropolis Healthcare Mauritius Limited	Metropolis Healthcare Mauritius Limited	Metropolis Healthcare Mauritius Limited
		Amins Pathology Laboratory Private Limited (Formerly known as Metropolis Wellness Products Private Limited)	Amins Pathology Laboratory Private Limited (Formerly known as Metropolis Wellness Products Private Limited)	Amins Pathology Laboratory Private Limited (Formerly known as Metropolis Wellness Products Private Limited)
		Lab One Metropolis Healthcare Services Private Limited	Lab One Metropolis Healthcare Services Private Limited	Lab One Metropolis Healthcare Services Private Limited
		Metropolis Healthcare Lanka Pvt. Ltd. (Formerly known as Nawaloka Metropolis Laboratories Private Limited, Sri Lanka) (from 1 April 2017)		Metropolis Health Product Retail Private Limited (upto 28 December 2015)
	Step down subsidiary companies	Bokil Golwilkar Metropolis Healthcare Private Limited	Bokil Golwilkar Metropolis Healthcare Private Limited	Bokil Golwilkar Metropolis Healthcare Private Limited
		Metropolis Bramser Lab Services (Mtius) Limited	Metropolis Bramser Lab Services (Mtius) Limited	Metropolis Bramser Lab Services (Mtius) Limited
		Metropolis Healthcare Ghana Limited	Metropolis Healthcare Ghana Limited	Metropolis Healthcare Ghana Limited
		Raj Metropolis Healthcare Private Limited	Raj Metropolis Healthcare Private Limited	Raj Metropolis Healthcare Private Limited
		Metropolis Star Lab Kenya Limited	Metropolis Star Lab Kenya Limited	Metropolis Star Lab Kenya Limited
	Joint Venture	Metropolis Histoxpert Digital Services Private Limited (with effect from 8th Feb 2018)	Nawaloka Metropolis Laboratories Private Limited, Sri Lanka (Upto 31 March 2017)	Nawaloka Metropolis Laboratories Private Limited, Sri Lanka
			Metropolis Health Services (South Africa) (Pty.) Ltd (upto 30 June 2016)	Metropolis Health Services (South Africa) (Pty.) Ltd (upto 30 June 2016)
	Associates	Star Metropolis Health Services Middle East LLC, Dubai	Star Metropolis Health Services Middle East LLC, Dubai	Star Metropolis Health Services Middle East LLC, Dubai

Notes to Restated Standalone Financial Information *(Continued)*
for the year ended March 31, 2018

(Rs. in million)

Annexure VI ***(Continued)***

35 Related Party Disclosures, as required by Indian Accounting Standard 24 (Ind AS 24) are given below: *(Continued)*

A)	Particulars	March 31, 2018	March 31, 2017	March 31, 2016 (Proforma)
	Other related parties with whom transactions have taken place during the year			
	Key management personnel (KMP)	Dr. Sushil Kanubhai Shah, Chairman	Dr. Sushil Kanubhai Shah, Chairman	Dr. Sushil Kanubhai Shah, Chairman
		Ms. Ameera Sushil Shah, Managing Director	Ms. Ameera Sushil Shah, Managing Director	Ms. Ameera Sushil Shah, Managing Director
				Dr. G.S.K. Velu, Vice Chairman (till 9 September 2015)
			Mr Sanket Shah, Company Secretary (upto 22 September 2016)	Mr. Sanket Shah, Company Secretary
		Mr Jayant Prakash, Company Secretary	Mr Jayant Prakash, Company Secretary (wef 22 September 2016)	
			Mr. Mangesh Kulkarni, Chief financial officer (upto 31 March 2016)	Mr. Mangesh Kulkarni, Chief financial officer (upto 31 March 2016)
		Mr Vijender Singh, Chief executive officer	Mr Vijender Singh, Chief executive officer (wef 1 April 2016)	
		Mr Tushar Karnik, Chief financial officer	Mr Tushar Karnik, Chief financial officer (wef 1 April 2016)	
	Relatives of Key management personnel (KMP)	Dr. Duru Sushil Shah	Dr. Duru Sushil Shah	Dr. Duru Sushil Shah
				Ms. Subha K. Velu (upto 9 September 2015)
				Ms. Gomathy Velu (upto 9 September 2015)
	Companies in which key management personnel or their relatives have significant influence (Other related parties)	Bacchus Hospitality and Services Real Estate Private Limited	Bacchus Hospitality and Services Real Estate Private Limited	Bacchus Hospitality and Services Real Estate Private Limited
		Metz Advisory LLP	Metz Advisory LLP	Metz Advisory LLP (from 28 December 2015)
		Metropolis Health Product Retail Private Limited	Metropolis Health Product Retail Private Limited	Metropolis Health Product Retail Private Limited (from 29 December 2015)
				Trivitron Healthcare Private Limited (till 9 September 2015)
				Trivitech Healthcare Private Limited (till 9 September 2015)
				Bio Systems Diagnostics (P) Limited (till 9 September 2015)
				Trivitron Medical Systems (P) Limited (till 9 September 2015)

Notes to Restated Standalone Financial Information *(Continued)*

for the year ended March 31, 2018

(Rs. in million)

Annexure VI ***(Continued)***

35 Related party disclosures: *(Continued)*

B) Transactions with related parties

	Particulars	For the year ended March 31, 2018	March 31, 2017	March 31, 2016 (Proforma)
1)	**Services rendered**			
	Subsidiary Companies			
	Golwilkar Metropolis Health Services (India) Private Limited	**19.42**	16.30	16.28
	Sanket Metropolis Health Services (India) Private Limited	**16.33**	18.58	16.23
	Micron Metropolis Healthcare Private Limited	**17.59**	12.95	10.65
	Dr. Patel Metropolis Healthcare Private Limited	**19.97**	17.54	14.88
	Desai Metropolis Health Services Private Limited	**30.17**	27.00	23.73
	Sudharma Metropolis Health Services Private Limited	**44.62**	34.68	27.54
	Mulay Metropolis Healthcare Private Limited	**1.48**	5.32	5.25
	R.V. Metropolis Diagnostics & Health Care Center Private Limited	**48.73**	45.46	39.86
	Metropolis Healthcare (Chandigadh) Private Limited	**-**	-	0.53
	Metropolis Star Lab Kenya Limited	**30.65**	22.54	15.79
	Metropolis Healthcare Ghana Limited	**18.45**	11.29	4.19
	Metropolis Bramser Lab Services (Mtius) Limited	**12.38**	14.55	-
	Lab One Metropolis Healthcare Services Private Limited	**6.44**	5.54	3.84
	Amins Pathology Laboratory Private Limited	**3.04**	3.16	2.61
	Metropolis Healthcare (Jodhpur) Private Limited	**0.96**	1.13	1.27
	Ekopath Metropolis Lab Services Private Limited	**4.11**	2.85	3.57
	Metropolis Healthcare (Mauritius) Ltd	**10.11**	4.50	0.02
	Bokil Golwilkar Metropolis Healthcare Private Limited	**1.78**	0.79	0.55
	Raj Metropolis Healthcare Private Limited	**0.31**	0.33	0.11
	Metropolis Healthcare Lanka Pvt. Ltd. (w.e.f. 1st April 2017)	**4.02**	-	-
	Joint Venture			
	Metropolis Healthcare Lanka Pvt. Ltd. (Upto 31st March 2017)	**-**	24.17	18.97
	Relatives of Key Management Personnel (KMP)			
	Dr. Duru Sushil Shah	**1.64**	1.91	2.18
2)	**Services received**			
	Subsidiaries			
	R.V. Metropolis Diagnostics & Health Care Center Private Limited	**11.06**	6.76	-
	Metropolis Healthcare Lanka Pvt. Ltd. (w.e.f. 1st April 2017)	**2.60**	-	-
3)	**Rent paid**			
	Key Management Personnel			
	Dr. Sushil Kanubhai Shah	**2.57**	9.98	8.95
	Relatives of KMP			
	Ms. Subha K. Velu	**-**	-	0.92
	Ms. Gomathy Velu	-	-	0.86
4)	**Rent received**			
	Other related parties			
	Metropolis Health Product Retail Private Limited*	-	0.60	0.69
	*(included in 'Miscellaneous income' under note 25)			
5)	**Compensation paid to Key Management Personnel**			
	Short-term employee benefits	**55.16**	46.50	45.34
	Post employement benefit	**2.01**	1.81	0.28
	Share-based payments expense	**7.23**	0.21	-
	(^As gratuity expense is based on acturial valuation, the same cannot be computed for individual employees. Hence, not disclosed separately.)			

Notes to Restated Standalone Financial Information *(Continued)*

for the year ended March 31, 2018

(Rs. in million)

Annexure VI ***(Continued)***

35 Related party disclosures: *(Continued)*

B) Transactions with related parties ***(Continued)***

	Particulars	For the year ended March 31, 2018	March 31, 2017	March 31, 2016
6)	**Reimbursement of expenses (net)**			
	Subsidiaries			
	Amin's Pathology Laboratory Private Limited	-	2.61	-
	Metropolis Bramser Lab Services (Mtius) Limited	-	20.10	-
	Desai Metropolis Health Services Private Limited	-	0.43	-
	Dr Patel Metropolis Healthcare Private Limited	-	0.17	-
	Ekopath Metropolis Lab Services Private Limited	-	0.17	-
	Golwilkar Metropolis Health Services (India) Private Limited	-	0.07	-
	Lab One Metropolis Healthcare Services Private Limited	-	0.17	-
	Micron Metropolis Healthcare Private Limited	-	0.27	-
	Raj Metropolis Healthcare Private Limited	-	0.03	-
	R.V Metropolis Diagnostic & Healthcare Centre Private Limited	-	0.83	-
	Sanket Metropolis Health Services (India) Private Limited	-	0.45	-
	Sudharma Metropolis Health Services Private Limited	-	0.41	-
	Metropolis Healthcare (Jodhpur) Private Limited	-	4.95	-
	Metropolis Healthcare (Chandigadh) Private Limited	-	0.48	-
	Final Diagnosis Private Limited	-	0.12	-
	Mulay Metropolis Healthcare Private Limited	-	0.03	-
	Metropolis Healthcare Ghana Limited	-	1.84	-
	Joint Venture			
	Metropolis Healthcare Lanka Pvt. Ltd. (Upto 31st March 2017)	-	1.66	-
	Other related parties			
	Metropolis Health Retail Products Private Limited	-	0.46	-
7)	**Dividend income**			
	Subsidiaries			
	Dr. Patel Metropolis Healthcare Private Limited	**7.99**	5.25	-
	Lab One Metropolis Healthcare Services Private Limited	**2.54**	1.72	-
	R.V Metropolis Diagnostic & Healthcare Centre Private Limited	**37.89**	-	6.14
	Micron Metropolis Healthcare Private Limited	**14.12**	-	3.47
	Desai Metropolis Health Services Private Limited	**33.90**	-	50.50
	Sudharma Metropolis Health Services Private Limited	-	-	76.50
	Golwilkar Metropolis Health Services (India) Private Limited	-	-	81.31
	Joint Venture			
	Metropolis Healthcare Lanka Pvt. Ltd. (Upto 31st March 2017)	-	10.14	20.69
	Metropolis Health Services (South Africa) (Pty.) Ltd (upto 30 Jun 2016)	-	67.62	-
8)	**Dividend paid**			
	Key Management Personnel			
	Dr Sushil Kanubhai Shah	-	172.40	264.61
	Ameera Sushil Shah	-	1.31	2.01
	Other related parties			
	Bacchus Hospitality Services And Real Estate Private Limited	-	139.24	213.71
	Metz Advisory LLP	-	14.27	21.91
	Relatives of KMP			
	Dr Duru Sushil Shah	-	15.06	23.12

Notes to Restated Standalone Financial Information *(Continued)*
for the year ended March 31, 2018

(Rs. in million)

Annexure VI ***(Continued)***

35 Related party disclosures: *(Continued)*

B) Transactions with related parties ***(Continued)***

	Particulars	For the year ended March 31, 2018	March 31, 2017	March 31, 2016 (Proforma)
9)	**Interest income**			
	Subsidiaries			
	Ekopath Metropolis Lab Services Private Limited	**0.60**	0.60	0.60
	Metropolis Healthcare (Chandigadh) Private Limited	-	0.06	0.40
	Metropolis Healthcare (Jodhpur) Private Limited	-	0.52	0.52
	Metropolis Healthcare Mauritius Limited	**4.80**	4.79	3.57
	Micron Metropolis Healthcare Private Limited	**0.69**	0.69	0.69
	Metropolis Healthcare Lanka Pvt. Ltd. (w.e.f. 1st April 2017)	**0.11**	-	-
	Joint Venture			
	Metropolis Healthcare Lanka Pvt. Ltd. (Upto 31st March 2017)	-	0.11	0.11
	Metropolis Health Services (South Africa) (Pty.) Ltd (upto 30 Jun 2016)	-	3.01	3.13
	Other related parties			
	Metropolis Health Retail Products Private Limited	-	-	0.41
10)	**Purchase of Goods**			
	Subsidiaries			
	Amin's Pathology Laboratory Private Limited	**7.32**	-	-
	R.V. Metropolis Diagnostics & Health Care Center Private Limited	-	-	4.70
	Sanket Metropolis Health Services (India) Private Limited	-	-	0.10
	Other related parties			
	Trivitron Healthcare Private Limited	-	-	1.56
	Bio Systems Diagnostics Private Limited	-	-	1.13
11)	**Professional fees**			
	Key Management Personnel			
	Dr. Sushil Kanubhai Shah	-	-	2.50
12)	**Purchase of property, plant and equipment**			
	Other related parties			
	Bio Systems Diagnostics Private Limited	-	-	0.16
	Trivitron Healthcare Private Limited	-	-	0.47
13)	**Sale of property, plant and equipment**			
	Subsidiaries			
	R.V. Metropolis Diagnostics & Health Care Center Private Limited	-	-	0.52
14)	**Loan given**			
	Subsidiaries			
	Metropolis Healthcare Mauritius Limited	-	-	49.15
	Other related parties			
	Metropolis Health Retail Products Private Limited	-	-	0.90
15)	**Repayment of loan**			
	Subsidiaries			
	Amins Pathology Laboratory Private Limited	**16.00**	12.00	83.40
	Joint Venture			
	Metropolis Health Services (South Africa) (Pty.) Ltd (upto 30 Jun 2016)	-	45.60	-
	Subsidiaries			
	Metropolis Healthcare (Chandigadh) Private Limited	-	0.25	0.60
	Metropolis Healthcare (Jodhpur) Private Limited	-	0.50	0.50

Notes to Restated Standalone Financial Information *(Continued)*
for the year ended March 31, 2018

(Rs. in million)

Annexure VI ***(Continued)***

35 Related party disclosures: *(Continued)*

B) Transactions with related parties ***(Continued)***

Particulars	For the year ended March 31, 2018	March 31, 2017	March 31, 2016 (Proforma)
16) Investments made /(sold)			
Subsidiaries			
Metropolis Healthcare (Chandigadh) Private Limited	-	0.03	-
Golwilkar Metropolis Health Services (India) Private Limited	**227.81**	-	-
Metropolis Healthcare (Jodhpur) Private Limited	**1.50**	-	-
Mulay Metropolis Healthcare Private Limited	**(13.54)**	-	-
Micron Metropolis Healthcare Private Limited	-	-	30.69
Desai Metropolis Health Services Private Limited	-	-	15.62
Joint Venture			
Metropolis Histoxpert Digital Services Private Limited (net)	**0.07**	-	-
17) Buy- back of equity shares			
Dr G S K Velu	-	-	603.20

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

	March 31, 2018	March 31, 2017	March 31, 2016 (Proforma)
1) Trade payable and other liablities			
Subsidiaries			
Golwilkar Metropolis Health Services (India) Private Limited	**5.99**	5.92	5.16
Final Diagnosis Private Limited	**4.28**	4.29	4.43
Sudharma Metropolis Health Services Private Limited	-	0.91	1.19
Sanket Metropolis Health Services (India) Private Limited	-	0.80	-
Amins Pathology Laboratory Private Limited	**5.43**	2.09	-
Desai Metropolis Health Services Private Limited	-	6.21	-
Raj Metropolis Healthcare Private Limited	-	-	0.01
Mulay Metropolis Healthcare Private Limited	-	-	0.07
Metropolis Healthcare Lanka Pvt. Ltd. (w.e.f. 1 April 2017)	**2.34**	-	-
R.V. Metropolis Diagnostics & Health Care Center Private Limited	**9.35**	-	-
Other related parties			
Metropolis Health Product Retail Private Limited	**0.19**	0.19	-
2) Trade receivables			
Subsidiaries			
Golwilkar Metropolis Health Services (India) Private Limited	**11.34**	3.01	1.38
Metropolis Star Lab Kenya Limited	**52.81**	39.68	22.73
Amins Pathology Laboratory Private Limited	-	0.82	0.10
Metropolis Bramser Lab Services (Mtius) Limited	**1.95**	5.35	1.12
Metropolis Healthcare Ghana Limited	**15.25**	12.45	6.01
Metropolis Healthcare Mauritius Limited	**14.45**	-	-
Micron Metropolis Healthcare Private Limited	**2.86**	4.75	4.33
Dr. Patel Metropolis Healthcare Private Limited	**1.70**	3.47	2.48
Desai Metropolis Health Services Private Limited	**0.42**	12.59	3.05
Mulay Metropolis Healthcare Private Limited	-	0.44	0.03
Sudharma Metropolis Health Services Private Limited	**4.04**	11.00	-
Sanket Metropolis Health Services (India) Private Limited	**24.00**	30.32	22.29
R.V. Metropolis Diagnostics & Health Care Center Private Limited	**1.40**	7.30	6.64
Metropolis Healthcare (Chandigadh) Private Limited	**9.93**	9.93	12.62
Metropolis Healthcare (Jodhpur) Private Limited	**1.49**	0.87	0.58
Lab One Metropolis Healthcare Services Private Limited	**1.23**	2.79	1.41
Ekopath Metropolis Lab Services Private Limited	-	0.32	0.35
Raj Metropolis Healthcare Private Limited	**0.82**	0.45	0.22
Bokil Golwilkar Metropolis Healthcare Private Limited	**0.23**	0.14	0.21
Metropolis Healthcare Lanka Pvt. Ltd. (w.e.f. 1st April 2017)	**11.61**	-	-

Notes to Restated Standalone Financial Information *(Continued)*
for the year ended March 31, 2018

(Rs. in million)

Annexure VI ***(Continued)***

35 Related party disclosures: *(Continued)*

C) The related party balances outstanding at year end are as follows: ***(Continued)***

		March 31, 2018	March 31, 2017	March 31, 2016 (Proforma)
2)	**Trade receivables** ***(Continued)***			
	Joint Venture			
	Metropolis Healthcare Lanka Pvt. Ltd. (Upto 31st March 2017)	**-**	13.20	8.84
	Associates			
	Star Metropolis Health Services Middle East LLC, Dubai	**59.85**	59.85	59.85
	Relatives of KMP			
	Dr. Duru Sushil Shah	**0.22**	0.22	0.29
	Other related parties			
	Metropolis Health Product Retail Private Limited	**4.11**	4.11	-
3)	**Loans and advances including interest accrued**			
	Subsidiaries			
	Sanket Metropolis Health Services (India) Private Limited	**10.61**	10.61	7.05
	Sudharma Metropolis Health Services Private Limited	-	1.60	1.96
	Metropolis Healthcare (Chandigadh) Private Limited	**6.82**	6.82	4.11
	Metropolis Healthcare (Jodhpur) Private Limited	**19.40**	18.42	13.86
	Micron Metropolis Healthcare Private Limited	**12.55**	12.76	9.65
	Amins Pathology Laboratory Private Limited	**1.60**	17.60	29.60
	Ekopath Metropolis Lab Services Private Limited	**6.40**	6.60	6.60
	Metropolis Healthcare Mauritius Limited	**100.51**	91.95	91.36
	Metropolis Star Lab Kenya Limited	**8.53**	7.61	7.62
	Metropolis Bramser Lab Services (Mtius) Limited	**-**	10.68	5.79
	Lab One Metropolis Healthcare Services Private Limited	-	0.51	-
	Metropolis Healthcare Ghana Limited	**2.81**	2.97	2.97
	Dr. Patel Metropolis Healthcare Private Limited	-	0.51	-
	R.V. Metropolis Diagnostics & Health Care Center Private Limited	**-**	0.07	-
	Raj Metropolis Healthcare Private Limited	-	0.12	-
	Desai Metropolis Health Services Private Limited	**-**	-	3.05
	Metropolis Healthcare Lanka Pvt. Ltd. (w.e.f. 1st April 2017)	**5.29**	-	-
	Joint Venture			
	Metropolis Healthcare Lanka Pvt. Ltd. (w.e.f. 1st April 2017)	-	1.10	3.44
	Metropolis Health Services (South Africa) (Pty.) Ltd (upto 30 Jun 2016)	-	-	40.44
	Associates			
	Star Metropolis Health Services Middle East LLC, Dubai	**4.23**	4.23	4.23
	Other related parties			
	Metropolis Health Product Retail Private Limited	**4.40**	4.40	7.71
4)	**Provision for dimunition in value of investments**			
	Associates			
	Star Metropolis Health Services Middle East LLC, Dubai	**12.98**	12.98	12.98
	Subsidiaries			
	Final Diagnosis Private Limited	**58.72**	58.72	58.72
	Metropolis Healthcare (Chandigarh) Private Limited	**0.10**	0.10	-
	Metropolis Healthcare (Jodhpur) Private Limited	**1.57**	-	-
	Sanket Metropolis Health Services (India) Private Limited	**27.12**	-	-

Notes to Restated Standalone Financial Information *(Continued)*

for the year ended March 31, 2018

(Rs. in million)

Annexure VI *(Continued)*

35 Related party disclosures: *(Continued)*

C) The related party balances outstanding at year end are as follows: *(Continued)*

	March 31, 2018	March 31, 2017	March 31, 2016 (Proforma)
5) Provision for doubtful trade receivables			
Subsidiaries			
Metropolis Healthcare (Chandigarh) Private Limited	**9.93**	9.93	-
Metropolis Healthcare (Jodhpur) Private Limited	**1.48**	-	-
Sanket Metropolis Health Services (India) Private Limited	**24.67**	-	-
Associates			
Star Metropolis Health Services Middle East LLC, Dubai	**59.85**	59.85	59.85
Other related parties			
Metropolis Health Product Retail Private Limited	**4.11**	4.11	-
6) Dividend Payable			
Key Management Personnel			
Ms. Ameera Sushil Shah	-	1.31	-
Dr. Sushil Kanubhai Shah	-	172.40	-
Relatives of KMP			
Dr. Duru Sushil Shah	-	15.06	-
Other related parties			
Bacchus Hospitality Services And Real Estate Private Limited	-	139.24	-
Metz Advisory LLP	-	14.27	-
7) Provision for doubtful advances			
Subsidiaries			
Metropolis Healthcare (Chandigadh) Private Limited	**6.82**	6.82	-
Metropolis Healthcare (Jodhpur) Private Limited	**14.16**	-	-
Sanket Metropolis Health Services (India) Private Limited	**3.55**	-	-
Associates			
Star Metropolis Health Services Middle East LLC, Dubai	**4.23**	4.23	4.23
Other related parties			
Metropolis Health Product Retail Private Limited	**4.40**	4.40	-
8) Provision for Doubtful loans			
Subsidiaries			
Metropolis Healthcare (Jodhpur) Private Limited	**7.05**	-	-
Sanket Metropolis Health Services (India) Private Limited	**5.24**	-	-
9) Other Payables			
Key Management Personnel	-	12.52	0.38

(Rs. in million)

Annexure VI *(Continued)*

36 Acquisition of Sanjeevani Pathology Laboratory

On 1 February 2017, the Company acquired the business undertaking of Sanjeevani Pathology Laboratory comprising of the pathology division. Sanjeevani Pathology Laboratory is engaged in the business of providing pathology services across various departments such as haematology, biochemistry histopathology, cytology, immunology, medical microbiology, serology, etc. The acquisition is in-line with the company's plan to pursue strategic tuck-in acquisitions to grow the pathology business.

For two months ended 31 March 2017, Sanjeevani Pathology Laboratory contributed revenue of Rs. 21.57 million and profit of Rs. 6.31 million to the company's results. Management estimates that if the acquisition had occurred on April 1, 2016, company's revenue and company's profit for the year would have been Rs. 3,657.79 million and Rs 827.96 million, respectively. Management has determined these amounts on the basis that the fair value adjustments, that arose on the date of acquisition would have been the similar if the acquisition had occurred on April 1, 2016.

A. Consideration transferred

The following table summarises the acquisition date fair value of major class of consideration transferred:

Particulars	Amount (Rs Million)
Cash	410.40
Deferred consideration	210.10
Total consideration for business combination	**620.50**

Deferred payment consideration

As per the business purchase agreement, upon payment of initial consideration of Rs. 410.40 million, an amount of Rs. 230 million is to be paid by the company to Dr. Kiritkumar Patel in 7 tranches starting from February 2017 to March 2021.

The deferred consideration of Rs. 230 million has been meaured at fair value (Rs. 210.10 million) on initial recognition and the difference of Rs. 19.90 million is recognised as finance cost on EIR basis over the payment tenure (Refer note 29).

B. Acquistion related costs

The Company incurred acquisition related cost of Rs. 3.03 million on legal fees and due diligence costs. These costs have been included in legal and professional fees under other expenses.

C. Identifiable assets acquired and liabilities assumed

The following table summarizes the recognised amounts of assets acquired and liabilities assumed at fair value at the date of acquisition

Particulars	Amount (Rs Million)
Property, plant and equipment	15.21
Brand	117.00
Customer relationships	31.10
Net current assets/(liability)	(2.20)
Total net identifiable assets aquired	**161.11**

Measurement of fair values

The valuation techniques used for measuring the fair value of material assets acquired were as follows:

Assets acquired	Valuation techniques
Customer relationships	Customer relationship is valued by using Multi-Period Excess Earnings Method. Accordingly, a stream of revenue and expenses, associated with a particular group of assets are identified. The prospective earnings of the single subject intangible asset are isolated from those of the group of assets by identifying and deducting portions of the total earnings that are attributable to the contributory assets to estimate the remaining or "excess earnings" attributable to the subject intangible asset.
Brand	Brand name is valued by using Relief from Royalty method. Relief from Royalty method requires determining value by reference to the hypothetical royalty payments that would be saved through owning the asset, as compared with licensing the asset from a third party.

D. Goodwill

Goodwill arising from the acquisition has been determined as follows:

Particulars	Amount (Rs Million)
Consideration transferred	620.50
Fair value of net identifiable assets	(161.11)
Goodwill	459.39

The goodwill is attributable mainly to the synergies expected to be achieved from integrating Sanjeevani Pathology Laboratory into company's existing pathology business. Goodwill recognised is deductible for income tax purpose.

Notes to Restated Standalone Financial Information *(Continued)*
for the year ended March 31, 2018

(Rs. in million)

Annexure VI ***(Continued)***

37 Contingent liabilities not provided for

	As at March 31, 2018	As at March 31, 2017	As at March 31, 2016 (Proforma)
Income tax liability disputed in appeals	**11.39**	11.39	4.19
Employee related dues	**13.85**	13.85	13.85
Service tax liability disputed as per show cause notice	**-**	-	3.36
Claims against the Company not acknowledged as debt			
- Claims by suppliers/contractors	**2.66**	0.52	0.11
- Claims pending in Consumer Dispute Redressal Forum	**0.61**	0.50	0.40
Contingent consideration on acquisition of remaining stake of subsidiary*	**75.94**	-	-
Total	**104.45**	**26.26**	**21.91**

* The Company has entered into a share purchase agreement to buy remaining 30% stake of Golwilkar Metropolis Health Services (India) Private Limited. For purchase of remaining stake, consideration to be paid as per valuation of Golwilkar has been determined to be Rs 303.75 million. However, on account of a breach of non-compete provision as per the terms of the shareholder's agreement dated October 14, 2005, the Company has filed an application before a sole arbitrator- Justice A.V. Nirgude (Retired) at Mumbai against Dr. Ajit S. Golwilkar, Dr. Awanti T. Mehendale and Dr. Vinanti N. Patankar ("Respondents"), claiming 25% of consideration determined i.e. Rs 75.94 million as damages. The matter is currently pending before the arbitrator.

38 Commitments

	As at March 31, 2018	As at March 31, 2017	As at March 31, 2016 (Proforma)
Capital commitments:			
Estimated amount of contracts remaining to be executed on capital account not provided for	**102.91**	19.27	4.29

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 Rs. 1,457.33 million (March 31, 2017: Rs. 314.32 million and March 31, 2016: Rs 488.39 million) of which annual commitment for next year is Rs. 487.12 million (March 31, 2017: Rs. 172.91 million and March 31, 2016: Rs 229.62 million) as per the terms of these arrangements.

39 Operating lease obligations

The Company has taken various commercial properties on leases for its offices, laboratories and staff accommodation. The lease expenses in current year amounts to Rs. 267.43 million (March 31, 2017: Rs. 185.65 million and March 31, 2016: Rs. 126.70 million). Future minimum rentals payable under non-cancellable operating leases are as follows:

	As at March 31, 2018	As at March 31, 2017	As at March 31, 2016 (Proforma)
Not later than one year	**31.20**	23.44	38.36
Later than one year but not later than five years	**39.94**	47.71	12.37
Total	**71.14**	71.14	50.73

Notes to Restated Standalone Financial Information *(Continued)*

for the year ended March 31, 2018

(Rs. in million)

Annexure VI *(Continued)*

40 Employee Benefits

(a) Defined benefits plan

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

Particulars	March 31, 2018	March 31, 2017	March 31, 2016 (Proforma)
A. Amount recognised in the balance sheet			
Present value of the obligation as at the end of the year	**52.60**	48.35	44.89
Fair value of plan assets as at the end of the year	**(0.66)**	(0.62)	(1.13)
Net liability recognised in the balance sheet	**51.94**	47.73	43.76
Out of which,			
Non-current portion	**26.99**	25.43	24.09
Current portion	**24.95**	22.30	19.67
B. Change in projected benefit obligation			
Projected benefit obligation at the beginning of the year	**48.35**	44.89	37.24
Current service cost	**7.49**	6.26	5.48
Past service cost	**1.02**	-	-
Interest cost	**3.31**	3.38	2.94
Actuarial loss	**0.23**	1.03	2.40
Benefits paid	**(7.80)**	(7.21)	(3.04)
Liability transferred out	-	-	(0.13)
Projected benefit obligation at the end of the year	**52.60**	48.35	44.89
C. Change in plan assets			
Fair value of plan assets at the beginning of the year	**0.62**	1.13	1.56
Expected return on plan assets (Interest inome)	**0.04**	0.09	0.12
Actuarial loss	**-**	(0.09)	(0.01)
Employer contributions	-	0.59	-
Benefits paid	-	(1.10)	(0.54)
Fair value of plan assets at the end of the year	**0.66**	0.62	1.13
D. Amount recognised in Restated Standalone statement of profit and loss			
Current service cost	**7.49**	6.26	5.48
Past service cost	**1.02**	-	-
Interest cost	**3.31**	3.38	2.94
Expected returns on plan assets	**(0.04)**	(0.09)	(0.12)
Expenses recognised in Restated Standalone statement of profit and loss	**11.78**	9.55	8.30
E. Amount recognised in other comprehensive income			
Actuarial (gain)/loss on Defined benefit obligation	**0.23**	1.03	2.40
Acturial gain/loss on Plan assets	**-**	0.09	0.01
	0.23	1.12	2.41
F. Plan Assets include the following:			
1. Insurance funds			
G. Assumptions used			
Discount rate	**7.35%**	6.85%	7.54%
Long-term rate of compensation increase	**7.50%**	7.50%	7.50%
Rate of return on plan assets	**7.35%**	6.85%	7.54%
Attrition rate	**20.00%**	20.00%	20.00%
Mortality Rate	**Indian Assured Lives Mortality (2006-08)**	Indian Assured Lives Mortality (2006-08)	Indian Assured Lives Mortality (2006-08)

The weighted average duration of the defined benefit obligation is 5 years (31 March, 2017: 5 years and 31 March, 2016: 5 years).

(Rs. in million)

Annexure VI *(Continued)*

40 Employee Benefits *(Continued)*

(a) Defined benefits plan *(Continued)*

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.

	March 31, 2018		March 31, 2017		March 31, 2016 (Proforma)	
	Increase	Decrease	Increase	Decrease	Increase	Decrease
Discount rate (1% movement)	(1.91)	2.08	(1.76)	1.92	(1.55)	1.69
Future salary growth (1% movement)	1.98	(1.86)	1.89	(1.77)	1.69	(1.57)
Employee Turnover (1% movement)	(0.25)	0.26	(0.26)	0.27	(0.15)	0.16

I. Expected future cash flows

Particulars	Less than a year	Between 1-2 years	Between 2-5 years	Over 5 years	Total
March 31, 2018					
Defined benefit obligations (Gratuity)	**9.19**	**8.40**	**21.04**	**21.02**	**59.64**
Total	**9.19**	**8.40**	**21.04**	**21.02**	**59.64**
March 31, 2017					
Defined benefit obligations (Gratuity)	9.40	7.25	18.60	18.17	53.42
Total	9.40	7.25	18.60	18.17	53.42
March 31, 2016 (Proforma)					
Defined benefit obligations (Gratuity)	9.58	7.15	17.40	28.84	62.97
Total	9.58	7.15	17.40	28.84	62.97

(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 Rs. 48.20 million (March 31, 2017: Rs. 39.53 million and March 31, 2016: Rs. 34.89 million)

(c) Employee Stock Option Schemes

Description of share-based payment arrangements:
As at 31 March 2018, 31 March 2017 and 31 March 2016, the 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 & Remuneration Committee. All the options which were granted under this scheme are vested as of 31st March 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 (April 1, 2016). 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 & Remuneration Committee.

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

- Existing employees (person who is in continuous employment with the Company since 1st January, 2016 or prior thereto) shall vest at the rate of 50% of Grant on 1st January 2018, 25% of Grant on 1st January 2019 and 25% of Grant on 1st January 2020.
- New employees (person who is in continuous employment with the Company after 01st 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.

Notes to Restated Standalone Financial Information *(Continued)*

for the year ended March 31, 2018

(Rs. in million)

Annexure VI ***(Continued)***

40 Employee Benefits *(Continued)*

(c) Employee Stock Option Schemes ***(Continued)***

Grant date / employees entitled	Number of instruments	Vesting conditons	Contractual life of options
MESOS 2007 - Option granted to eligible employees on 1 October 2007	127,315	For the Options to vest, the Grantee has to be in employment of the Metropolis Group on the date of the vesting.	The exercise period for Options vested will be two years from date of vesting subject to shares of the company are listed at the time of exercise. In case of exercise period expires prior to date of listing, options can be exercised immediately but in no event later than 3 months from the date on which shares are listed
MESOS 2015 - Option granted to eligible employees on 25 April 2016	27,800	For the Options to vest, the Grantee has to be in employment of the Metropolis Group on the date of the vesting.	The exercise period for Options vested will begin on earlier of (a) Listing of Company shares on an Indian Stock Exchange or (b) during the exercise window to be specified individually by Nomination & Remuneration Committee of the Company.
MESOS 2015 - Option granted to eligible employees on 16 October 2017	185,550	For the Options to vest, the Grantee has to be in employment of the Metropolis Group on the date of the vesting.	The exercise period for Options vested will begin on earlier of (a) Listing of Company shares on an Indian Stock Exchange or (b) during the exercise window to be specified individually by Nomination & Remuneration Committee of the Company.

Reconciliation of Outstanding share options

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

MESOS 2007#

	March 31, 2018		March 31, 2017		March 31, 2016 (Proforma)	
	Weighted average exercise price	Number of options	Weighted average exercise price	Number of options	Weighted average exercise price	Number of options
Outstanding at the beginning of the year	100	65,875	100	65,875	100	127,315
Granted during the year	100	-	100	-	100	-
Exercised during the year	100	-	100	-	100	-
Lapsed/ forfeited /surrendered	100	23,200	100	-	100	61,440
Outstanding at the end of the year	100	42,675	100	65,875	100	65,875
Exercisable at the end of the year	100	-	100	-	100	-

Subsequent event - MESOP 2007 scheme: Out of 42,675 options outstanding as on March 31 2018, 32,800 options were exercised by the employees (including ex-employees) and remaining 9,875 options have been surrender by employees (including ex-employees) (pre bonus and split issue).

MESOS 2015

	March 31, 2018		March 31, 2017	
	Weighted average exercise price	Number of options	Weighted average exercise price	Number of options
Outstanding at the beginning of the year	3,670	27,800	3,670	-
Granted during the year	3,670	185,550	3,670	27,800
Exercised during the year	3,670	-	3,670	-
Lapsed/ forfeited /surrendered	3,670	5,580	3,670	-
Outstanding at the end of the year	3,670	207,770	3,670	27,800
Exercisable at the end of the year	3,670	-	3,670	-

Impact of bonus shares and split of shares subsequent to March 31, 2018 (Refer Annexure VI, Note 48)

	March 31, 2018
Oustanding at the end of the year	**207,770**
Granted due to bonus isssue	**8,310**
Granted due to split of shares	**864,320**
Outstanding after issue of bonus and share split	**1,080,400**
Exercise price due to above mentioned events (Amount in Rs)	**705.77**

(Rs. in million)

Annexure VI *(Continued)*

40 Employee Benefits *(Continued)*

(c) Employee Stock Option Schemes *(Continued)*

Measurement of Fair value

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

	MESOS 2015		Description of inputs used
	March 31, 2018	March 31, 2017	
Fair value at grant date (Rs.)	142.80	66.00	
Share price at grant date (Rs.)	2910.00	2289.00	
Exercise price (Rs.)	3670.00	3670.00	
Expected volatility (Weighted average volatility)	16.04%	16.70%	Expected volatility of the option is based on historical volatility, during a period equivalent to the option life
Expected life (expected weighted average life)	1.64 years	4.05 years	
Expected dividends	3%	3%	Dividend yield of the options is based on recent dividend activity.
Risk-free interest rates (Based on government bonds)	6.35%	7.42%	Risk-free interest rates are based on the government securities yield in effect at the time of the grant.

MESOS 2007

The options outstanding at 31 March 2018 have an exercise price of Rs. 100 (March 31, 2017: Rs. 100 and March 31, 2016: 100) and a weighted average remaining contractual life of 1 year (March 31, 2017: 2 years and March 31, 2016: 3 years)

MESOS 2015

The options outstanding at March 31, 2018 have an exercise price of Rs. 3,670 (31 March 2017: Rs. 3,670) and a weighted average remaining contractual life of 1 to 3 year (31 March 2017: 2 to 4 years).

The expense arising from MESOS 2015 scheme during the year is Rs. 16.60 million (March 31, 2017: Rs. 0.43 million).

(Rs. in million)

Annexure VI *(Continued)*

41 Segment reporting

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

42 Corporate Social Responsibility

The Company has spent Rs. 6.41 million (March 31, 2017: Rs 1.27 million and March 31, 2016: Rs. Nil) towards various schemes of Corporate Social Responsibility as prescribed under section 135 of the Companies Act, 2013. The details are

a) Gross amount required to be spent by the Company during the year is Rs. 16.81 million (March 31, 2017: Rs. 13.96 million and March 31, 2016: 12.53 million)

b) Amount spent during the year on;

	In Cash	Yet to be paid in Cash	Total
March 31, 2018			
Construction / acquisition of any asset	-	-	-
On purposes other than (i) above	**6.41**	-	**6.41**
March 31, 2017			
Construction / acquisition of any asset	-	-	-
On purposes other than (i) above	1.27	-	1.27
March 31, 2016 (Proforma)			
Construction / acquisition of any asset	-	-	-
On purposes other than (i) above	Nil	-	Nil

43 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:

Particulars	March 31, 2018	March 31, 2017	March 31, 2016
Golwilkar Metropolis Health Services (India) Private Limited	**227.81**	-	-
Metropolis Healthcare (Jodhpur) Private Limited	**1.50**	-	-
Metropolis Histoxpert Digital Services Private Limited *	**0.10**	-	-
Metropolis Healthcare (Chandigarh) Private Limited	-	0.03	-
Desai Metropolis Health Services Private Limited	-	-	15.62
Micron Metropolis Healthcare Private Limited	-	-	30.69
Total	**229.41**	0.03	46.31

* Investment of Rs 0.35 million sold off during the year

44 Investment and receivable from Star Metropolis Health Services Middle East LLC:

As at 31 March 2018, the Company has an investment of Rs. 12.98 million (31 March 2017 and 31 March 2016: Rs. 12.98 million) and receivable of Rs. 64.09 million (31 March 2017 and 31 March 2016: Rs. 64.09 million) from Star Metropolis Health Services Middle East LLC ('Star Metropolis'), an associate of the Company. Due to non availability of finanical 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.

45 Sale of Investment:

During the year 2018, the Company sold its investments in Mulay Metropolis Healthcare Private Limited, for aggregate consideration of Rs. 6.22 million. Loss on disposal of said investment aggregating to Rs. 7.33 million has been recorded as other expenses (Refer Note 31)

(Rs. in million)

Annexure VI ***(Continued)***

46 Share warrants:

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, Rs. 0.02 million 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 Rs 2,597/- is convertible into 8,703 equity or 11,778 shares of face value of Rs 10 depending on the occurrence of qualifying merger up to 31st March 2016.

Since, as on 31st 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 Rs. 2,597/- is convertible into 8,703 equity shares of face value of Rs 10.

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

47 Transfer Pricing

The Company's management is of the opinion that its international and domestic transactions are at arm's length as per the independent accountants report for the year ended 31 March 2018. Management continues to believe that its international transactions post March 2018 and the specified domestic transactions are at arm's length and that the transfer pricing legislation will not have any impact on these financial statements, particularly on amount of tax expense and that of provision of taxation.

48 Subsequent events:

(i) The Board of Directors of the Company at its meeting held on March 16, 2018 and shareholders a per the direction of National Company Law Board, Mumbai bench vide special resolution of members May 25, 2018 approved the scheme of amalgamation ("Scheme") for amalgamation of Bacchus Hospitality Services and Real Estate Private Limited, Metropolis Healthcare (Chandigarh) Private Limited, Metropolis Healthcare (Jodhpur) Private Limited, Sanket Metropolis Health Services (India) Private Limited and Golwilkar Metropolis Health Services (India) Private Limited ("the transferor Company") with Metropolis Healthcare Limited ("transferee Company") pursuant to provisions of Section 230 to 232 and other applicable provisions of Companies Act, 2013 with Hon'ble National Company Law Tribunal (NCLT). The appointed date for scheme of amalgamation is April 1, 2018. The said Scheme has been sanctioned by the Hon'ble NCLT, Mumbai Bench vide its order dated August 31, 2018.

(ii) Allotment of 8703 equity shares of Rs 10 each was made on September 8, 2018 upon exercise of option for conversion of warrants into equity shares at a price of Rs 2,597/- per share, subsequent to balance sheet date but before bonus and split issue.

(iii) 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 Rs. 10/- (Rupees ten) each to equity shares of Rs. 2/- (Rupees two) each. The revised authorised share capital of the Company now stands at 295,754,015 equity shares of Rs 2/- each.

(iv) Exercise of ESOP 2007 scheme: Out of 42,675 options outstanding as on March 31 2018, 32,800 options were exercised by the employees (including ex-employees) and remaining 9,875 options have been surrender by employees (including ex-employees) (pre bonus and split issue).

49 Specified Bank Notes

During the year 2017, the Company had specified bank notes or other denomination note as defined in the MCA notification G.S.R. 308(E) dated March 30, 2017 on the details of Specified Bank Notes (SBN) held and transacted during the period from November 8, 2016 to December, 30 2016, the denomination wise SBNs and other notes as per the notification is given below:

Particulars	**SBNs**	**Other Denomination**	**Total**
Closing cash in hand as on November 8, 2016	**23.07**	0.02	23.09
(+) Permitted receipts	-	51.97	51.97
(-) Permitted payments	-	(3.09)	(3.09)
(-) Amount deposited in Banks	(23.07)	(38.15)	(61.22)
Closing cash in hand as on December 30, 2016	**-**	**10.75**	**10.75**

* For the purposes of this clause, the term 'Specified Bank Notes' shall have the same meaning provided in the notification of the Government of India, in the Ministry of Finance, Department of Economic Affairs number S.O. 3407(E), dated the 8th November, 2016.

(Rs. in million)

Annexure VI *(Continued)*

50 First-time adoption of Ind AS

Explanation of transition to Ind AS:

The financial statements for the year ended March 2018 are the Company's first financial statements prepared in accordance with Ind AS.

The accounting policies set out in Annexure (V) Note 2 have been applied in preparing the financial statements for the year ended March 31, 2018, the comparative information presented in these financial statements for the year ended March 31, 2017 and in the preparation of an opening Ind AS balance sheet at April 1, 2016 (the date of transition). In preparing its opening Ind AS balance sheet, the Company has adjusted the amounts reported previously in financial statements prepared in accordance with the accounting standards notified under Section 133 of the Act read with Rule 7 of the Companies (Accounts) Rules, 2014 and read with Companies (Accountmg Standard) Amendment Rules, 2016 and other relevant provisions of the Act ('Previous GAAP' or 'Indian GAAP').

An explanation of how the transition from Previous GAAP to Ind AS has affected the financial performance, cash flows and financial position is set out in the following tables and the notes that accompany the tables.

Optional exemptions availed and mandatory exceptions

In preparing the first Ind AS financial statements, the Company has applied the below mentioned optional exemptions and mandatory exceptions.

A. Optional exemptions availed

1. Property, plant and equipment and Intangible assets

The Company has availed the exemption available under Ind AS 101 to continue the carrying value for all of its property, plant and equipment and intangibles as recognised in the financial statements as at the date of transition to Ind AS, measured as per the previous GAAP and use that as its deemed cost as at the date of transition (April 1, 2016).

2. Deemed cost for investment in Subsidiary, Joint Ventures and Associates

The Company has elected to continue with the carrying value of its investments in subsidiaries, joint ventures and associates as recognised in the financial statements as at the date of transition to Ind AS (April 1, 2016). Accordingly, the Company has measured all its investments in subsidiaries, joint ventures and associates at their previous GAAP carrying value.

3. Business Combination

Ind AS 101 provides the option to apply Ind AS 103 prospectively from the transition date or from a specific date prior to the transition date. This provides relief from full retrospective application that would require restatement of all business combinations prior to the transition date.

The Company has elected to apply Ind AS 103 prospectively to business combinations occurring after its transition date (April 1, 2016). Business combinations occurring prior to the transition date have not been restated.

4. Share based payments

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.

B. Mandatory Exceptions

1. Estimates

On assessment of the estimates made under the previous GAAP financial statements, the Company has concluded that there is no necessity to revise the estimates under Ind AS, as there is no objective evidence of an error in those estimates. However, estimates that were required under Ind AS but not required under previous GAAP are made by the Company for the relevant reporting dates reflecting conditions existing as at that date. Key estimates considered in preparation of the financial statements that were not required under the previous GAAP are listed below:

- Fair valuation of financial instruments carried at fair value
- Determination of the discounted value for financial instruments carried at amortised cost.
- Impairment of financial assets based on the expected credit loss model.

(Rs. in million)

Annexure VI *(Continued)*

50 First-time adoption of Ind AS *(Continued)*

B. Mandatory Exceptions *(Continued)*

2. Classification and measurement of financial assets

Ind AS 101 requires an entity to assess the classification of financial assets on the basis of facts and circumstances existing as on the date of transition. Further, the standard permits measurement of financial assets accounted at amortized cost based on facts and circumstances existing at the date of transition if retrospective application is impracticable. Accordingly, the Company has determined the classification of financial assets based on facts and circumstances that exist on the date of transition

3. Derecognition of financial assets and financial liabilities

As per Ind-AS 101, an entity should apply the de-recognition requirements in Ind-AS 109, Financial Instruments, prospectively for transactions occurring on or after the date of transition to Ind-AS. The Company has elected to apply the de-recognition requirements for financial assets and financial liabilities in Ind AS 109 prospectively for transactions occurring on or after the date of transition to Ind AS.

(Rs. in million)

Annexure VI *(Continued)*

50 First-time adoption of Ind AS *(Continued)*

C. Reconciliation of net worth as at March 31, 2017 and April 1,2016

Particulars	Footnote ref.	As on 31 March 2017	As on April 1, 2016 (Date of transition)
Net worth under Previous GAAP		2,486.63	2,200.52
Ind AS adjustments			
Fair valuation of investment in mutual funds classified as FVTPL	**1**	46.07	132.07
Fair valuation of derivatives	**2**	161.22	149.10
Financial assets measured at amortised cost	**3**	(0.15)	(0.19)
Fair Valation of Business Combination	**4**	2.12	-
Prior period expenses	**7**	-	(12.21)
Fully convertible share warrants (refer note 46)	**9**	0.02	0.02
Deferred tax on Ind AS adjustments	**10**	(43.08)	(71.24)
Total Ind AS adjustments		166.19	197.55
Net worth under Ind AS		2,652.82	2,398.07
Total restatement adjustments	**Annexure VII**	14.68	
Total Net worth as per restated financial information		2,667.50	

D. Reconciliation of Comprehensive income:

Particulars	Footnote ref.	For the year ended 31 March 2017
Profit for the year under Previous GAAP		866.25
Ind AS adjustments		
Fair valuation of investment in mutual funds classified as FVTPL	**1**	(86.00)
Fair valuation of derivatives	**2**	12.12
Interest income and expense measured at amortised cost	**3**	0.04
Fair valuation of business combination	**4**	2.12
Exchange fluctuation on long-term loans given to non-integral foreign operations	**5**	6.44
Share based payments	**6**	(0.43)
Prior period expenses	**7**	12.21
Remeasurements of the defined benefit plans reclassified to OCI	**8**	0.73
Deferred tax on Ind AS adjustments	**10**	28.14
Total Ind AS adjustments		**(24.63)**
Profit for the year under Ind AS		**841.62**
Other comprehensive income (net of tax)	**8**	(0.73)
Total comprehensive Income as reported under IND AS		**840.89**
Total restatement adjustments	**Annexure VII**	(48.73)
Total restated comprehensive Income		**792.16**

Notes to the Ind AS reconciliation:

1. Fair valuation of investment in mutual funds classified as FVTPL
Under previous GAAP, investment in Mutual funds are classified as current investments and were carried at lower of cost or fair value. Under Ind AS, the Company has designated such investments as fair value through profit and loss (FVTPL) , which are measured at fair value. On the transition date, these financial assets have been measured at their fair value which is higher than its cost as per previous GAAP, resulting in an increase in carrying value of the investments with corresponding increase being recognised in equity.

2. Fair valuation of derivatives
The Company has call option on shares held by non controlling interests, which gives the company right to buy such shares in future from non controlling interests as per the agreed terms. Under Ind AS, such call options are derivative instruments and are to be measured at fair value with changes to be recognised in the profit and loss account. On the transition date, these derivatives have been measured at their fair value, resulting in an increase in asset with corresponding increase being recognised in equity.

(Rs. in million)

Annexure VI *(Continued)*

50 First-time adoption of Ind AS *(Continued)*

D. Reconciliation of Comprehensive income: *(Continued)*

Notes to the Ind AS reconciliation: *(Continued)*

3. Financial assets measured at amortised cost
Under previous GAAP, interest free refundable lease security deposits are recorded at their transaction value. Under Ind AS, all financial assets are required to be recognised at fair value. On the date of initial recognition, the difference between the transaction amount and the fair value has been recognised as prepaid rent. The security deposits have been subsequently amortised under effective interest rate method and the prepaid rent on a straight line basis over the term of the lease. This has resulted an impact on retained earnings on the date of transition and in profit and loss account for year ending 2017.

4. Fair valuation of Business Combination (Acquisition of business during the previous year)
The Company has elected to apply Ind AS 103 prospectively to business combinations occurring after its transition date. During the previous year 2016-17, the Group acquired business of Sanjeevani Pathology Laboratory. Under previous GAAP, assets and liabilities acquired in a business combination are recognised at the acquiree's carrying value. Under Ind AS, the acquirees identifiable assets, liabilities and consideration to be paid are recognised at fair value on the date of acquisition.

Accordingly, Intangible assets, fair value of deferred consideration and deferred tax assets/ liabilities in relation to business combinations which were included within goodwill under previous GAAP, have been recognised separately under Ind AS with corresponding adjustments to Goodwill.

Amortisation of Goodwill: Under previous GAAP, goodwill is amortised on a straight line basis over 10 years; whereas under Ind AS goodwill is not subject to amortisation but it is tested only for impairment. Under Ind AS, reversal of amortisation of goodwill under previous gaap has been recognised in equity.

Acquisition related cost expensed off: Under Previous GAAP, acquisition related cost are treated as capital cost and included in the value of Goodwill. However, under Ind AS 103 acquisition-related costs are expensed off in the periods in which the costs are incurred.

5. Exchange fluctuation on long-term loans given to non-integral foreign operations
Under previous GAAP, exchange differences arising on translation of foreign currency loan given to joint venture were recognized in foreign currency translation reserve (FCTR). On disposal of investment, such exchange difference is recognised in profit or loss. Whereas, as per Ind AS, exchange difference on such monetary item shall be recognised in profit or loss.

6. Employee share based payment
Under Previous GAAP, the cost of equity-settled employee share based payments was recognised based on intrinsic value of the options as at the grant date over the appropriate vesting period. Ind AS requires expense on such share based payments to be recognised based on fair value as at grant date using an appropriate pricing model over the appropriate vesting period.

7. Prior period expenses
Prior period expense comprises of employee related dues for the period 2015-16. Under Ind AS, such prior period expense is adjusted in the respective period to which it pertains.

8. Remeasurements of the defined benefit plans reclassified to OCI
Under Previous GAAP, the Company recognised remeasurement of defined benefit plans under Profit or Loss. Under Ind AS, remeasurement of defined benefit plans are recognised in Other Comprehensive Income.

9. Equity component of share warrants
Under Previous GAAP, money received against issue of share warrant is classified as liability. On the date of transition, share warrants issued will be converted into fixed number of equity shares at a predetemined fixed price in future as per the agreed terms of exercise. Under Ind AS, share warrants will meet the definition of an equity instrument, hence, money received on issue is classified as equity.

10. Deferred Tax on Ind AS adjustments
Under Previous GAAP, deferred taxes were recognized for the tax effect of timing differences between accounting profit and taxable profit for the year using the income statement approach. Under Ind AS, deferred taxes are recognized using the balance sheet for future tax consequences of temporary differences between the carrying value of assets and liabilities and their respective tax bases. The above difference, together with the consequential tax impact of the other Ind AS transitional adjustments lead to temporary differences. Deferred tax adjustments are recognized in correlation to the underlying transaction either in retained earnings or through other comprehensive income.

11. Cash flow statement
There were no material differences between the restated standalone statement of cash flows and cash flow statement under previous GAAP.

(Rs. in million)

Annexure VI *(Continued)*

50 First-time adoption of Ind AS *(Continued)*

E. Reconciliation of Proforma Retained Earnings as at April 1, 2015

The Proforma Standalone Financial Information of the Company as at and for the year ended March 31, 2016, is prepared in accordance with requirements of SEBI Circular SEBI/HO/CFD/DIL/CIR/P/2016/47 dated March 31, 2016 ("SEBI Circular"). As envisaged by the SEBI Circular, the Company has followed the same accounting policy choices (both mandatory exceptions and optional exemptions availed as per Ind AS 101) as initially adopted on its Ind AS transition date (i.e. April 1, 2016) while preparing the standalone proforma financial information for the FY 2015-16 and accordingly suitable restatement adjustments in the accounting heads have been made in the standalone proforma financial information.

This standalone proforma Ind AS financial information has been prepared by making Ind AS adjustments to the audited Indian GAAP standalone financial statements as at and for the year ended March 31, 2016 as described in this Note. The impact of Ind AS 101 on the equity under Indian GAAP as at April 1, 2015 and March 31, 2016 and the impact on the profit or loss for the year ended March 31, 2016 due to the Ind- AS principles applied on proforma basis can be explained as under:

Reconciliation of networth as on the opening date of Ind AS standalone proforma financial statement i.e. April 1, 2015 and for the year ended March 31, 2016:

Particulars	Footnote ref.	As at 31 March 2016 (Proforma)	As at April 1, 2015 (Proforma)
Net worth under previous GAAP		2,200.52	3,060.71
Proforma Ind AS adjustments			
Fair valuation of investment in mutual funds classified as FVTPL	1	132.07	188.79
Fair valuation of derivatives	2	198.55	222.15
Financial assets measured at amortised cost	3	(0.19)	(0.16)
Prior period expenses	5	(12.21)	-
Deferred tax on Ind AS adjustments	7	(81.12)	(109.72)
Total proforma Ind AS adjustments		237.10	301.06
Net worth as per proforma Ind AS financial statements		2,437.62	3,361.77
Total restatement adjustments	Annexure VII	63.27	1.34
Total Net worth as per restated proforma Ind AS financial statements		2,500.89	3,363.11

F. Reconciliation of Comprehensive income for the year ended on March 31, 2016

Particulars	Footnote ref.	For the year ended 31 March 2016 (Proforma)
Profit for the year under Previous GAAP		777.98
Proforma Ind AS adjustments		
Fair valuation of investment in mutual funds classified as FVTPL	1	(56.72)
Fair valuation of derivatives	2	(23.59)
Interest income and expense measured at amortised cost	3	(0.03)
Exchange fluctuation on long-term loans given to non-integral foreign operations	4	(4.84)
Prior period expenses	5	(12.21)
Remeasurements of the defined benefit plans reclassified to OCI	6	1.58
Deferred tax on Ind AS adjustments	7	28.60
Total proforma Ind AS adjustments		(67.21)
Profit under proforma Ind AS		710.77
Other comprehensive income (net of tax)	6	(1.58)
Total Comprehensive income under proforma Ind AS		709.19
Total restatement adjustments	Annexure VII	62.07
Restated total comprehensive Income		771.26

(Rs. in million)

Annexure VI *(Continued)*

50 First-time adoption of Ind AS *(Continued)*

F. Reconciliation of Comprehensive income for the year ended on March 31, 2016 *(Continued)*

Notes to the reconciliation:

1. Fair valuation of investment in mutual funds classified as FVTPL
Under previous GAAP, investment in Mutual funds are classified as current investments and were carried at lower of cost or fair value. Under Ind AS, the Company has designated such investments as FVTPL , which are measured at fair value. The resulting fair value changes of these investments have been recognised in retained earnings as at April 1, 2015 and subsequently in the profit and loss for the year ended March 31, 2016.

2. Fair valuation of derivatives
The Company has call option on shares held by non controlling interests, which gives the company right to buy such shares in future from non controlling interests as per the agreed terms. Under Ind AS, such call options are derivative instruments and are to be measured at fair value with changes to be recognised in the profit and loss account. On April 1, 2015, these derivatives have been measured at their fair value, resulting in an increase in asset with corresponding increase being recognised in equity. Subsequent changes in fair value of these derivatives are recognised in the profit and loss for the year ended March 31, 2016.

3. Financial assets measured at amortised cost
Under previous GAAP, interest free refundable lease security deposits are recorded at their transaction value. Under Ind AS, all financial assets are required to be recognised at fair value. On the date of initial recognition, the difference between the transaction amount and the fair value has been recognised as prepaid rent. The security deposits have been subsequently amortised under effective interest rate method and the prepaid rent on a straight line basis over the term of the lease. This has resulted an impact on retained earnings on April 1, 2015 and in profit and loss account for year ending 2016.

4. Exchange fluctuation on long-term loans given to non-integral foreign operations
Under previous GAAP, exchange differences arising on translation of foreign currency loan given to joint venture were recognized in foreign currency translation reserve (FCTR). On disposal of investment, such exchange difference is recognised in profit or loss. Whereas, as per Ind AS, exchange difference on such monetary item shall be recognised in profit or loss. This has resulted an impact in profit and loss account for year ending 2016.

5. Prior period expenses
Prior period expense comprises of employee related dues for the period 2015-16. Under Ind AS, such prior period expense is adjusted in the respective period to which it pertains

6. Remeasurements of the defined benefit plans reclassified to OCI
Under Previous GAAP, the Company recognised remeasurement of defined benefit plans under Profit or Loss. Under Ind AS, remeasurement of defined benefit plans are recognised in Other Comprehensive Income.

7. Deferred Tax on Ind AS adjustments
Under Previous GAAP, deferred taxes were recognized for the tax effect of timing differences between accounting profit and taxable profit for the year using the income statement approach. Under Ind AS, deferred taxes are recognized using the balance sheet for future tax consequences of temporary differences between the carrying value of assets and liabilities and their respective tax bases. The above difference, together with the consequential tax impact of the other Ind AS transitional adjustments lead to temporary differences. Deferred tax adjustments are recognized in correlation to the underlying transaction either in retained earnings \ Profit or Loss or through other comprehensive income.

G. Reconciliation of networth as per Proforma Ind AS financial statements as on March 31, 2016 and Ind AS financial statement as on April 1, 2016 i.e. the transition date:

Particulars	Footnote ref.	Amount
Total Net worth as on March 31, 2016 (Proforma) before restatement adjustments		2,437.62
Fair valuation of derivatives	(i)	(49.45)
Deferred tax on above adjustments	(i)	9.88
Share warrants	(ii)	0.02
Total other equity under Ind AS - As at April 1, 2016 - Date of transition		2,398.07

(Rs. in million)

Annexure VI ***(Continued)***

50 First-time adoption of Ind AS *(Continued)*

G. Reconciliation of networth as per Proforma Ind AS financial statements as on March 31, 2016 and Ind AS financial statement as on April 1, 2016 i.e. the transition date: *(Continued)*

Notes to the proforma reconciliation:

(i) Fair valuation of derivatives

The Company has call option on shares held by non-controlling interests, which gives the company right to buy such shares in future from non-controlling interests as per the agreed terms.

Under Ind AS, as on the opening date of proforma financials i.e. April 1, 2015, such call options are measured at fair value resulting in an increase in asset with corresponding increase in equity. Further, during the proforma period 2015-16, the company has exercised call options held in Desai Metropolis Health Services Private Limited and Micron Metropolis Healthcare Private Limited by acquiring shares from non-controlling interests, thereby increasing the value of investment to the extent of call option recognised.

However, as on transition date to Ind AS, only unexercised/outstanding call options are measured at fair value. Thus, leading to a difference in the value of call option, non-current investments and deferred tax thereon as on the transition date i.e. April 1, 2016 and as at March 31, 2016 i.e. Ind AS proforma financial statements.

(ii) Share warrants

As per the terms of share warrants as on March 31, 2016, share warrants issued were converted into variable number of shares at a fixed price at future date. Under Ind AS, as on March 31, 2016 money received against issue of share warrant is classified as liability. However, as on date of transition (April 1, 2016), terms of share warrants were modified. As per the revised terms, Share warrants issued will now be converted into fixed number of equity shares at a predetermined fixed price in future as per the agreed terms of exercise. Under Ind AS, this meets the definition of an equity instrument. Hence, money received on issue is classified as equity.

Statement on adjustments to the audited Standalone Financial Statements
for the year ended March 31, 2018

(Rs. in million)

Annexure - VII

Statement on adjustments to the audited Standalone Financial Statements

Summarised below are the restatement adjustments made to the audited standalone financial statements for the years ended March 31, 2018, March 31, 2017 and March 31, 2016 (Proforma) and their impact on the profit / (loss) of the Company:

Particulars	**March 31, 2018**	**March 31, 2017**	**March 31, 2016 (Proforma)**
Total comprehensive income before restatement adjustments	**851.17**	840.89	709.19
Add/ (Less) Adjustments:			
A. Material Restatement Adjustments			
(a) Provision no longer required written back	**-**	(28.09)	-
(b) Sundry balances written back	**(21.46)**	(31.92)	11.03
(c) Tax relating to earlier years	**(0.65)**	(14.74)	-
(d) Exceptional items	**-**	-	77.07
(e) Service tax liability relataing to earlier year	**-**	8.03	(2.29)
	(22.11)	(66.72)	85.81
B. Deferred Tax adjustments	**7.43**	17.99	(23.74)
Total impact due to restatement (A+B)	**(14.68)**	(48.73)	62.07
Profit after Restatement Adjustments	**836.49**	792.16	771.26

Statement on adjustments to the audited Standalone Financial Statements *(Continued)*
for the year ended March 31, 2018

(Rs. in million)

Annexure - VII

Statement on adjustment to the audited Standalone Financial Statements

Notes to material restatement adjustments:

A. **Provisions written back:** During the year ended March 31, 2017, the Company had written back certain provisions created before April 1, 2015. Such provision write back has been accordingly adjusted in the opening retained earnings as on April 1, 2015.

B. **Sundry balances written back:** During the year ended March 31, 2018, March 31, 2017 and March 31, 2016, the Company had written back sundry balances created in earlier years. All such write backs have been adjusted in the year to which they pertain.

C. **Tax relating to earlier years:** During the year ended March 31, 2018 and March 31, 2017 the Company has accounted for tax pertaining to earlier years based on return of income and / or intimations/ orders received from Income-tax authorities. For the purpose of these statements, such items have been appropriately adjusted to the respective years to which they relate.

D. **Exceptional Items**: As at 31 March 2016, the Company had an investment of Rs. 12.98 million and receivable of Rs. 64.09 million from Star Metropolis Health Services Middle East LLC ('Star Metropolis'), an associate company. Considering the financial position, expected performance and information available, the company has made a provision for doubtful debts, advances and for dimunition in the value of investment during the year ended March 31, 2016,which were classified as an exceptional item. Such provisions recognised as an exceptional item have been adjusted in the year to which they pertain and according recognised in the opening retained earnings as on April 1, 2015.

E. **Service tax relating to earlier years:** During the year ended March 31, 2017 the Company has accounted for service tax liability pertaining to earlier years based on assessment received from Service tax authorities. For the purpose of these statements, such items have been appropriately adjusted to the respective years to which they relate.

F. **Deferred tax adjustment:**
The tax rate applicable for the respective periods/ years has been used to calculate the consequent deferred tax impact on other material adjustments detailed above.

G. **Material regroupings**: Appropriate adjustments have been made in the restated standalone statements of assets and liabilities, restated standalone statement of profit and loss and restated standalone cash flows, wherever required, by a reclassification of the corresponding items of income, expenses, assets, liabilities and cash flows in order to bring them in line with the groupings as per the audited financials of the Company as at March 31, 2018, prepared in accordance with Schedule III of Companies Act 2013 and the requirements of the Securities and Exchange Board of India (Issue of Capital & Disclosure Requirements) Regulations, 2009 (as amended).

Summarized below are the restatement adjustments made to the total equity as on April 1, 2015:

Particulars		**April 1, 2015 (Proforma)**
Total equity before Restatement Adjustments and after IND AS Adjustments		3,361.77
Add/ (Less) Adjustments:		
I. Material Restatement Adjustments		
Provision no longer required written back	A	28.09
Sundry balances written back	B	42.35
Income Tax relating to earlier years	C	15.39
Exceptional Items	D	(77.07)
Service tax liability relataing to earlier year	E	(5.74)
Total impact of restatement adjustments		**3.02**
II. Deferred Tax adjustments	F	(1.68)
Total impact due to restatement		**1.34**
Total Equity after Restatement Adjustments		**3,363.12**

Metropolis Healthcare Limited

Restated Standalone Statement of Accounting Ratios

for the year ended March 31, 2018

(Rs. in million)

Annexure- VIII

Restated Standalone Statement of Accounting Ratios

[I] Statement of Accounting Ratios (after bonus and split of shares)

	Particulars	For the year ended **March 31, 2018**	March 31, 2017	March 31, 2016 (Proforma)
A	Profit available to equity shareholders (Rs. in million)	836.61	792.89	772.84
B	Weighted average number of equity shares outstanding during the year	49,626,960	49,626,960	50,360,045
C	Weighted average number of dilutive potential equity shares outstanding during the year	49,908,925	49,954,545	50,724,790
D	Net worth attributable to equity shareholders (Rs in million)	3,520.59	2,667.50	2,500.89
E	Number of equity shares outstanding at the end of the year	49,626,960	49,626,960	49,626,960
F	Accounting ratios			
	Basic Earning per share (A)/(B)	16.86	15.98	15.35
	Diluted Earning per share (A)/(C)	16.76	15.87	15.24
	Return on Net worth for Equity shareholders (A)/(D)	23.76%	29.72%	30.90%
	Net Asset value per share (D)/(E)	70.94	53.75	50.39

Notes:

1) The above statement should be read with the notes on Restated Standalone Statement of the Assets and Liabilities, Restated Standalone Statement of Profit and Loss and Restated Standalone Statement of Cash Flows.

2) 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 Rs. 10/- (Rupees ten) each to equity shares of Rs. 2/- (Rupees two) each.

3) The ratios have been computed as follows:

Earning Per Share (Basic) = $\frac{\text{Restated Standalone for the year available for equity shareholders}}{\text{Weighted average number of equity shares outstanding during the year}}$

Earning Per Share (Diluted) = $\frac{\text{Restated Standalone for the year available for equity shareholders}}{\text{Weighted average number of diluted potential equity shares outstanding during the year}}$

Return on Net worth (%) = $\frac{\text{Restated Standalone profit for the year available for equity shareholders}}{\text{Restated Standalone net worth at the end of the year}}$

Net Asset Value per Share (Rs.) = $\frac{\text{Restated Standalone net worth at the end of the year}}{\text{Number of equity shares outstanding at the end of the year}}$

Earnings per share and Net asset value per share also have been adjusted for all the periods presented after giving effect to allotment of bonus shares in the ratio of 1 equity share of Rs 10 each for every 25 equity shares of Rs 10 each and subdivision of equity shares from face value of Rs 10 each to Rs 2 each.

4) Net worth for ratios mentioned in note D above is = Equity share capital + Other Equity

5) Earnings per share calculations are in accordance with Ind AS 33 - Earnings per share

Following share options and share warrants were excluded from the calculation of diluted weighted average number of equity shares as their effect is anti-dilutive:

For the year ended 31 March 2018 - 10,80,400 share options
For the year ended 31 March 2017 - 1,44,560 share options and 45,255 share warrants
For the year ended 31 March 2016 - 45,255 warrants

Metropolis Healthcare Limited

Restated Standalone Statement of Accounting Ratios (Continued)

for the year ended March 31, 2018

(Rs. in million)

Annexure- VIII *(Continued)*

[II] <u>Statement of Accounting Ratios (before bonus and split of shares)</u>

	Particulars	For the year ended March 31, 2018	March 31, 2017	March 31, 2016 (Proforma)
A	Profit available to equity shareholders (Rs. in million)	**836.61**	792.89	772.84
B	Weighted average number of equity shares outstanding during the year	**9,543,646**	9,543,646	9,684,624
C	Weighted average number of dilutive potential equity shares outstanding during the year	**9,597,870**	9,606,643	9,754,767
D	Net worth attributable to equity shareholders (Rs in million)	**3,520.59**	2,667.50	2,500.89
E	Number of equity shares outstanding at the end of the year	**9,543,646**	9,543,646	9,543,646
F	Accounting ratios			
	Basic Earning per share (A)/(B)*	**87.66**	83.08	79.80
	Diluted Earning per share (A)/(C) *	**87.17**	82.54	79.23
	Return on Net worth for Equity shareholders (A)/(D)	**23.76%**	29.72%	30.90%
	Net Asset value per share (D)/(E) *	**368.89**	279.51	262.05

* Earning per share and Net Asset value per share is calculated before bonus and split of shares

Following share options and share warrants were excluded from the calculation of diluted weighted average number of equity shares as their effect is anti-dilutive:

For the year ended 31 March 2018 - 207,770 share options
For the year ended 31 March 2017 - 27,800 share options and 8,703 share warrants
For the year ended 31 March 2016 - 8,703 warrants

Metropolis Healthcare Limited

Restated Standalone Statement of Capitalization

for the year ended March 31, 2018

(Rs. in million)

Annexure - IX

Restated Standalone Statement of Capitalization

Particulars	Pre-issue as at March 31, 2018	As Adjusted for issue *(Refer note 2 below)*
Debt		
Long term borrowings	-	[.]
Short term borrowings	-	[.]
Total debt (A)	**-**	
Shareholder's funds (Equity)		
Share capital	95.44	[.]
Other Equity	3,425.15	[.]
Total shareholder's funds (B)	**3,520.59**	
Total Debt/ Equity ratio (A/B)	**-**	[.]

Notes

1) The above statement should be read with the notes on Restated Standalone Statement of the Assets and Liabilities, Restated Standalone Statement of Profit and Loss and Restated Standalone Statement of Cash Flows.

2) The corresponding figures (as adjusted for issue) are not determinable at this stage pending the completion of the book building process and hence have not been furnished.

3) 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 Rs. 10/- (Rupees ten) each to equity shares of Rs. 2/- (Rupees two) each.

Metropolis Healthcare Limited

Restated Standalone Statement of Dividends

for the year ended March 31, 2018

(Rs. in million)

Annexure - X

Restated Standalone Statement of Dividends

[I] Statement of Dividends (after bonus and split of shares)

Particulars	March 31, 2018	March 31,2017	March 31, 2016 Proforma
Number of equity shares outstanding	49,626,960	49,626,960	49,626,960
Face Value (Rs.)	**2.00**	**2.00**	**2.00**
Dividend per equity share	-	10.08	15.46
Rate of dividend	-	503.76%	773.20%
Dividend tax rate	-	20.36%	20.36%
Interim dividend (Rs.in million)	-	500.00	767.43
Dividend distribution tax (Rs.in million)	-	86.43	127.62
Total dividend including dividend distribution tax (Rs.in million)	-	586.43	895.06

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 Rs. 10/- (Rupees ten) each to equity shares of Rs. 2/- (Rupees two) each.

[II] Statement of Dividends (before bonus and split of shares)

Particulars	March 31, 2018	March 31,2017	March 31, 2016 Proforma
Number of equity shares outstanding	**9,543,646**	9,543,646	9,543,646
Face Value (Rs.)	**10.00**	10.00	10.00
Dividend per equity share	-	52.39	80.41
Rate of dividend	-	523.91%	804.13%
Dividend tax rate	-	20.36%	20.36%
Interim dividend (Rs.in million)	-	500.00	767.43
Dividend distribution tax (Rs.in million)	-	86.43	127.62
Total dividend including dividend distribution tax (Rs.in million)	-	586.43	895.05

Metropolis Healthcare Limited

Restated Standalone Statement of Other Income

for the year ended March 31, 2018

(Rs. in million)

Annexure XI

Restated Standalone Statement of Other Income

Particulars	Nature (Recurring/Non Recurring)	March 31, 2018	March 31, 2017	March 31, 2016 (Proforma)
Interest Income				
- from banks	Recurring	**2.38**	0.32	0.31
- from related parties (Refer Note 35)	Recurring	**6.21**	9.79	9.43
-on income tax refund	Non Recurring		26.84	-
-on investments	Recurring	**9.04**	-	-
-others	Non Recurring	**1.26**	6.44	1.09
Dividend Income				
-from mutual fund	Recurring	**6.33**	21.88	10.21
- from related parties (Refer Note 35)	Non Recurring	**96.44**	84.73	238.62
Provision for doubtful advances written back (net)	Non Recurring	-	1.78	-
Provision no longer required written back	Non Recurring	-	28.09	-
Fair value gain on derivative assets measured at FVTPL	Non Recurring	-	12.12	
Fair value gain on mutual funds measured at FVTPL	Recurring	**20.78**	46.13	93.83
Profit on sale of Property, Plant and Equipments (net)	Non Recurring	-	0.21	0.03
Miscellaneous income	Non Recurring	-	6.27	1.65
Total Other Income as per Ind AS		**142.44**	244.60	355.17
Total Restatement adjustments		**-**	(27.87)	1.57
Restated Other Income		**142.44**	216.73	356.74

Note:

1) The classification of income into recurring and non-recurring is based on the current operations and business activities of the Company.

Metropolis Healthcare Limited

Restated Standalone Statement of Tax Shelters

for the year ended March 31, 2018

(Rs. in million)

Annexure - XII

Restated Standalone Statement of Tax Shelters

Particulars	March 31, 2018	March 31, 2017	March 31, 2016 (Proforma)
A. Profit before tax as restated standalone statement of profit and loss	**1,178.55**	1,184.38	1,091.27
B. Statutory income tax rate	**34.61%**	34.61%	34.61%
C. Expected income tax expense	**407.87**	409.89	377.67
Tax impact of permanent differences due to:			
Expenses not allowed under Income tax	**12.77**	2.93	1.88
Income not subject to tax	**(35.57)**	(9.98)	(86.12)
Income taxable at different rate	**(9.20)**	(49.85)	3.45
Others	**(33.93)**	38.50	21.55
D. Total Tax impact of permanent differences	**(65.93)**	(18.40)	(59.24)
Tax impact of timing differences due to:			
Difference between book base and tax base of tangible and intangible assets	**39.67**	(34.54)	(10.92)
Difference between book base and tax base of current investments	**12.52**	30.92	19.63
Fair valuation of call options	**0.00**	(2.42)	4.72
Business combination	**(37.62)**	(19.62)	-
Provision for bad and doubtful debts	**28.75**	3.01	5.72
Provision for employee benefits	**1.52**	(18.22)	20.97
Employee Share based payments	**5.81**	0.15	(7.54)
Others	**7.41**	19.23	(3.01)
E. Total Tax impact of timing differences	**58.06**	(21.49)	29.57
F. Net adjustments (D+E)	**(7.87)**	(39.89)	(29.67)
G. Tax Liability (C+F)	**400.00**	370.00	348.00

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

Akeel Master
Partner
Membership No: 046768

Place: Mumbai
Date: 24th September 2018

For and on behalf of the Board of Directors
Metropolis Healthcare Limited
U73100MH2000PLC192798

Dr. Sushil Shah
Chairman & Executive Director
DIN: 00179918

Ameera Shah
Managing Director
DIN: 00208095

Vijender Singh
Chief Executive Officer

Tushar Karnik
Chief Financial Officer
Membership No: 46817

Jayant Prakash
Company Secretary
Membership No: FCS 6742

Place: Mumbai
Date: 24th September 2018

Metropolis Healthcare Limited

Annexure IA: Restated Standalone Statement of Assets and Liabilities

Rs. in million

Particulars	Annexure	As at 31 March	
		2015	2014
Equity and liabilities			
Shareholders' funds			
Share capital	VA	98.64	98.64
Reserves and surplus	VIA	2,963.40	2,541.95
Non-current liabilities			
Long-term borrowings	VIIA	36.46	98.96
Deferred tax liabilities (net)	XVA	-	4.45
Long-term provisions	VIIIA	19.23	12.09
Long-term liabilities	IXA	5.25	3.66
Current liabilities			
Trade payables	XA		
Total outstanding dues to micro and small enterprises		-	-
Total outstanding dues to others		138.00	110.44
Other current liabilities	XIA	228.73	230.50
Short-term provisions	VIIIA	18.68	31.16
Total		**3,508.39**	**3,131.85**
Assets			
Non-current assets			
Property, plant and equipment	XIIA	830.41	823.31
Intangible Assets	XIIIA	8.53	6.00
Non-current investments	XIVA	345.91	343.57
Deferred tax assets (net)	XVA	5.44	-
Long-term loans and advances	XVIA	88.90	80.14
Other non-current assets	XVIIA	0.47	-
Current assets			
Current investments	XVIIIA	1,402.44	1,135.82
Inventories	XIXA	96.63	83.56
Trade receivables	XXA	417.26	304.07
Cash and bank balances	XXIA	36.93	67.43
Short-term loans and advances	XVIA	275.41	287.86
Other current assets	XXIIA	0.06	0.09
Total		**3,508.39**	**3,131.85**

Note:

The above statement should be read with the 'Statement of Notes to the Restated Financial Information, as restated' in Annexure IVA

As per our report of even date attached

For **Walker Chandiok & Co LLP**
Chartered Accountants
Firm's Registration No.: 001076N/N500013

For and on behalf of the Board of Directors
Metropolis Healthcare Limited
U73100MH2000PLC192798

Sudhir N. Pillai
Partner
Membership No: 105782

Dr. Sushil Shah
Chairman & Executive Directo
DIN: 00179918

Ameera Shah
Managing Director
DIN: 00208095

Vijender Singh
Chief Executive Officer

Tushar Karnik
Chief Financial Officer
M.N0. 046817

Jayant Prakash
Company Secretary
M. No. FCS 6742

Place : Mumbai
Date : 24th September 2018

Place : Mumbai
Date : 24th September 2018

Metropolis Healthcare Limited

Annexure IIA: Restated Standalone Statement of Profit and Loss

Rs. in million

Particulars	Annexure	Year ended 31 March	
		2015	**2014**
Revenue			
Revenue from operations	**XXIIIA**	2,544.90	2,232.50
Other income	**XXIVA**	39.28	120.79
Total revenue		**2,584.18**	**2,353.29**
Expenses			
Cost of materials consumed	**XXVA**	707.05	627.57
Laboratory testing charges		19.53	20.38
Employee benefit expenses	**XXVIA**	578.34	444.68
Finance costs	**XXVIIA**	15.37	22.30
Depreciation and amortisation expense	**XXVIIIA**	102.99	81.94
Other expenses	**XXIXA**	514.46	465.39
Total expenses		**1,937.74**	**1,662.26**
Profit before tax		**646.44**	**691.03**
Tax expense			
Current tax		-225.00	-213.00
Deferred tax		9.09	-13.26
		-215.91	**-226.26**
Profit after tax		**430.53**	**464.77**

Note:

The above statement should be read with the 'Statement of Notes to the Restated Financial Information, as restated' in Annexure IVA.

As per our report of even date attached

For **Walker Chandiok & Co LLP**
Chartered Accountants
Firm's Registration No.: 001076N/N500013

For and on behalf of the Board of Directors
Metropolis Healthcare Limited
U73100MH2000PLC192798

Sudhir N. Pillai
Partner
Membership No: 105782

Dr. Sushil Shah
Chairman & Executive Director
DIN: 00179918

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DIN: 00208095

Vijender Singh
Chief Executive Officer

Tushar Karnik
Chief Financial Officer
M.N0. 046817

Jayant Prakash
Company Secretary
M. No. FCS 6742

Place : Mumbai
Date : 24th September 2018

Place : Mumbai
Date : 24th September 2018

Metropolis Healthcare Limited

Annexure IIIA: Restated Standalone Statement of Cash Flows

Rs. in million

Particulars	Year ended 31 March	
	2015	2014
A. Cash flows from operating activities		
Profit before tax, as restated	**646.44**	**691.03**
Adjustments for non-cash transactions		
Depreciation and amortisation expense	102.99	81.94
(Profit)/loss on sale of Property, plant and equipment (net)	(0.29)	0.05
Net gain on redemption of mutual fund investments	(17.41)	(32.31)
Provision for doubtful advances	1.31	3.87
Provision for bad and doubtful debts (net)	1.57	27.82
Sundry balance written back (net)	(11.22)	(15.79)
Bad debts written off	5.47	20.10
Sundry balance written off (net)	0.51	0.12
Interest income	(6.84)	(5.21)
Interest expense	15.37	22.30
Dividend income	(6.16)	(51.03)
Operating profit before working capital changes	**731.74**	**742.89**
Changes in working capital		
Decrease/ (Increase) in inventories	(13.06)	(4.03)
Decrease/ (Increase) in trade receivables	(106.11)	(146.92)
Decrease/ (Increase) in loans and advances, other assets	(20.60)	97.89
(Decrease)/ Increase in liabilities and provision	53.86	29.24
Cash generated from operating activities	**645.83**	**719.07**
Income taxes paid	(219.82)	(201.02)
Net cash generated from/(used in) operating activities	**426.01**	**518.05**
B. Cash flows from investing activities		
Purchase of tangible assets including capital work-in-progress and capital advances	(114.95)	(98.77)
Purchase of intangible assets	(8.12)	(0.40)
Proceeds from sale of Property, plant and equipment	1.30	1.24
Purchase of non-current investments	(2.35)	(1.00)
Purchase of current investments	(360.14)	(1,135.80)
Proceeds from sale of current investments	110.89	785.78
Interest received	6.84	5.19
Dividends received	6.16	51.03
Net investments in bank deposits (having original maturity of more than three months)	(2.13)	(0.60)
Net cash generated from/(used in) investing activities	**(362.50)**	**(393.33)**
C. Cash flows from financing activities		
Repayment of long-term borrowings (net)	(62.50)	(62.50)
Dividend paid (including dividend tax)	(16.16)	(12.92)
Interest paid	(17.01)	(22.87)
Net cash generated from/(used in) financing activities	**(95.67)**	**(98.29)**
Net increase/(decrease) in cash and cash equivalents (A +B + C)	**(32.16)**	**26.43**
Cash and cash equivalents as at the beginning of the year	65.79	39.36
Cash and cash equivalents as at the end of the year*	**33.63**	**65.79**

Metropolis Healthcare Limited

Annexure IIIA: Restated Standalone Statement of Cash Flows

Rs. in million

Particulars	**Year ended 31 March**	
	2015	**2014**
*** Composition of cash and cash equivalents**		
Cash on hand	3.31	5.33
Cheques in hand	5.39	6.45
Balance with banks :		
Current accounts	24.93	54.01
	33.63	**65.79**

Notes:

1) The above statement should be read with the 'Statement of Notes to the Restated Financial Information, as restated' in Annexure IVA.
2) The cash flow statement has been prepared under indirect method as set out in Accounting Standard 3, 'Cash Flow Statement' as notified by the Central Government under the Companies Act, 2013.

As per our report of even date attached

For **Walker Chandiok & Co LLP**
Chartered Accountants
Firm's Registration No.: 001076N/N500013

For and on behalf of the Board of Directors
Metropolis Healthcare Limited
U73100MH2000PLC192798

Sudhir N. Pillai
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DIN: 00179918

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Chief Executive Officer

Tushar Karnik
Chief Financial Officer
M.N0. 046817

Jayant Prakash
Company Secretary
M. No. FCS 6742

Place : Mumbai
Date : 24th September 2018

Place : Mumbai
Date : 24th September 2018

1 Background of the Company and nature of operation

Metropolis Healthcare Limited (the 'Company') was incorporated as Pathnet India Private Limited in the year 2000 and is engaged in the business of providing healthcare facilities.The registered office of the Company is located at 250-D, Udyog Bhavan, Hind Cycle Marg, Worli, Mumbai. The principal activities of the Company consist of providing pathology and related healthcare services.

2 Basis of preparation of Restated Standalone Financial Information

The 'Restated Statement of Assets and Liabilities, as restated' of the Company as at 31 March 2015 and 31 March 2014, the 'Restated Statement of Profit and Loss, as restated' and the 'Restated Statement of Cash Flows, as restated' for the years ended 31 March 2015 and 31 March 2014 and the annexures thereto (collectively referred as 'Restated Financial Information, as restated') have been compiled by the management from the then audited standalone financial statements of the Company for the years ended 31 March 2015 and 31 March 2014. The 'Restated Financial Information, as restated' have been prepared specifically for the purpose of inclusion in the offer document to be filed by the Company with the Securities and Exchange Board of India ('SEBI'), the National Stock Exchange of India Limited ('NSE') and Bombay Stock Exchange of India Limited ('BSE') in connection with the Proposed Offer.

The aforementioned audited standalone financial statements of the Company have been prepared in accordance with the generally accepted accounting principles in India (Indian GAAP) to comply in all material respects with the accounting standards specified under Section 133 of the Companies Act, 2013 (the "Act") read with Rule 7 of the Companies (Accounts) Rules, 2014 and the relevant provisions of the Act/ Companies Act, 1956, as applicable. The audited standalone financial statements have been prepared under the historical cost convention on an accrual basis. The accounting policies have been consistently applied by the Company unless stated otherwise.

The Restated Standalone Financial Information have been prepared to comply in all material aspects with the requirements of Section 26(1)(b) of the Act read with Rules 4 to 6 of Companies (Prospectus and Allotment of Securities) Rules, 2014 and the Securities and Exchange Board of India (Issue of Capital and Disclosure Requirements) Regulations, 2009 (as amended from time to time).

All assets and liabilities have been classified as current and non-current as per normal operating cycle of the Company and other criteria set out in Schedule III to the Act. Based on nature of services, the Company has ascertained its operating cycle as 12 months for the purpose of current and noncurrent classification of assets and liabilities.

The aforesaid Restated Standalone Financial Information have been prepared in Indian Rupee (INR) and denominated in million.

3 Use of estimates

The preparation of the restated standalone financial statements in conformity with generally accepted accounting principles requires the management to make estimates and assumptions that affect the reported amounts of assets and liabilities and disclosure of contingent liabilities as at the date of financial statements and the reported amounts of revenue and expense for the year. Key estimates made by the Company in preparing these restated standalone financial statements comprise useful lives of assets, provision for doubtful debts/advances, accrual for expenses, impairment testing, retirement benefits and income taxes. Actual results could differ from those estimates. Any revision to accounting estimates are recognised in the year in which such revisions are made.

4 Significant Accounting Policies

(a) Property, plant and equipment (Tangible assets) and capital work in progress

(i) Property, plant and equipment are stated at cost of acquisition, less accumulated depreciation and impairment losses, if any. Cost comprises the purchase price, borrowing costs capitalized and any costs attributable to bringing the asset to their working condition for their intended use.

(ii) Assets acquired but not ready for use or assets under construction are classified under 'Capital work-in-progress' and are carried at cost.

(b) Intangible Assets

Intangible assets acquired separately are measured on initial recognition at cost. Following initial recognition, intangible assets are carried at cost less accumulated amortisation and accumulated impairment losses, if any.

(c) Depreciation/Amortisation

Prior to 31 March 2014, the depreciation on the tangible assets has been provided on Written Down Value method at the rates and in the manner prescribed in Schedule XIV of the Companies Act, 1956 with reference to managements' assessment of the depreciation rates or at the rates prescribed in Schedule XIV to the Companies Act, 1956, whichever is higher.
From 1 April 2014, the depreciation on tangible assets has been provided on the Written Down Value method as per the useful life prescribed in Schedule II to the Companies Act, 2013 except in respect of the following categories of assets, in whose case the life of the assets has been assessed based on the management's experience, taking into account of use of the assets, past history of replacement, etc.

Category	Useful life followed	Useful life as per Schedule II
Laboratory Equipment's (Plant & Machinery)	13 years	10 years
Furniture and fixtures	15 years	10 years
Computers (end user equipment)	6 years	3 years
Vehicles	10 years	8 years

Leasehold improvements are amortised over the period of lease.

Intangible assets are amortised under the straight line method considering their useful life based on the management's experience of use of the assets which is in line with industry practices and in the manner prescribed under Schedule II of the Companies Act, 2013.

Individual assets costing less than Rs. 5,000 are fully depreciated in the year of purchase.

(d) Impairment of assets

The carrying amounts of the Company's assets are reviewed at each balance sheet date if there is any indication of impairment based on internal/external factors. An impairment loss is recognized wherever the carrying amount of an asset exceeds its recoverable amount. The recoverable amount of the assets (or where applicable, that of the cash generating unit to which the asset belongs) is estimated as the higher of its net selling price and its value in use. In assessing value in use, the estimated future cash flows are discounted to their present value at the weighted average cost of capital.

After impairment, depreciation is provided on the revised carrying amount of the asset over its remaining useful life.

A previously recognised impairment loss is increased or reversed depending on changes in circumstances. However, the carrying value after reversal is not increased beyond the carrying value that would have prevailed by charging usual depreciation if there was no impairment.

(e) Borrowing cost

Borrowing costs attributable to the acquisition or construction of qualifying assets, as defined in Accounting Standard 16 on Borrowing Costs, are capitalized as part of the cost of qualifying assets. Other borrowing costs are expensed as incurred.

(f) Investments

Investments that are readily realizable and intended to be held for not more than a year are classified as current investments. All other investments are classified as Non-current investments. Trade investments are the investments made to enhance the Company's business interests. Current investments are stated at lower of cost and fair value determined on an individual investment basis. Non-current investments are stated at cost and provision for diminution in their value, other than temporary, is made in the financial statements. Profit/loss on sale of investments is computed with reference to the average cost of the investment.

(g) Inventories

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

(h) Cash and cash equivalents

Cash and cash equivalents for the purpose of the cash flow statement comprise of the cash on hand and at bank and short-term investments with an original maturity of less than three months.

(i) Revenue recognition

Revenue comprise of revenue from providing healthcare services such as health check up, clinical trials and laboratory services. Revenue is recognized to the extent that it is probable that the economic benefits will flow to the Company and the revenue can be reliably measured.

Revenue from rendering services are recognised on an accrual basis when services are performed.

Income from interest is accounted for on time proportion basis taking into account the amount outstanding and the applicable rate of interest.

Dividend income is recorded when the right to receive the dividend is established.

Share of profit/ loss from firms in which the Company is a partner is accounted for in the financial year ending on (or immediately before) the date of the balance sheet.

(j) Leases

Operating leases :

Leases, where the lessor effectively retains all the risks and benefits of ownership, substantially during the lease term, are classified as operating lease. Operating lease payments are recognized as an expense in the statement of profit and loss on a straight-line basis over the lease term.

(k) Foreign currency transaction

Initial recognition - Foreign currency transactions are recorded in the reporting currency, by applying to the foreign currency amount the exchange rate between the reporting currency and the foreign currency at the date of the transaction.

Conversion - Monetary assets and liabilities denominated in foreign currency are converted at the rate of exchange prevailing on the date of the balance sheet.

Exchange differences - Exchange differences arising on the settlement of monetary items or on reporting company's monetary items at rates different from those at which they were initially recorded during the year, or reported in previous financial statements, are recognised as income or as expenses in the year in which they arise.

Exchange differences arising on a monetary item that, in substance, forms part of the company's net investment in a non-integral foreign operation is accumulated in a foreign currency translation reserve account in the financial statements until the disposal of the net investment, at which time they are recognised as income or as expenses.

(l) Employee benefits

(i) All short-term employee benefits are accounted on undiscounted basis during the accounting period based on services rendered by the employees.

(ii) The Company makes contribution to provident fund in accordance with Employees Provident Fund and Miscellaneous Provisions Act, 1952 and Employee State Insurance. These are defined contribution plans and contribution paid or payable is recognized as an expense in the year in which services are rendered by the employee.

(iii) Gratuity is a post employment benefit and is in the nature of a defined benefit plan. The liability recognised in the balance sheet in respect of gratuity is the present value of the defined benefit/ obligation at the balance sheet date less the fair value of plan assets, together with adjustments for unrecognised actuarial gains or losses and past service costs. The defined benefit/ obligation are calculated at or near the balance sheet date by an independent actuary using the projected unit credit method.

Actuarial gains and losses arising from past experience and changes in actuarial assumptions are credited or charged to the statement of profit and loss in the year to which such gains or losses relate.

The Company's employees at its Chennai division are covered under the group gratuity cum life assurance scheme with Life Insurance Corporation of India ('LIC').

(m) Share based compensation

Measurement and disclosure of the employee share based payment plans is done in accordance with the Guidance Note on Accounting for Employee Share Based Payments, issued by the Institute of Chartered Accountants of India. The Company measures compensation cost relating to employee stock options using the intrinsic value method. Compensation expense is amortized over the vesting period of the option on a straight-line basis.

(n) Taxes on income

The provision for current taxation is computed in accordance with the relevant tax regulations.

Deferred tax is recognised on timing differences between the accounting and taxable income for the year and quantified using the tax rates and laws enacted or substantively enacted as at the balance sheet date. Deferred tax assets in respect of unabsorbed depreciation and carry forward losses under tax laws are recognised and carried forward to the extent there is virtual certainty supported by convincing evidence that sufficient future taxable income will be available against which such deferred tax assets can be realised in future. Where there is no unabsorbed depreciation/carry forward loss, deferred tax assets are recognised only to the extent there is a reasonable certainty of realisation in future. Such assets are reviewed at each balance sheet date to reassess realisation.

(o) Provisions, contingent liabilities and contingent assets

A provision is recognized when the Company has a present obligation as a result of past events and it is probable that an outflow of resources will be required to settle the obligation, in respect of which a reliable estimate can be made. Provisions are not discounted to its present value and are determined based on management estimate required to settle the obligation at the balance sheet date. These are reviewed at each balance sheet date and adjusted to reflect the current management estimates. Provisions are recognized in the audited standalone financial statements in respect of present probable obligations, for amounts which can be reliably estimated.

Contingent liabilities are disclosed in respect of possible obligations that arise from past events, whose existence would be confirmed by the occurrence or non occurrence of one or more uncertain future events not wholly within the control of the Company.

Contingent assets are neither recognised nor disclosed in the Restated Standalone financial statements.

(p) Operating cycle

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

(q) Earning Per Share

Basic earnings per share are computed by dividing net profit after tax attributable to the equity shareholders by the weighted average number of equityshares outstanding during the year.

Diluted earnings per share is computed by dividing net profit after tax attributable to the equity shareholders, as adjusted for dividend, interest and other charges to expense or income relating to the dilutive potential equity shares, by the weighted average number of shares considered for deriving basic earnings per share and the weighted average number of equity shares which could have been issued on conversion of all dilutive potential equity shares. Potential equity shares are deemed to be dilutive only if their conversion to equity shares would decrease the net profit per share.

(r) **Change in accounting policy**

From 1 April 2016, the Company has changed its accounting policy with respect to method of amoritising software to Straight line method. Prior to 31 March 2016, the amortisation on software has been written down value method. The effect on the restated standalone financial statements due to this change in accounting policy is not material and hence not considered for the year ended 31 March 2015 and 2014.

5 Restatement adjustments, material regroupings and non-adjusting items

(A) **Impact of restatement adjustments**

Below mentioned is the summary of results of restatement adjustments made in the audited standalone financial statements of the respective years and its impact on profits and losses.

Sr no	Particulars	Note reference	For the year ended 31 March	
			2015	2014
i	**Other operating revenue**			
	Prior to restatement adjustment		9.38	3.52
	Restatement adjustment	(B)(i)	(2.53)	13.37
	As restated		6.85	16.89
ii	**Cost of materials consumed**			
	Prior to restatement adjustment		708.11	632.63
	Restatement adjustment	(B)(ii)	(1.06)	(5.06)
	As restated		707.05	627.57
iv	**Employee benefit expenses**			
	Prior to restatement adjustment		578.69	456.49
	Adjustment for Liability no longer required written back	(B)(iii)	(0.35)	(11.81)
	As restated		578.34	444.68
v	**Other expenses**			
	Prior to restatement adjustment		509.24	459.67
	Restatement adjustment	(B)(iv) & (B)(v)(a)	1.90	3.10
	Reclassfication adjustment	(D)(i)	3.32	2.62
	As restated		514.46	465.39
vi	**Finance cost**			
	Prior to restatement adjustment		18.69	24.92
	Restatement adjustment	(D)(i)	(3.32)	(2.62)
	As restated		15.37	22.30
vi	**Deferred tax charge**			
	Prior to restatement adjustment		8.32	(3.85)
	Restatement adjustment	(B)(vi)	0.77	(9.41)
	As restated		9.09	(13.26)
vii	**Profit before tax**			
	Prior to restatement adjustment		649.45	663.89
	Restatement adjustment		(3.01)	27.14
	As restated		646.44	691.03
	Profit after tax, as restated		430.53	464.77

(B) Explanatory notes for the restatement adjustments

i During the years ended 31 March 2018 and 2017, the Company had written back liabilities recorded in the earlier years which were no longer payable. For the purpose of the 'Restated Standalone Financial Information', these amounts have been adjusted to the 'Restated Standalone Statement of Profit and Loss' of the years in which such liabilities were created. Further, the opening retained earnings as at 1 April 2013 has been adjusted to reflect the impact of the items pertaining prior to 31 March 2013.

ii During the year ended 31 March 2018 and 2017, the Company has certain trade payables in relation to purchase of raw material which were no longer payable. For the purpose of the 'Restated Standalone Financial Information', these amounts have been adjusted to the 'Restated Standalone Statement of Profit and Loss' of the years in which such purchase were made. Further, the opening retained earnings as at 1 April 2013 has been adjusted to reflect the impact of the items pertaining prior to 31 March 2013.

iii During the year ended 31 March 2018 and 2017, the Company has certain employee related payable which were no longer payable. For the purpose of the 'Restated Standalone Financial Information', these amounts have been adjusted to the 'Restated Standalone Statement of Profit and Loss' of the years in which such expense were incurred. Further, the opening retained earnings as at 1 April 2013 has been adjusted to reflect the impact of the items pertaining prior to 31 March 2013.

iv During the year ended 31 March 2017, the Company has accounted for service tax for the earlier years. For the purpose of the 'Restated Standalone Financial Information', these amounts have been adjusted to the 'Restated Standalone Statement of Profit and Loss' of the years in which such expense were incurred. Further, the opening retained earnings as at 1 April 2013 has been adjusted to reflect the impact of the items pertaining prior to 31 March 2013.

v **Adjustments to audit qualification :**

a. During the year ended 31 March 2016, the Company had created provision for doubtful debts/ advances which pertained to the receivables earlier years. For the purpose of the 'Restated Standalone Financial Information', these amounts have been adjusted to the 'Restated Standalone Statement of Profit and Loss' of the years in which such receivables/ advances were recorded. Further, the opening retained earnings as at 1 April 2013 has been adjusted to reflect the impact of the items pertaining prior to 31 March 2013.

b. During the year ended 31 March 2016, the Company had created provision for diminution in the value of investment which pertained to the investment made in the earlier years. For the purpose of the 'Restated Standalone Financial Information', these amounts have been adjusted to the 'Restated Standalone Statement of Profit and Loss' of the years in which such investment was made. Further, the opening retained earnings as at 1 April 2013 has been adjusted to reflect the impact of the items pertaining prior to 31 March 2013.

Audit report for the financial year ended 31 March 2014 and 31 March 2015 was qualified for v (a) and (b). However, the necessary adjustments have been considered in the Restated Standalone Financial Information.

vi Current tax expense and deferred tax charge has been computed on restatement adjustments as detailed above and has been adjusted in the 'Restated Standalone Financial Information', for the years ended 31 March 2015 and 31 March 2014.

vii During the year ended 31 March 2012, the Company had created provision for diminution in the value of investment made in Final Diagnosis Private Limited which pertained to the investment made in the earlier years based on the judgement of the Hon'ble High Court of Judicature at Bombay. For the purpose of the 'Restated Standalone Financial Information', these amounts have been adjusted to the 'Restated Standalone Statement of Reserves and surplus' of the year in which such investment was made. Further, the opening retained earnings as at 1 April 2013 has been adjusted to reflect the impact of the items pertaining prior to 31 March 2013.

(C) Restatement adjustments made to the audited opening balance figure of the Surplus in the Statement of Profit and Loss as at 1 April 2013:

Rs. in million

Particulars	Note reference	Amount
a. Surplus in the Statement of Profit and Loss as at 1 April 2013 as per audited financial statements		**1,386.90**
Adjustments:		
Service tax adjustments for earlier years	**(B)(iv)**	(1.14)
Adjustment for Liability no longer required written back	**(B)(i),(ii) & (iii)**	33.79
Income tax adjustment for earlier years	**(C)(i)**	15.39
Provision for bad and doubtful debts	**(B)(v)(a)**	(59.46)
Provision for diminution in value of investment	**(B)(v)(b)**	(12.98)
Deferred tax charge	**(B)(vi)**	10.24
Surplus in the Statement of Profit and Loss as at 1 April 2013 as restated		**1,372.74**

(i) The Statement of Profit and Loss for the year ended March 31, 2017 include amounts paid/ provided for or refunded/ written back, in respect of shortfall/ excess current tax arising upon filing of tax returns, assessments etc. For the purpose of the Restated Standalone Financial Information, these amounts have been adjusted to the respective year to which these items pertain to. Further, the opening retained earnings as at April 01, 2013 has been adjusted to reflect the impact of the items pertaining to periods prior to March 31, 2013 and including for the year ended March 31, 2013.

(D) Material regroupings

i Upto the year ended 31 March 2015, the Company had disclosed bank charges under the head 'Finance costs'. From the year ended 31 March 2016 it was disclosed separately under the head 'Other expenses'. Accordingly, the same has been appropriately disclosed separately under the head 'Other expenses' in the 'Restated Standalone Statement of Profit and Loss', consistent for all the other years.

ii With effect from 1 April 2014, Schedule III notified under the Companies Act, 2013 has become applicable to the Company for preparation and presentation of its financial statements. Revised Schedule VI notified under the Companies Act, 1956 became applicable to the Company from 1 April 2011, for preparation and presentation of its financial statements. The adoption of Schedule III / Revised Schedule VI does not impact recognition and measurement principles followed for preparation of financial statements. Further, there is no significant impact on the presentation and disclosures made in the financial statements on adoption of Schedule III as compared to Revised Schedule VI.

(E) Non -adjusting items

For the financial year ended 31 March 2014, in addition to the audit opinion on the financial statements, the auditors were required to comment upon the matters included in the Companies (Auditor's Report) Order, 2003 (CARO) issued by the Central Government of India under sub section (4A) of Section 227 of the Companies Act, 1956.

For the financial year ended 31 March 2015, in addition to the audit opinion on the financial statements, the auditors are required to comment upon the matters included in the Companies (Auditor's Report) Order, 2016 (CARO 2016) and Companies (Auditor's Report) Order, 2015 (CARO 2015) respectively as issued by the Central Government of India under sub section 11 of Section 143 of the Companies Act, 2013.

Certain statements/ comments included in audit opinion on the standalone financial statements, CARO, CARO 2015 and CARO 2016, which do not require an adjustment in the 'Restated Standalone Financial Information' are reproduced below:

(i) Financial year ended 31 March 2014:

(a) Owing to the nature of its business, the Company does not sell any goods. Accordingly, clause 4(iv) of the Order with respect to sale of goods is not applicable. In our opinion, there is an adequate internal control system commensurate with the size of the Company and the nature of its business for the purchase of inventory, fixed assets and sale of services except that the internal control system in relation to the sale of services is inadequate in respect of collection and recording of cash receipts for services rendered at two locations. However, we have not observed any continuing failure to correct major weaknesses in internal control system of the Company.

(b) Owing to the unique and specialized nature of the items involved and in the absence of any comparable prices, we are unable to comment as to whether the transactions made in pursuance of contracts or arrangements with parties covered under Section 301 of Companies Act, 1956 have been made at the prevailing market prices at the relevant time.

(c) According to the information and explanation given to us, no fraud on or by the Company has been noticed or reported during the year, except for two instances of fraud, involving defalcation of Company's funds identified by the management, as explained in note 15 to the restated financial statements, wherein customer collections aggregating to Rs. 48 lakhs had been misappropriated by certain employee during the year. The Company has terminated the services of these employee, is in the process of recovering these amounts and has initiated legal action against them. Further, the Company has recorded the entire amount as an expenses in the statement of profit and loss.

6 Earnings in foreign currency on accrual basis

Rs. in million

Particulars	**Year ended 31 March**	
	2015	**2014**
Sale of services	48.63	33.18
Interest income	4.06	3.99
Dividend income	-	6.63
	52.69	**43.80**

7 Expenditure in foreign currency on (accrual basis)

Rs. in million

Particulars	**Year ended 31 March**	
	2015	**2014**
Accreditation	0.41	1.08
Laboratory testing	1.67	1.30
Postage and courier	0.32	1.54
	2.40	**3.92**

8 Non-cancellable operating lease

The Company has taken various commercial properties on leases for its offices, laboratories and staff accommodation. Future minimum rentals payable under non-cancellable operating leases are as follows:

Rs. in million

Particulars	**Year ended 31 March**	
	2015	**2014**
Future minimum lease payments		
Not later than one year	41.42	29.29
Later than one year but not later than five years	42.30	48.45
Later than five years	-	-
	83.72	**77.74**
Operating lease payments charged off to Statement of Profit and Loss (Also, refer Annexure XXIXA)	105.27	77.29

9 Payments to auditors (including service tax)

Rs. in million

Particulars	**Year ended 31 March**	
	2015	**2014**
As auditor		
Statutory audit	2.58	2.22
In other capacity		
Other services		
- Certification work	0.09	0.08
	2.67	**2.30**

10 Corporate Social Responsibility

The Company has spent Nil towards various schemes of Corporate Social Responsibility as prescribed under section 135 of the Companies Act, 2013 which was effective from 1 April 2014. The details are

a) Gross amount required to be spent by the Company during the year 31 March 2015 is Rs. 12.08 million

b) Amount spent during the year 31 March 2015;

Particulars	**In Cash**	**Yet to be paid in Cash**	**Total**
Construction/ Acquisition on any assets	-	-	-
On purpose other than (i) above	-	-	-

The CSR Committee (the 'Committee') of the Company was constituted by the Board of Directors (the 'Board') at their meeting held on 26 March 2014. The Committee has finalised a CSR policy; identified certain projects to be executed and the amount to be spent on such projects. This has been recommended to the Board.

Metropolis Healthcare Limited

Annexure IVA: Statement of Notes to Restated Standalone Financial Information

11 Contingent liabilities and commitments

Rs. in million

Particulars	**As at 31 March**	
	2015	**2014**
a) Contingent liabilities		
Claims against the Company not acknowledged as debt		
- Claims by customers	0.32	0.32
- Claims by suppliers/contractors	0.11	1.61
- Claims pending in Consumer Dispute Redressal Forum	0.40	2.59
	0.83	**4.52**
b) Commitments*		
Estimated amount of capital commitments remaining to be executed	0.83	16.29
Estimated amount of commitment to invest in certain subsidiaries through equity contribution	5.35	7.60
	6.18	**23.89**

* Apart from above disclosed commitments, the Company has entered into Reagent Rental Agreement for a period ranging from 3 to 6 years with some of its major raw material suppliers. As per these agreements, Company is using the lab equipment free of cost against the annual commitment to purchase agreed value of raw materials. These equipment can be used only against the supplier's brand of raw material. The management believes that the purchase commitment will be met in the normal course of business.

12 Particulars of Unhedge Foreign Currency Exposure as at the reporting date
Exposure to currency risk (Exposure in different currencies converted to reporting currency i.e. INR)

Particulars	**As at March 31**	
	2015	**2014**
Trade receivables		
GBP	-	4,62,559
USD	5,11,928	28,38,486
SAR	6,42,387	-
LKR	-	
Loan given		
USD	3,02,17,623	1,65,97,336
LKR	-	11,03,500
ZAR	4,42,71,645	4,56,48,304
Advances		
LKR	11,48,000	15,10,231
Payables		
EUR	-	3,10,736
USD	1,55,000	5,30,488

13 For the year ended 31 March 2015, the Company has filed the necessary applications for compounding with the relevant regulatory authorities for the non-compliances of Section 173(1) of the Companies Act, 2013 in relation to not holding the mandatory four board meetings of its Board of Directors within a period of 12 months and Section 203 (1) in relation to the position of the whole-time Company Secretary of the Company being vacant beyond the stipulated period. The Company has received the order from the National Company law tribunal dated 12 July 2017, in relation to this, management has made adequate provision in the books of accounts.

14 In accordance with Accounting Standard 17 - 'Segment Reporting', segment information has been given in the Consolidated Restated Financial information of the Company, therefore, no separate disclosure on Segment information is given in these restated financial information.

15 During the year ended 31 March 2014, the Company identified instances of misappropriation of customer collections by its employees at two of its locations, aggregating Rs. 4.80 million. The Company had terminated the services of these employees with immediate effect and provided for the entire amount of misappropriation in the Statement of Profit and Loss. The matter has been internally investigated and the management believes that no further adjustment is expected in the financial statements.

16 Upto the year ended 31 March 2015, the Company had an investment of Rs.12.98 million and receivables of Rs. 64.08 million from Star Metropolis Health Services Middle East LLC ('Star Metropolis'), a joint venture of the Company. Management considered investment in Star Metropolis as strategic in nature and believed that the diminution in value is only temporary in nature. Further, in respect of balance receivable, the management was evaluating all possible means and had initiated necessary steps to recover the receivables and expected to recover the same in due course and hence believed that no provision was required. However, as at 31 March 2016, considering the present financial position and the future expected performance with respect to Star Metropolis, the management believes that the diminution in the value of the said investment is other than temporary and has accordingly provided Rs. 12.98 million for diminution in value of investments. Further, in respect of balance receivable, considering the financial position of Star Metropolis, the management considers the same to be doubtful and has accordingly provided Rs. 64.08 million as doubtful.

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Annexure VA: Share Capital

Particulars	As at 31 March	
	2015	2014
Authorised share capital		
Equity shares of Rs. 10 each		
- Number of shares	5,50,00,000	5,50,00,000
- Amount in Rupees	55,00,00,000	55,00,00,000
Issued, subscribed and fully paid up		
Equity shares of Rs. 10 each		
- Number of shares	98,64,130	98,64,130
- Amount in Millions	98.64	98.64

a) **Reconciliation of equity share capital**

Particulars	As at 31 March	
	2015	2014
Balance at the beginning of the year		
- Number of shares in million	98,64,130	98,64,130
- Amount in Rs. million	9,86,41,300	9,86,41,300
Add: Shares issued during the year		
- Number of shares in million	-	-
- Amount in Rs. million	-	-
Balance at the end of the year		
- Number of shares in million	98,64,130	98,64,130
- Amount in Rs. million	9,86,41,300	9,86,41,300

b) **Shareholders holding more than 5% of the shares of the company**

Particulars	As at 31 March	
	2015	2014
Dr. G.S.K. Velu		
- Number of shares in million	3.40	3.40
- Percentage of holding (%)	34.51%	34.51%
Dr. Sushil Kanubhai Shah		
- Number of shares in million	3.27	3.27
- Percentage of holding (%)	33.11%	33.11%
Foxcreek Investments Limited		
- Number of shares in million	-	2.66
- Percentage of holding (%)	-	26.94%
Bacchus Hospitality Services and Real Estate Private Limited		
- Number of shares in million	2.66	-
- Percentage of holding (%)	26.94%	-

c) Employee share based payments

The 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".

The details of this grant are as follows :

Particulars	As at 31 March	
	2015	2014
Exercise price (in Rs.)	100	100
Vesting commenced on	1 October 2008	1 October 2008
The movement in MESOS – 2007 revised is as below:		
Outstanding at the beginning of the year (in million)	1,27,315	1,27,315
Exercised (in million)	-	-
Lapsed/ forfeited / surrendered (in million)	-	-
Outstanding at the end of the year (in million)	1,27,315	1,27,315
Vested as at end of year	1,27,315	1,27,315

The Company follows intrinsic value method for recognition of stock compensation cost. Since the intrinsic value was equal to exercise price on the date of grant, no compensation cost was recognised in the books. Further the fair value of equity share as at the date of grant was less than the exercise price and thereby no compensation cost arises under fair value approach.

d) Details of shares issued pursuant to contract without payment being received in cash, allotted as fully paid up by way of bonus issues and brought back during the last 5 years

The Company has not issued any shares during the period of five years immediately preceeding 31 March 2015 for consideration other than cash.

e) Terms/ rights attached to shares

The Company has only one class of equity shares having a par value of Rs. 10 per share. Each holder of equity shares is entitled to one vote per share. The dividend, if proposed by the Board of Directors, will be paid in Indian Rupees and 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, if any. The distribution will be in proportion to the number of equity shares held by the shareholders.

f) 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 at the same meeting, the equity share capital (Authorised, Issued and Paid-up) of the Company was subdivided from Rs. 10.00 (Rupees ten) each to equity shares of Rs. 2.00 (Rupees two) each.

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Annexure VIA: Reserves and surplus

Rs. in million

Particulars	**As at 31 March**	
	2015	**2014**
Securities premium reserve		
Balance at the beginning of the year	582.64	582.64
Add : Additions made during the year	-	-
Balance at the end of the year	**582.64**	**582.64**
General reserve		
Balance at the beginning of the year	159.03	136.68
Add : Additions made during the year	-	22.35
Balance at the end of the year	**159.03**	**159.03**
Foreign currency translation reserve		
Balance at the beginning of the year	1.28	2.65
Less : Exchange fluctuation on long-term loans in relation to non-integral foreign operations	-2.89	-1.37
Balance at the end of the year	**-1.61**	**1.28**
Surplus in the Restated Standalone Statement of Profit and Loss, as restated		
Balance at the beginning of the year	1,799.00	1,372.74
Add : Transferred from the 'Restated Standalone Statement of Profit and Loss, as restated'	430.53	464.77
Less : Dividend paid during the year	-	-13.81
Less : Tax on dividends distributed/paid during the year	-	-2.35
Less : Transfer to general reserve	-	-22.35
Less: Impact of depreciation/amortisation [Also, refer note (a) below]	-6.19	-
Balance at the end of the year	**2,223.34**	**1,799.00**
	2,963.40	**2,541.95**

Notes:

(a) Consequent to the introduction of Schedule II to the Companies Act, 2013, the useful life of certain fixed assets were revised. Accordingly, Rs. 6.19 million (net of deferred tax Rs. 3.26 million) representing carrying value of the fixed assets with revised useful life as Nil was adjusted against the opening balance in the Surplus in the Statement of Profit and Loss as at 1 April 2014.

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Annexure VIIA: Long-term borrowings

Rs. in million

Particulars	**As at 31 March**			
	2015		**2014**	
	Long-term	**Current maturities**	**Long-term**	**Current maturities**
Secured				
Term loan				
From bank	36.46	62.50	98.96	62.50
Total	**36.46**	**62.50**	**98.96**	**62.50**
The above amount includes				
Amount disclosed under the head 'Other current liabilities' (Also, refer Annexure XIA)	-	62.50	-	62.50

Term Loan having an interest rate of base rate plus 75 bps, from HDFC Bank is secured by way of equitable mortgage on commercial properties situated at Vidyavihar - Mumbai. The same is repayable in 48 equal monthly installments starting from 18 November 2012.

Annexure VIIIA: Provisions

Rs. in million

Particulars	**As at 31 March**			
	2015		**2014**	
	Long-term	**Short-term**	**Long-term**	**Short-term**
Provisions for employee benefits				
- Gratuity [Also, refer note (a) below]	19.23	16.45	12.09	12.78
- Leave entitlement	-	2.23	-	2.18
Proposed dividend to equity shareholders	-	-	-	13.81
Provision for wealth tax	-	-	-	0.04
Dividend tax	-	-	-	2.35
	19.23	**18.68**	**12.09**	**31.16**

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<u>**Notes:**</u>
Employee benefits

(a) Defined benefit plan
The Company has gratuity as defined benefit retirement plan for its employees. Disclosures as required by Accounting Standard - 15 (Revised) on "Employee Benefits" (AS - 15) are as under :

Particulars	2015	2014
Change in projected benefit obligation		
Projected benefit obligation at the beginning of the year	26.43	21.29
Service cost	4.48	3.94
Interest cost	2.39	1.70
Actuarial loss	5.91	0.71
Benefits paid	-1.86	-0.99
Liability transferred out	-0.10	-0.22
Projected benefit obligation at the end of the year	**37.25**	**26.43**
Change in plan assets		
Fair value of plan assets at the beginning of the year	1.56	1.46
Expected return on plan assets	0.14	0.13
Actuarial gain/(loss)	-0.02	-0.03
Employer contributions	0.65	-
Benefits paid	-0.76	-
Fair value of plan assets at the end of the year	**1.57**	**1.56**
Amount recognised in the Restated Standalone Statement of Assets and Liabilities, as restated		
Present value of projected benefit obligation at the end of the year	37.25	26.43
Plan assets at the end of the year	-1.57	-1.56
Liability recognised in the Restated Standalone Statement of Assets and Liabilities, as restated	**35.68**	**24.87**
Amount recognised in the Restated Standalone Statement of Profit and Loss, as restated*		
Current service cost	4.48	3.94
Interest cost	2.39	1.70
Expected returns on plan assets	-0.14	-0.13
Net actuarial loss	5.93	0.74
Expense recognised in the Restated Standalone Statement of Profit and Loss, as restated	**12.66**	**6.25**
* The expenses have been recognised in Annexure XXVIA.		
Table of experience adjustments		
Defined benefit obligation	37.25	26.43
Plan assets	-1.57	-1.56
Deficit	35.68	24.87
Experience loss on plan liabilities	5.91	0.71
Experience gain/ (loss) on plan assets	-0.02	-0.03
Assumptions used		
Discount rate	7.90%	9.03%
Long-term rate of compensation increase	7.50%	7.50%
Rate of return on plan assets	7.90%	8.70%
Attrition rate	20.00%	15.00%

(b) Defined contribution plan
The Company contributes towards statutory provident fund as per the Employees Provident Funds and Miscellaneous Provisions Act, 1952 and towards employee state insurance as per the Employees' State Insurance Act, 1948. These are defined contribution plans as per AS - 15 (Revised). The amount of contribution to provident fund and employee state insurance scheme recognised as expenses is provided below.

Particulars	For the year ended 31 March	
	2015	2014
Contribution to provident fund and employee state insurance scheme	32.27	21.22

Metropolis Healthcare Limited

Annexure IXA: Long-term liabilities

Rs. in million

Particulars	**For the year ended 31 March**	
	2015	**2014**
Sundry deposits	5.25	3.66

Annexure XA: Trade payables

Rs. in million

Particulars	**As at 31 March**	
	2015	**2014**
Total outstanding dues to micro and small enterprises	-	-
Total outstanding dues of creditors other than micro enterprises and small enterprises		
Related Party (Refer note (b) to Annexure XXXIIA)	13.87	12.81
Others	124.13	97.63
	138.00	**110.44**

<u>Notes:</u>

There are no micro and small enterprises, to whom the Company owes dues, which are outstanding for more than 45 days as at the date of standalone Statement of Assets and Liabilities, as restated. 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.

Details of dues to Micro, Small and Medium Enterprises **Rs. in million**

Particulars	**For the year ended 31 March**	
	2015	**2014**
a. Principal and interest amount remaining unpaid	-	-
b. Interest due thereon remaining unpaid	-	-
c. Interest paid by the Company in terms of Section 16 of the Micro, Small and Medium Enterprises Development Act, 2006, along with the amount of the payment made to the supplier beyond the appointed day	-	-
d. Interest due and payable for the period of delay in making payment (which have been paid but beyond the appointed day during the period) but without adding interest specified under the Micro, Small and Medium Enterprises Act,2006)	-	-
e. Interest accrued and remaining unpaid	-	-
f. Interest remaining due and payable even in the succeeding years, until such date when the interest dues as above are actually paid to the small enterprise`s	-	-

Metropolis Healthcare Limited

Annexure XIA: Other current liabilities

Rs. in million

Particulars	**As at 31 March**	
	2015	**2014**
Current maturities of long-term borrowings (Also, refer Annexure VIIA)	62.50	62.50
Interest accrued but not due on borrowings	-	1.64
Advance received from customers	30.35	29.09
Statutory dues	17.79	14.39
Book overdraft	30.08	29.13
Directors remuneration payable (Refer note (b), to Annexure XXXIIA)	3.30	1.61
Employee related dues	55.41	57.63
- Related parties (Refer note (b), to Annexure XXXIIA)	0.63	-
- Others	54.78	57.63
Sundry deposits	5.23	3.47
Other liabilities	24.07	31.04
	228.73	**230.50**

Metropolis Healthcare Limited

Annexure XIIA: Property, plant and equipment

Rs. in million

Gross block	Freehold land	Buildings	Laboratory equipment	Computers	Furniture and fixtures	Vehicles	Office equipment	Total
Balance as at 1 April 2013	**103.54**	**620.40**	**249.28**	**112.58**	**71.07**	**18.89**	**67.70**	**1,243.46**
Additions	-	17.76	44.07	26.70	9.17	0.18	16.16	114.04
Disposals	-	-	-10.79	-0.48	-0.04	-0.45	-0.03	-11.79
Balance as at 31 March 2014	**103.54**	**638.16**	**282.56**	**138.80**	**80.20**	**18.62**	**83.83**	**1,345.71**
Additions	-	0.74	55.12	16.76	19.80	5.67	16.87	114.96
Disposals	-	-	-0.88	-	-	-	-2.64	-3.52
Balance as at 31 March 2015	**103.54**	**638.90**	**336.80**	**155.56**	**100.00**	**24.29**	**98.06**	**1,457.15**

Rs. in million

Accumulated depreciation	Freehold land	Buildings	Laboratory equipment	Computers	Furniture and fixtures	Vehicles	Office equipment	Total
Balance as at 1 April 2013	**-**	**122.65**	**156.15**	**88.16**	**38.83**	**13.01**	**33.16**	**451.96**
Depreciation charge	-	25.49	23.57	16.53	6.99	1.50	6.87	80.95
Reversal on disposal of assets	-	-	-9.68	-0.46	-0.03	-0.31	-0.03	-10.51
Balance as at 31 March 2014	**-**	**148.14**	**170.04**	**104.23**	**45.79**	**14.20**	**40.00**	**522.40**
Depreciation charge	-	24.49	27.71	13.74	8.53	2.25	30.13	106.85
Reversal on disposal of assets	-	-	-0.79	-	-	-	-1.72	-2.51
Balance as at 31 March 2015	**-**	**172.63**	**196.96**	**117.97**	**54.32**	**16.45**	**68.41**	**626.74**

Rs. in million

Net block	Freehold land	Buildings	Laboratory equipment	Computers	Furniture and fixtures	Vehicles	Office equipment	Total
As at 31 March 2014	103.54	490.02	112.52	34.57	34.41	4.42	43.83	823.31
As at 31 March 2015	103.54	466.27	139.84	37.59	45.67	7.84	29.65	830.41

Metropolis Healthcare Limited

Annexure XIIIA: Intangible Assets

Rs. in million

Gross block	**Computer Software**	**Total**
Balance as at 1 April 2013	**30.97**	**30.97**
Additions	0.40	0.40
Disposals	-	-
Balance as at 31 March 2014	**31.37**	**31.37**
Additions	8.12	8.12
Disposals	-	-
Balance as at 31 March 2015	**39.49**	**39.49**

Rs. in million

Accumulated amortisation	**Computer software**	**Total**
Balance as at 1 April 2013	**24.38**	**24.38**
Amortisation charge	0.99	0.99
Reversal on disposal of assets	-	-
Balance as at 31 March 2014	**25.37**	**25.37**
Amortisation charge	5.59	5.59
Reversal on disposal of assets	-	-
Balance as at 31 March 2015	**30.96**	**30.96**

Rs. in million

Net block	**Computer software**	**Total**
As at 31 March 2014	6.00	6.00
As at 31 March 2015	8.53	8.53

Metropolis Healthcare Limited

Annexure XIVA: Non-current investments

Rs. in million

Particulars	For the year ended 31 March	
	2015	2014
Trade investments		
(Valued at cost unless stated otherwise)		
Investments in equity instruments		
In subsidiaries		
Golwilkar Metropolis Health Services (India) Private Limited	56.80	56.80
Nawaloka Metropolis Laboratories Private Limited, Sri Lanka	1.10	1.10
Sanket Metropolis Health Services (India) Private Limited	27.12	27.12
Metropolis Health Services (South Africa) (Pty) Limited	0.00^	0.00^
Desai Metropolis Health Services Private Limited	101.04	101.04
Sudharma Metropolis Health Services Private Limited	35.80	35.80
R.V.Metropolis Diagnostics & Health Care Center Private Limited	28.08	28.08
Final Diagnosis Private Limited	58.72	58.72
Dr. Patel Metropolis Healthcare Private Limited	9.87	9.87
Mulay Metropolis Healthcare Private Limited	13.54	13.54
Micron Metropolis Healthcare Private Limited	2.50	2.50
Metropolis Healthcare (Jodhpur) Private Limited	0.07	0.07
Metropolis Healthcare (Chandigarh) Private Limited	0.07	0.07
Ekopath Metropolis Lab Services Private Limited	3.06	0.06
Metropolis Healthcare Mauritius Limited	12.75	9.38
Amins Pathology Laboratory Private Limited	1.00	1.00
Lab One Metropolis Healthcare Services Private Limited	34.61	38.64
Metropolis Health Product Retail Private Limited	1.00	1.00
In joint ventures		
Star Metropolis Health Services Middle East LLC, Dubai (Also, refer Annexure IVA Note 15)	12.98	12.98
In others		
Centre for Digestive and Kidney Disease Private Limited	17.50	17.50
	417.61	415.27
Less : Provision for diminution in value of investments	-71.70	-71.70
Total	**345.91**	**343.57**
Aggregate amount of unquoted investments at cost	417.62	415.28
Provision for diminution in value of investments	71.70	71.70

^ represents amount less than Rs. 5,000.

Metropolis Healthcare Limited

Details of number of shares held by the Company

Particulars	**For the year ended 31 March**	
	2015	**2014**
Equity instruments (Fully paid-up and face value of Rs. 10 each, unless otherwise stated)		
In subsidiaries		
Golwilkar Metropolis Health Services (India) Private Limited (Face value of Rs. 100 each)	7,000	7,000
Nawaloka Metropolis Laboratories Private Limited, Sri Lanka (Sri Lankan Rupee of 10 each)	2,50,000	2,50,000
Sanket Metropolis Health Services (India) Private Limited	1,50,000	1,50,000
Metropolis Health Services (South Africa) (Pty) Limited, (South African Rand of 1 each)	51	51
Desai Metropolis Health Services Private Limited	75,500	75,500
Sudharma Metropolis Health Services Private Limited (Face value of Rs. 5,000 each)	1,215	1,215
R.V. Metropolis Diagnostics & Health Care Center Private Limited (Face value of Rs. 100 each)	2,590	2,590
Final Diagnosis Private Limited	9,03,519	9,03,519
Dr. Patel Metropolis Healthcare Private Limited	35,000	35,000
Mulay Metropolis Healthcare Private Limited	2,079	2,079
Micron Metropolis Healthcare Private Limited	60,000	60,000
Metropolis Healthcare (Jodhpur) Private Limited	7,000	7,000
Metropolis Healthcare (Chandigarh) Private Limited	7,000	7,000
Ekopath Metropolis Lab Services Private Limited	3,06,000	6,000
Metropolis Healthcare Mauritius Limited (Face value of USD 1 each)	2,25,100	1,70,100
Amins Pathology Laboratory Private Limited	1,00,000	1,00,000
Lab One Metropolis Healthcare Services Private Limited (Face value of Rs. 100 each)	6,78,300	6,78,300
Metropolis Health Product Retail Private Limited	1,00,000	1,00,000
In joint ventures		
Star Metropolis Health Services Middle East LLC, Dubai (AED of 1,000 each)	1,020	1,020
In others		
Centre for Digestive and Kidney Disease Private Limited	17,50,000	17,50,000

Annexure XVA: Deferred tax assets (net)

Rs. in million

Particulars	**For the year ended 31 March**	
	2015	**2014**
Deferred tax liabilities		
Timing difference on tangible and intangible assets depreciation and amortisation	27.93	32.63
Restatement adjustments	22.40	20.71
Total (A)	**50.33**	**53.34**
Deferred tax assets		
Provision for bad and doubtful debts	35.88	36.93
Provision for employee benefits	12.35	9.19
Disallowances under section 40 (a) (ia) and 43 of Income Tax Act, 1961	7.54	2.77
Total (B)	**55.77**	**48.89**
Net deferred tax assets (B - A)	**5.44**	**-4.45**

Metropolis Healthcare Limited

Annexure XVIA: Loans and advances

Rs. in million

Particulars	**As at 31 March**			
	2015		**2014**	
	Long-term	**Short-term**	**Long-term**	**Short-term**
Loans and advances				
(Unsecured, considered good unless otherwise stated)				
Capital advances				
-Considered good	-	48.33	-	55.98
-Considered doubtful	-	-	-	1.07
Security deposits				
-Considered good	39.07	10.41	25.00	14.99
-Considered doubtful	-	-	-	-
Loans to related parties				
-Considered good (Refer note (b) to Annexure XXXIIA)	45.37	178.94	48.37	190.31
Advances to related parties				
-Considered good (Refer note (b) to Annexure XXXIIA)	-	23.68	-	12.13
-Considered doubtful (Refer note (b) to Annexure XXXIIA)	-	4.23	-	4.23
Subscription money pending allotment				
-Considered good	-	-	-	-
-Considered doubtful	13.00	-	13.00	-
Prepaid expenses				
-Considered good	-	7.03	-	8.76
Balance with government authorities				
-Advance Tax (Net of Provision for tax)	4.46	-	6.77	-
Advance to suppliers				
-Considered good	-	6.46	-	3.94
-Considered doubtful	-	1.46	-	1.46
Other advances				
Considered good	-	0.56	-	1.75
Considered doubtful	-	6.55	-	4.17
	101.90	287.65	93.14	298.79
Less : Provision for doubtful advances	-13.00	-12.24	-13.00	-10.93
	88.90	**275.41**	**80.14**	**287.86**

Annexure XVIIA: Other non-current assets

Rs. in million

Particulars	**For the year ended 31 March**	
	2015	**2014**
Unsecured, considered good (unless otherwise stated)		
Non-current bank balances (Also, refer Annexure XXIA)	0.47	-
	0.47	**-**

Metropolis Healthcare Limited

Annexure XVIIIA: Current investments

Rs. in million

Particulars	**For the year ended 31 March**	
	2015	**2014**
Non-trade investments		
(Valued at lower of cost and fair value unless stated otherwise)		
Investments in mutual funds		
Axis - Liquid Fund	92.99	-
Axis Fixed Term Plan Growth	20.00	20.00
Birla SL - Cash Manager - Daily Dividend - Regular Plan - Reinvestment	47.20	-
Birla SL - Fixed Term Plan	107.00	106.50
Birla SL - FMP Series	-	5.00
Birla SL - Income Plus Regular Growth	23.50	11.00
BNP Paribas Bond Fund Growth	10.00	10.00
BNP Paribas Bond Fund Regular Growth	32.00	32.00
BNP Paribas Fixed Term Fund Series 24A	-	15.00
BNP Paribas Overnight Fund	20.30	-
BNP Short term Income fund	2.50	2.50
DSP BlackRock - Income Opportunity Regular Growth	95.00	95.00
DSP BlackRock FMP Series	5.00	5.00
DWS Short Maturity Fund	27.50	27.50
HDFC - Cash Management Treasury Advantage Plan Daily Dividend	10.26	-
HDFC - FMP Regular Growth	140.78	155.00
HDFC - High Interest Dynamic Plan (G)	32.50	45.00
HDFC HIF Dynamic Plan	12.50	-
ICICI P FMO	-	10.00
ICICI Prudential - Income Opportunities Fund Growth	7.50	7.50
ICICI Prudential - Regular Savings Fund Growth	10.00	10.00
ICICI Prudential Flexible Income - Daily Dividend	52.66	-
ICICI Prudential Flexible Income Plan	-	4.00
ICICI Prudential FMP Series	120.83	94.83
ICICI Prudential Fund Annual Interval Fund IV - Growth	6.50	6.50
ICICI Prudential Liquid Plan - Daily Dividend	21.45	-
ICICI Prudential STF	10.00	10.00
IDBI - Short Term Bond Fund Growth	40.00	40.00
IDFC - DBF Regular Plan	10.00	-
IDFC FTP Series	7.00	7.00
IDFC SSIF – MTP	12.50	12.50
Kotak - Bond Plan A (G)	-	10.69
Kotak - Income Opportunities Fund Growth	55.00	55.00
Kotak FMP	30.00	10.00
L&T Short Term Opportunities Fund - Growth	2.50	2.50
LIC Nomura - FMP	-	20.00
Reliance - Regular Savings Debt Plan Growth	50.00	50.00
Reliance FHF XXV	5.32	5.32
SBI - DFS	120.72	113.44
SBI - Dynamic Bond Fund - Growth	30.60	41.16
Tata Floater Fund	-	4.00
Tata FMP	64.00	25.00
Templeton STIP	12.50	12.50
UTI Fixed Term Income Fund	54.33	54.38
Total	**1,402.44**	**1,135.82**
Aggregate market value of current investments	1,591.24	1,212.77

Metropolis Healthcare Limited

Annexure XVIIIA: Current investments

Particulars	For the year ended 31 March	
	2015	2014
Details of Number of Mutual Fund Units held by Comapany		
Investments in mutual funds		
Axis - Liquid Fund	92,960	-
Axis Fixed Term Plan Growth	20,00,000	20,00,000
Birla SL - Cash Manager - Daily Dividend - Regular Plan - Reinvestment	4,70,538	-
Birla SL - Fixed Term Plan	1,07,00,000	1,06,49,608
Birla SL - FMP Series	-	5,00,000
Birla SL - Income Plus Regular Growth	3,95,575	1,96,800
BNP Paribas Bond Fund Growth	8,19,906	8,19,906
BNP Paribas Bond Fund Regular Growth	23,00,843	23,00,843
BNP Paribas Fixed Term Fund Series 24A	-	15,00,000
BNP Paribas Overnight Fund	20,293	-
BNP Short term Income fund	1,79,046	1,79,046
DSP BlackRock - Income Opportunity Regular Growth	54,24,135	54,24,135
DSP BlackRock FMP Series	5,00,000	5,00,000
DWS Short Maturity Fund	12,87,128	12,87,128
HDFC - Cash Management Treasury Advantage Plan Daily Dividend	10,23,162	-
HDFC - FMP Regular Growth	1,40,77,680	1,55,00,000
HDFC - High Interest Dynamic Plan (G)	7,96,925	11,11,059
HDFC HIF Dynamic Plan	3,14,134	-
ICICI P FMO	-	10,00,000
ICICI Pru - Income Opportunities Fund Growth	2,04,144	2,04,144
ICICI Pru - Regular Savings Fund Growth	8,63,713	8,63,713
ICICI Prudential Flexible Income - Daily Dividend	4,98,014	-
ICICI Prudential Flexible Income Plan	-	37,830
ICICI Prudential FMP Series	1,20,83,156	94,83,157
ICICI Prudential Fund Annual Interval Fund IV - Growth	4,31,372	4,31,372
ICICI Prudential Liquid Plan	2,14,339	-
ICICI Prudential STF	4,12,633	4,12,633
IDBI - Short Term Bond Fund Growth	35,17,031	35,17,031
IDFC - DBF Regular Plan	5,91,300	-
IDFC FTP Series	7,00,000	7,00,000
IDFC SSIF – MTP	6,16,213	6,16,213
Kotak - Bond Plan A (G)	-	3,39,405
Kotak - Income Opportunities Fund Growth	46,48,969	46,48,969
Kotak FMP	30,00,000	10,00,000
L&T Short Term Opportunities Fund	2,13,926	2,13,926
LIC Nomura - FMP	-	20,00,000
Reliance - Regular Savings Debt Plan Growth	33,77,039	33,77,039
Reliance FHF XXV	5,32,282	5,32,282
SBI - DFS	1,20,71,564	1,13,21,564
SBI - Dynamic Bond Fund - Growth	22,50,906	30,55,401
Tata Floater Fund	-	3,986
Tata FMP	64,00,000	25,00,000
Templeton STIP	5,209	5,209
UTI Fixed Term Income Fund - Growth Plan	54,34,654	54,34,654

Metropolis Healthcare Limited

Annexure XIXA: Inventories

Rs. in million

Particulars	**For the year ended 31 March**	
	2015	**2014**
Valued at lower of cost and net realisable value		
Raw materials & Consumables	96.63	83.56
	96.63	**83.56**

Annexure XXA: Trade receivables

Rs. in million

Particulars	**For the year ended 31 March**	
	2015	**2014**
Outstanding for a period exceeding six months from the date they are due for payment		
Unsecured, considered good	127.01	47.84
Unsecured, considered doubtful	103.67	107.57
	230.68	155.41
Less: Provision for bad and doubtful debts	-103.64	-107.59
	127.04	47.82
Other debts		
Unsecured, considered good	290.22	256.25
Unsecured, considered doubtful	-	-
	290.22	256.25
Less: Provision for bad and doubtful debts	-	-
	290.22	256.25
	417.26	**304.07**

The above outstanding balances includes receivables from related parties amounting Rs. 139.84 million as at 31 March 2015 (Rs. 112.54 million as at 31 March 2014)

Metropolis Healthcare Limited

Annexure XXIA: Cash and bank balances

Rs. in million

Particulars	**For the year ended 31 March**	
	2015	**2014**
Cash and cash equivalents		
Cash on hand	3.31	5.33
Cheques on hand ##	5.39	6.45
Balances with banks		
- in current accounts	24.93	54.01
	33.63	**65.79**
Other bank balances		
Fixed deposits with maturity of more than three months but less than twelve months* #	3.30	1.00
Fixed deposits with maturity of more than twelve months	0.47	-
Deposit against the borrowings and guarantees	-	0.36
Margin money (represents fixed deposit with lien)	-	0.28
	3.77	**1.64**
Less : Amounts disclosed as other non-current assets (Refer Annexure XVIIA)	0.47	-
	36.93	**67.43**
The above cash and bank balances includes amount		
* Pledged against bank guarantee	0.26	0.34
# Fixed deposits with lien	2.49	-
## Cheques in transit	5.39	0.30

Annexure XXIIA: Other current assets

Rs. in million

Particulars	**For the year ended 31 March**	
	2015	**2014**
Unsecured ,Considered good (Unless otherwise stated)		
Interest accrued but not due	0.06	0.09
	0.06	**0.09**

Metropolis Healthcare Limited

Annexure XXIIIA: Revenue from operations

Particulars	**For the year ended 31 March**	
	2015	**2014**
Service Income	**2,538.05**	**2,215.61**
Other operating revenues		
Management fees	1.10	1.10
Sundry balances written back	5.75	15.79
	6.85	**16.89**
	2,544.90	**2,232.50**

Annexure XXIVA: Other income

Rs. in million

Particulars	**Year ended 31 March**		**Nature (recurring/**	**Related/ not related to**
	2015	**2014**		
Interest				
- from banks	0.25	0.21	Recurring	Not related
- from related parties	6.58	5.75	Recurring	Not related
- on income tax refund	-	3.71	Non-recurring	Not related
Dividend				
- from mutual fund	6.16	0.88	Recurring	Not related
- from related parties	-	50.15	Non-recurring	Not related
Net gain on redemption of mutual fund investments	17.41	32.31	Recurring	Not related
Foreign exchange gain (net)	0.78	-	Recurring	Related
Excess provision for doubtful debts written back	5.47	20.10	Non-recurring	Related
Profit on sale of fixed assets (net)	0.29	-	Non-recurring	Not related
Miscellaneous	2.34	7.68	Recurring	Not related
	39.28	**120.79**		
Profit before tax, as restated	**646.44**	**691.03**		
% of other income to profit before tax	**6.08%**	**17.48%**		

Note:

The classification of 'Other income' as recurring or non-recurring and related or non-related to business activity is based on the current operations and business activities of the Company, as determined by the management.

Metropolis Healthcare Limited

Annexure XXVA: Cost of materials consumed

Rs. in million

Particulars	**For the year ended 31 March**	
	2015	**2014**
Cost of materials consumed		
Opening stock	83.56	80.34
Add : Purchases during the year	720.12	630.79
Less : Closing stock	-96.63	-83.56
	707.05	**627.57**

Annexure XXVIA: Employee benefit expenses

Rs. in million

Particulars	**For the year ended 31 March**	
	2015	**2014**
Salaries, wages and bonus*	498.72	379.89
Gratuity expenses [Also, refer Annexure VIIIA (a)]	12.66	6.25
Contribution to provident and other funds [Also, refer Annexure VIIIA (b)]	32.27	21.22
Staff welfare	34.69	37.32
	578.34	**444.68**

*Salaries, wages and bonus includes directors remuneration of Rs.32.01 million for the year ended 31 March 2015 and Rs. 17.51 million for the year ended 31 March 2014. (Also Refer Annexure XXXIIA)

Annexure XXVIIA: Finance costs

Rs. in million

Particulars	**For the year ended 31 March**	
	2015	**2014**
Interest on term loan	15.37	22.30
	15.37	**22.30**

Metropolis Healthcare Limited

Annexure XXVIIIA: Depreciation and amortisation expense

Rs. in million

Particulars	**For the year ended 31 March**	
	2015	**2014**
Depreciation of tangible assets (Also, refer Annexure XIIA)	106.85	80.95
Amortisation of intangible assets (Also, refer Annexure XIIIA)	5.59	0.99
Less: Transferred to retained earnings [Also, refer Annexure VIA (a)]	-9.45	-
	102.99	**81.94**

Annexure XXIXA: Other expenses

Rs. in million

Particulars	**For the year ended 31 March**	
	2015	**2014**
Accreditation	5.48	4.38
Laboratory expenses	6.61	5.93
Electricity	40.62	38.05
Rent	105.27	77.29
Repairs and maintenance		
- Buildings	4.25	4.98
- Plant and equipment	18.19	12.01
- Others	13.14	19.41
Insurance	4.74	4.06
Rates and taxes	12.69	17.54
Payments to auditors [Also, refer Annexure IVA (9)]	2.67	2.30
Foreign exchange loss (net)	-	0.42
Loss on sale of fixed assets (net)	-	0.05
Legal and professional	100.36	89.30
Travelling and conveyance	41.23	33.07
Printing and stationery	32.16	27.65
Advertisement	3.77	3.91
Donation	-	0.40
Provision for bad and doubtful debts (net)	1.57	27.82
Bad debts written off	5.47	20.10
Provision for doubtful advances (net)	1.31	3.87
Postage and courier	33.95	30.89
Royalty	1.39	1.16
Communication	15.44	12.09
Sales promotion and entertainment	42.78	12.43
Directors' sitting fee	0.13	0.18
Sundry balance written off (net)	0.51	0.12
Bank charges	3.32	2.62
Miscellaneous	17.41	13.36
	514.46	**465.39**

Metropolis Healthcare Limited

Annexure XXXA: Restated Standalone Statement of Dividend declared

I) After bonus and split of shares

Rs. in million

Particulars	As at and for the year ended 31 March	
	2015	2014
Equity share capital (Rs. in million)	98.64	98.64
Number of equity shares (In nos.)	5,12,93,476	5,12,93,476
Face value per share (Rs.)	2.00	2.00
Dividend per equity share	-	0.27
Dividend on equity shares		
Rate of dividend	-	13.46%
Dividend tax rate	-	17.00%
Dividend declared (Rs. in million)	-	13.81
Dividend distribution tax (Rs.in million)	-	2.35
Total dividend including dividend distribution tax (Rs.in million)	-	16.16

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 at the same meeting, the equity share capital (Authorised, Issued and Paid-up) of the Company was subdivided from Rs. 10.00 (Rupees ten) each to equity shares of Rs. 2.00 (Rupees two) each. Accordingly, the calculation above reflect the effect of bonus issue and share split retrospectively for all periods presented.

II) Before bonus and split of shares

Rs. in million

Particulars	As at and for the year ended 31 March	
	2015	2014
Class of shares		
Equity share capital (Rs. in million)	98.64	98.64
Number of equity shares (In nos.)	98,64,130	98,64,130
Face value per share (Rs.)	10.00	10.00
Dividend per equity share	-	1.40
Dividend on equity shares		
Rate of dividend	-	14.00%
Dividend tax rate	-	17.00%
Dividend declared (Rs. in million)	-	13.81
Dividend distribution tax (Rs.in million)	-	2.35
Total dividend including dividend distribution tax (Rs.in million)	-	16.16

Notes:
The above statement should be read with the 'Statement of Notes to the Restated Standalone Financial Information, as restated' in Annexure IVA.

Metropolis Healthcare Limited

Annexure XXXIA: Restated Standalone Statement of Accounting and other ratios

I) Before bonus and split of shares

Sr. no.	Particulars	For the year ended 31 March	
		2015	2014
A	Net worth, as restated (Rs. in million)	3,062.04	2,640.59
B	Profit after tax, as restated (Rs. in million)	430.53	464.77
	Weighted average number of equity shares outstanding during the year		
C	For basic earnings per share	98,64,130	98,64,130
D	For diluted earnings per share	98,64,130	98,64,130
	Earnings per share		
E	Basic earnings per share (Rs.) **(B/C)**	43.65	47.12
F	Diluted earnings per share (Rs.) **(B/D)**	43.65	47.12
G	**Return on net worth (%) (B/A*100)**	**14.06%**	**17.60%**
H	Number of shares outstanding at the end of the year	98,64,130	98,64,130
I	**Net asset value per equity share of Rs.10 each (Rs.) (A/H)**	**310.42**	**267.70**
J	Face value per equity share (Rs.)	10.00	10.00

II) After bonus and split of shares

Sr. no.	Particulars	For the year ended 31 March	
		2015	2014
A	Net worth, as restated (Rs. in million)	3,062.04	2,640.59
B	Profit after tax, as restated (Rs. in million)	430.53	464.77
	Weighted average number of equity shares outstanding during the year		
C	For basic earnings per share	5,12,93,476	5,12,93,476
D	For diluted earnings per share	5,12,93,476	5,12,93,476
	Earnings per share		
E	Basic earnings per share (Rs.) **(B/C)**	8.39	9.06
F	Diluted earnings per share (Rs.) **(B/D)**	8.39	9.06
G	**Return on net worth (%) (B/A*100)**	**14.06%**	**17.60%**
H	Number of shares outstanding at the end of the year (Rs. in million)	5,12,93,476.00	5,12,93,476.00
I	**Net asset value per equity share of Rs.10 each (Rs.) (A/H)**	**59.70**	**51.48**
J	Face value per equity share (Rs.)	2.00	2.00

Notes:

1) 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 at the same meeting, the equity share capital (Authorised, Issued and Paid-up) of the Company was subdivided from Rs. 10.00 (Rupees ten) each to equity shares of Rs. 2.00 (Rupees two) each. Accordingly, the calculation above reflect the effect of bonus issue and share split retrospectively for all periods presented.

2) The ratio has been computed as below :

a) Basic and diluted earnings per share (Rs.)

$$\frac{\text{Profit after tax, as restated, attributable to equity shareholders}}{\text{Weighted average number of equity shares outstanding during the year}}$$

b) Net asset value per equity share (Rs.)

$$\frac{\text{Net worth, as restated, as at the year end}}{\text{Total number of equity shares outstanding as at the year end}}$$

c) Return on net worth (%)

$$\frac{\text{Profit after tax, as restated, attributable to equity shareholders}}{\text{Net worth, as restated, as at the year end}}$$

3) The figures disclosed above are based on the 'Restated Standalone Financial Information.

4) Weighted average number of equity shares is the number of equity shares outstanding at the beginning of the year adjusted by the number of equity shares issued during the year multiplied by the time weighting factor. The time weighting factor is the number of days for which the specific shares are outstanding as a proportion of total number of days during the year.

5) Net worth for the ratios represents sum of share capital and reserves and surplus (capital redemption reserve, securities premium reserve, foreign currency translation reserve, general reserve and surplus in the Restated Standalone statement of profit and loss, as restated).

6) The above statement should be read with the 'Statement of Notes to the Restated Standalone Financial Information in Annexure IVA.

Metropolis Healthcare Limited

Annexure XXXIIA: Restated Standalone Statement of Related party disclosures, as restated

(a) Names of related parties and description of relationship

Description of relationship	For the year ended 31 March 2015	For the year ended 31 March 2014
(I) Subsidiaries including step down subsidiaries	Golwilkar Metropolis Health Services (India) Private Limited Nawaloka Metropolis Laboratories Private Limited Sanket Metropolis Health Services (India) Private Limited Desai Metropolis Health Services Private Limited Metropolis Health Services (South Africa) (Pty) Limited Final Diagnosis Private Limited Sudharma Metropolis Health Services Private Limited R.V. Metropolis Diagnostics & Health Care Center Private Limited Dr. Patel Metropolis Healthcare Private Limited Mulay Metropolis Healthcare Private Limited Micron Metropolis Healthcare Private Limited Metropolis Healthcare (Jodhpur) Private Limited Metropolis Healthcare (Chandigarh) Private Limited Raj Metropolis Healthcare Private Limited Ekopath Metropolis Lab Services Private Limited Metropolis Healthcare Mauritius Limited Metropolis Star Lab Kenya Limited Amins Pathology Laboratory Private Limited Lab One Metropolis Healthcare Services Private Limited Metropolis Health Product Retail Private Limited Bokil Golwilkar Metropolis Healthcare Private Limited Metropolis Bramser Lab Services (Mtius) Limited Metropolis Healthcare Ghana Limited	Golwilkar Metropolis Health Services (India) Private Limited Nawaloka Metropolis Laboratories Private Limited Sanket Metropolis Health Services (India) Private Limited Desai Metropolis Health Services Private Limited Metropolis Health Services (South Africa) (Pty) Limited Final Diagnosis Private Limited Sudharma Metropolis Health Services Private Limited R.V. Metropolis Diagnostics & Health Care Center Private Limited Dr. Patel Metropolis Healthcare Private Limited Mulay Metropolis Healthcare Private Limited Micron Metropolis Healthcare Private Limited Metropolis Healthcare (Jodhpur) Private Limited Metropolis Healthcare (Chandigarh) Private Limited Raj Metropolis Healthcare Private Limited Ekopath Metropolis Lab Services Private Limited Metropolis Healthcare Mauritius Limited Metropolis Star Lab Kenya Limited Amins Pathology Laboratory Private Limited Lab One Metropolis Healthcare Services Private Limited Metropolis Health Product Retail Private Limited Bokil Golwilkar Metropolis Healthcare Private Limited Metropolis Bramser Lab Services (Mtius) Limited Metropolis Healthcare Ghana Limited
(II) Joint Venture	Star Metropolis Health Services Middle East LLC, Dubai	Star Metropolis Health Services Middle East LLC, Dubai
(III) Key Management Personnel (KMP)	Dr. Sushil Kanubhai Shah, Chairman Dr. G.S.K. Velu, Vice Chairman Ms. Ameera Sushil Shah, Managing Director and CEO	Dr. Sushil Kanubhai Shah, Chairman Dr. G.S.K. Velu, Vice Chairman Ms. Ameera Sushil Shah, Managing Director and CEO
(IV) Relatives of KMP	Dr. Duru Sushil Shah Ms. Subha K. Velu Ms. Gomathy Velu	Dr. Duru Sushil Shah Ms. Subha K. Velu Ms. Gomathy Velu
(V) Other related parties (entities in which either of the KMP's or relatives have significant influence)	Trivitron Healthcare Private Limited Trivitech Healthcare Private Limited BioSystems Diagnostics (P) Limited Trivitron Medical Systems (P) Limited Diasorin Trivitron Healthcare Private Limited	Trivitron Healthcare Private Limited Trivitech Healthcare Private Limited BioSystems Diagnostics (P) Limited Trivitron Medical Systems (P) Limited Diasorin Trivitron Healthcare Private Limited

Metropolis Healthcare Limited

Annexure XXXIIA: Restated Standalone Statement of Related party disclosures

(b) Transactions and outstanding balances with related parties

Rs. in million

Particulars	As at and for the year ended 31 March	
	2015	2014
(I) Subsidiaries including step down subsidiaries		
Transactions		
Services rendered		
Golwilkar Metropolis Health Services (India) Private Limited	14.39	13.58
Sanket Metropolis Health Services (India) Private Limited	15.10	13.18
Micron Metropolis Healthcare Private Limited	8.77	8.19
Dr. Patel Metropolis Healthcare Private Limited	12.94	11.54
Desai Metropolis Health Services Private Limited	19.68	16.61
Sudharma Metropolis Health Services Private Limited	22.67	21.40
Final Diagnosis Private Limited	-	2.39
Mulay Metropolis Healthcare Private Limited	5.09	4.63
R.V. Metropolis Diagnostics & Health Care Center Private Limited	42.06	29.44
Nawaloka Metropolis Laboratories Private Limited	16.12	15.96
Metropolis Healthcare (Chandigarh) Private Limited	7.71	7.87
Metropolis Star Lab Kenya Limited	12.26	-
Lab One Metropolis Healthcare Services Private Limited	3.42	5.12
Others	13.52	13.95
Purchase of goods and services		
Sudharma Metropolis Health Services Private Limited	-	0.25
Sanket Metropolis Health Services (India) Private Limited	0.43	0.12
R.V. Metropolis Diagnostics & Health Care Center Private Limited	1.43	0.80
Golwilkar Metropolis Health Services (India) Private Limited	-	-
Metropolis Health Product Retail Private Limited	2.61	-
Others	-	0.02
Rent received		
Metropolis Health Product Retail Private Limited	0.61	-
Dividend income		
Desai Metropolis Health Services Private Limited	-	25.67
Golwilkar Metropolis Health Services (India) Private Limited	-	17.85
Nawaloka Metropolis Laboratories Private Limited	-	6.63
Interest income		
Nawaloka Metropolis Laboratories Private Limited	0.11	0.11
Ekopath Metropolis Lab Services Private Limited	0.60	-
Metropolis Health Product Retail Private Limited	0.09	-
Metropolis Health Services Africa (Pty) Limited	2.69	2.91
Metropolis Healthcare (Chandigarh) Private Limited	0.40	0.36
Metropolis Healthcare (Jodhpur) Private Limited	0.52	0.52
Metropolis Healthcare Mauritius Limited	1.26	0.97
Micron Metropolis Healthcare Private Limited	0.91	0.87
R.V. Metropolis Diagnostics & Health Care Center Private Limited	-	-

Metropolis Healthcare Limited

Annexure XXXIIA: Restated Standalone Statement of Related party disclosures

(b) Transactions and outstanding balances with related parties

Rs. in million

Particulars	As at and for the year ended 31 March	
	2015	2014
Loan given		
Metropolis Healthcare Mauritius Limited	13.31	5.97
Micron Metropolis Healthcare Private Limited	-	4.50
Ekopath Metropolis Lab Services Private Limited	2.25	2.25
Metropolis Health Product Retail Private Limited	1.50	2.00
Repayment of loan		
Amins Pathology Laboratory Private Limited	27.00	51.50
Metropolis Healthcare Jodhpur Private Limited	-	1.00
Micron Metropolis Healthcare Private Limited	-	2.10
Management fees		
Metropolis Healthcare (Chandigarh) Private Limited	0.60	0.60
Metropolis Healthcare (Jodhpur) Private Limited	0.50	0.50
Purchase of fixed assets		
Final Diagnosis Private Limited	-	0.90
Metropolis Health Product Retail Private Limited	0.06	-
Sale of fixed assets		
R.V. Metropolis Diagnostics & Health Care Center Private Limited	0.52	0.06
Investments made		
Micron Metropolis Healthcare Private Limited	-	-
Ekopath Metropolis Lab Services Private Limited	3.00	-
Metropolis Healthcare Mauritius Limited	3.37	-
Metropolis Health Product Retail Private Limited	-	1.00
<u>Outstanding balances</u>		
Trade payable	-	-
Golwilkar Metropolis Health Services (India) Private Limited	5.71	4.96
Final Diagnosis Private Limited	4.59	4.33
Sudharma Metropolis Health Services Private Limited	0.91	-
Others	0.79	-
Trade receivable		
Metropolis Star Lab Kenya Limited	8.04	2.04
Metropolis Bramser Lab Services (Mtius) Limited	4.54	-
Metropolis Healthcare Ghana Limited	2.00	-
Micron Metropolis Healthcare Private Limited	3.29	0.94
Dr. Patel Metropolis Healthcare Private Limited	3.66	2.78
Mulay Metropolis Healthcare Private Limited	6.39	1.99
Sudharma Metropolis Health Services Private Limited	7.83	6.45
Nawaloka Metropolis Laboratories Private Limited	3.98	14.79
Sanket Metropolis Health Services (India) Private Limited	13.11	2.60
R.V. Metropolis Diagnostics & Health Care Center Private Limited	8.45	8.15
Metropolis Healthcare (Chandigarh) Private Limited	10.29	9.22
Lab One Metropolis Healthcare Services Private Limited	4.94	2.53
Others	3.29	0.98

Metropolis Healthcare Limited

Annexure XXXIIA: Restated Standalone Statement of Related party disclosures

(b) Transactions and outstanding balances with related parties

Rs. in million

Loans and advances		
Sanket Metropolis Health Services (India) Private Limited	9.88	9.98
Metropolis Health Services Africa (Pty) Limited	40.89	45.65
Nawaloka Metropolis Laboratories Private Limited	9.00	2.61
Metropolis Healthcare (Chandigarh) Private Limited	4.64	4.90
Metropolis Healthcare (Jodhpur) Private Limited	8.75	7.47
Micron Metropolis Healthcare Private Limited	11.20	10.81
Amins Pathology Laboratory Private Limited	113.45	140.19
Ekopath Metropolis Lab Services Private Limited	6.46	6.92
Metropolis Healthcare Mauritius Limited	31.48	16.60
Metropolis Health Product Retail Private Limited	5.19	2.96
Metropolis Star Lab Kenya Limited	4.13	-
Metropolis Bramser Lab Services (Mtius) Limited	0.28	-
Metropolis Healthcare Ghana Limited	0.00^	-
R.V. Metropolis Diagnostics & Health Care Center Private Limited	-	1.18
Others	2.65	1.54
(II) Joint Venture (Star Metropolis Health Services Middle East LLC, Dubai)		
<u>Outstanding balances</u>		
Trade receivable (Fully provided)	59.85	59.85
Loans and advances	4.23	4.23
(III) KMP		
<u>Transactions</u>		
Remuneration		
Ms. Ameera Sushil Shah	32.01	17.51
Dr. Sushil Kanubhai Shah	-	-
Mr. Mangesh Kulkarni	4.14	-
Mr. Sanket Shah	0.27	-
Rent paid		
Dr. Sushil Kanubhai Shah	8.95	8.27
Professional fees		
Dr. Sushil Kanubhai Shah	6.00	6.00
<u>Outstanding balances</u>		
Other liabilities		
Ms. Ameera Sushil Shah	3.30	1.61
Mr. Mangesh Kulkarni	0.60	-
Mr. Sanket Shah	0.03	-
Trade payable		
Dr. Sushil Kanubhai Shah	-	0.50

Metropolis Healthcare Limited

Annexure XXXIIA: Restated Standalone Statement of Related party disclosures

(b) Transactions and outstanding balances with related parties

Rs. in million

(IV) Relative of KMP		
Transactions		
Services rendered		
Dr. Duru Sushil Shah	2.08	1.87
Rent paid		
Ms. Subha K. Velu	2.21	2.04
Ms. Gomathy Velu	2.07	1.91
Outstanding balances		
Trade payable		
Ms. Subha K. Velu	-	0.11
Ms. Gomathy Velu	-	0.10
Trade receivable		
Dr. Duru Sushil Shah	0.18	0.22
(V) Other related parties		
Transactions		
Purchase of goods and services		
Trivitron Healthcare Private Limited	16.04	13.23
BioSystems Diagnostics (P) Limited	2.10	-
Others	0.70	1.40
Purchase of fixed assets		
BioSystems Diagnostics (P) Limited	0.32	0.45
Trivitron Healthcare Private Limited	2.49	-
Sale of fixed assets		
BioSystems Diagnostics (P) Limited	-	0.06
AMC Charges		
Trivitron Healthcare Private Limited	0.48	0.39
BioSystems Diagnostics (P) Limited	0.07	0.03
Outstanding balances		
Trade payable		
Trivitron Healthcare Private Limited	1.21	1.79
BioSystems Diagnostics (P) Limited	0.53	0.73
Trivitech Healthcare Private Limited	-	0.29
Others	0.13	-

Notes:

a. The above statement should be read with the 'Statement of Notes to the Restated Standalone Financial Information in Annexure IVA.

b. List of persons/ entities classified as related parties has been determined by the Management and relied upon by the Auditors.

c. ^ represents amount less than Rs. 5,000.

Metropolis Healthcare Limited

Annexure XXXIIIA: Restated Standalone Statement of Capitalisation

Rs. in million

Particulars	**Pre issue as at 31 March 2015**	**Post issue**
Borrowings		
Long-term (including current maturities) (A)	98.96	•
Short-term	-	•
Total borrowings (B)	**98.96**	•
Shareholders' fund		
Share capital	98.64	•
Reserve and surplus	2,963.40	•
Total shareholders' fund (C)	**3,062.04**	•
Long-term borrowings/ equity ratio {(A)/(C)}	**0.03**	•
Total borrowings/ equity ratio {(B)/(C)}	**0.03**	•

Notes:

1) The above has been computed on the basis of the 'Restated Standalone Statements of Assets and Liabilities in Annexure IA.
2) The above statement should be read with the 'Statement of Notes to the Restated Standalone Financial Information in Annexure IVA.

- The Corresponding figures (post issue) can be calculated only on the conclusion of the book building process and hence have not been furnished.

Metropolis Healthcare Limited

Annexure XXXIVA: Restated Standalone Statement of Tax shelter

Rs. in million

Particulars	Year ended 31 March	
	2015	2014
Net profit before tax, as per audited financial statements (A)	**646.44**	**691.03**
Income tax rate		
Tax rate - statutory rate (%) (B)	33.99%	33.99%
Tax expense at nominal rate {(C)= (A)*(B)}	219.73	234.88
Adjustments		
Permanent differences		
(Profit)/ loss on sale of Property, plant and equipment	(0.29)	0.05
(Profit)/ loss on sale of investments	(17.41)	(32.31)
Amount debited to the profit and loss account, to the extent disallowable under section 36	-	27.42
Income from other sources taxable under Income Tax Act, 1961	(6.16)	(51.03)
Any other item of addition under section 28 to 44DA	(0.19)	0.61
Others	0.91	27.36
D: Total permanent differences	**(22.51)**	**(27.86)**
Timing differences		
Depreciation difference as per books and as per income tax	13.63	-23.92
Restatement adjustments	-4.87	-13.58
Provision for doubtful debts	-3.04	-7.74
Provision for employee benefits	9.12	5.24
Disallowances under section 40 (a) (ia) and 43 of Income Tax Act, 1961	13.77	0.06
E: Total timing differences	**28.61**	**(39.94)**
Net adjustments (F) = (D+E)	**6.10**	**(67.81)**
Tax (savings) thereon (G) = (F)*(B)	**2.07**	**(23.05)**
Tax on Income from capital gain @ statutory rate	3.21	0.04
Tax on Income from other sources u/s 5BBD	-	1.13
Tax expenses at special rates (H)	**3.21**	**1.17**
Tax expenses after savings (I) = (C+G+H)	**225.00**	**213.00**
Provision for tax as per audited financial statements		
Current tax expense	225.00	213.00
Total	**225.00**	**213.00**

Notes:

1) The above statement is in accordance with Accounting Standard - 22 "Accounting for Taxes on Income" as notified under the Companies (Accounts Standards) Rules, 2006 read with Rule 7 of Companies (Accounts) Rules, 2014.

2) The permanent/timing differences for the year ended 31 March 2015 and 31 March 2014 have been computed based on the Income-tax returns filed for the respective years.

3) Statutory tax rate includes applicable surcharge, education cess and higher education cess of the year concerned.

4) The above statement should be read with the 'Statement of Notes to the Restated Standalone Financial Information, as restated' in Annexure IVA.

As per our report of even date attached

For **Walker Chandiok & Co LLP**
Chartered Accountants
Firm's Registration No.: 001076N/N500013

For and on behalf of the Board of Directors
Metropolis Healthcare Limited
U73100MH2000PLC192798

Sudhir N. Pillai
Partner
Membership No: 105782

Dr. Sushil Shah
Chairman & Executive Director
DIN: 00179918

Ameera Shah
Managing Director
DIN: 00208095

Vijender Singh
Chief Executive Officer

Tushar Karnik
Chief Financial Officer
M.N0. 046817

Jayant Prakash
Company Secretary
M. No. FCS 6742

Place : Mumbai
Date : 24th September 2018

Place : Mumbai
Date : 24th September 2018

MANAGEMENT'S DISCUSSION AND ANALYSIS OF FINANCIAL CONDITION AND RESULTS OF OPERATIONS

*You should read the following discussion in conjunction with our restated consolidated financial statements as of the financial years ended March 31, 2018, 2017, and 2016 including the related notes, schedules and annexures. These restated consolidated financial statements have been prepared under Indian Accounting Standards ("**Ind AS**") notified under the Companies (Indian Accounting Standards) Rules, 2015 read with Section 133 of the Companies Act, 2013 to the extent applicable. Our restated consolidated financial statements have been compiled from our audited consolidated financial statements for the financial years ended March 31, 2018 and 2017 prepared under Ind AS and for the financial year ended March 31, 2016 under the previous generally accepted accounting principles followed in India ("**Indian GAAP**") and restated in accordance with the SEBI ICDR Regulations. For further information, see our Restated Consolidated Summary Statements included in "Financial Statements" which begin on page 203.*

Our financial year ends on March 31 of each year. Accordingly, all references to a particular financial year are to the 12-month period ended March 31 of that year.

This discussion contains forward-looking statements that involve risks and uncertainties and reflects our current view with respect to future events and financial performance. Actual results may differ from those anticipated in these forward-looking statements as a result of factors such as those set forth under "Forward-looking Statements" and "Risk Factors" beginning on pages 16 and 18, respectively.

Overview

We are one of the leading diagnostics companies in India, by revenue, as of March 31, 2018 *(Source: Frost & Sullivan)*. We have widespread presence across 18 states in India, as of March 31, 2018, with leadership position in west and south India *(Source: Frost & Sullivan)*. Through our widespread operational network, we offer a comprehensive range of clinical laboratory tests and profiles, which are used for prediction, early detection, diagnostic screening, confirmation and/or monitoring of the disease. We also offer analytical and support services to clinical research organizations for their clinical research projects. During the financial year 2018, we conducted approximately 16.0 million tests from approximately 7.7 million patient visits.

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

We offer a broad range of approximately 3,480 clinical laboratory tests and 524 profiles, as of March 31, 2018. The profile comprises of a variety of test combinations which are specific to a disease or disorder as well as wellness profiles that are used for health and fitness screening. We classify our tests into (i) 'routine' tests such as blood chemistry analyses, blood cell counts and urine examination; (ii) 'semi-specialized' tests such as thyroid function tests, viral and bacterial cultures, histology, cytology and infectious disease tests; and (iii) 'specialized' tests such as tests for coagulation studies, autoimmunity tests, cytogenetics and molecular diagnostics. We are focused on providing reliable test results as well as value-added services such as home collection of specimens and online access to test reports. We also offer customized wellness packages to our institutional customers as per their requirement. We believe, our patient centric approach is a critical differentiator and results in several individuals and healthcare providers choosing us as their diagnostic healthcare service provider.

We conduct our operations through our laboratory and service network. We have implemented a 'hub and spoke' model for quick and efficient delivery of services through our widespread laboratory and service network, which covers 173 cities in India, as of March 31, 2018. As of March 31, 2018, our laboratory network consists of 106 clinical laboratories, comprising (i) a global reference laboratory ("GRL") located in Mumbai, which is our main 'hub' and equipped to conduct majority of the tests offered by us; (ii) 12 regional reference laboratories ("RRLs") (out of which two are located outside India), which are equipped to conduct routine, semi-specialized and few specialized tests; (iii) 50 satellite laboratories (out of which four are located outside India), which are equipped to conduct routine and semi-specialized tests; and (iv) 43 express laboratories (out of which 11 are located outside India), which are equipped to conduct routine tests.

Our service network caters to individual patients as well as institutional customers. We service individual patients through 1,130 patient touch points (out of which 28 are located outside India), as of March 31, 2018, including 251 patient service centers owned by us ("**Owned PSCs**") and 879 third party patient service centers ("**Third Party PSCs**"). We service our institutional customers through approximately 9,020 institutional touch points, as of March 31, 2018, including (i) approximately 8,500 pick-up points; and (ii) 520 assisted referral centers ("**ARCs**") (out of which seven are located outside India), which are our exclusive third party referral centers.

We have been awarded the tender by the National Aids Control Organization ("**NACO**") to collect specimens from 525 government-owned antiretroviral therapy (ART) centers and conduct HIV-1-Viral load tests. We also offer analytical services and support services such as logistics and electronic data interchange (**"EDI"**) to contract research organizations for their clinical research projects.

Our revenue from operations outside India was ₹520.72 million, which accounted for 8.09% of our revenue from operations for the financial year 2018. Outside India, we have laboratory operations in Ghana, Kenya, Zambia, Mauritius and Sri Lanka. In addition, we have also entered into agreements with third parties for collection and processing of specimens in Nepal, Nigeria, UAE and Oman. As of March 31, 2018, we have an operational network of 17 clinical laboratories, 28 patient touch points and seven ARCs, outside India.

We believe that we have established a well-recognized brand by delivering quality diagnostic and related healthcare tests and services. We were recognized for "excellence in customer service and delivery" by Biotrains in 2018, and also received special jury mention for "service excellence (diagnostic center)" by FICCI at the Healthcare Excellence Awards 2018. In addition, our health campaign was recognized as "best in health and fitness" in the Digital Campaign Awards 2018 by LH Insights.

From financial year 2016 to financial year 2018, (i) our revenue from operations grew from ₹ 4,754.69 million to ₹ 6,435.67 million, representing a CAGR of 16.3%; (ii) our Adjusted EBITDA grew from ₹ 1,297.96 million to ₹ 1,773.83 million, representing a CAGR of 16.9%; and (iii) our profit for the year grew from ₹ 819.55 million to ₹ 1,097.47 million, representing a CAGR of 15.7%. Adjusted EBITDA is a supplemental measure of performance and is not prepared under or required by Ind-AS. For a reconciliation of Adjusted EBITDA to net income, see "*Summary Financial Information*" on page 61.

The table below shows our key financial and operational metrics:

Particulars	As of and for the year ended March 31, 2018	As of and the for the year ended March 31, 2017	As of and for the year ended March 31, 2016
Clinical laboratories	106	95	89
Number of patient visits (in million)	7.7	7.0	6.9
Total number of patient touch points:	1,130	579	277
• Number of Owned PSCs	251	223	160
• Number of Third Party PSCs	879	356	117
Total number of institutional touch points (approximately):	9,020	7,308	6,651
• Number of pick-up points (approximately)	8,500	7,000	6,500
• Number of ARCs	520	308	151
Number of tests performed (in million) (approximately)	16.0	14.3	13.4
Number of tests per patient visit	2.08	2.04	1.94
Revenue per test/profiles[1] (in ₹)	402.2	380.9	354.8
Revenue per patient visit[2] (in ₹)	835.0	778.2	689.0

Note:

[1]*This figure is derived by dividing revenue from operations, as per Restated Consolidated Summary Statements as of March 31, 2018, by the number of tests/profiles.*

[2]*This figure is derived by dividing revenue from operations as per Restated Consolidated Summary Statements as of March 31, 2018, by the number of patient visits.*

Significant Factors Affecting Our Results of Operations

Number of Patients Served and Tests Conducted

The key driver in the growth of our revenue from operations has been the number of clinical laboratory tests and profiles that we conduct as well as the number of patient visits handled by us. For the financial years 2018, 2017 and 2016, we conducted approximately 16.0 million, 14.3 million and 13.4 million tests from 7.7 million, 7.0 million and 6.9 million patient visits, respectively. We offer a broad range of approximately 3,480 clinical laboratory tests and 524 profiles, as of March 31, 2018 and our test menu includes pathology tests ranging from basic biochemistry to cytogenetics and surgical pathology tests. Our operations are supported by a laboratory network consisting of 106 clinical laboratories, including our GRL and a service network consisting of (i) 1,130 patient touch points, including 251 Owned PSCs and 879 Third Party PSCs, which service our individual patients; and (ii) approximately 8,500 pick-up points and 520 ARCs, which service our institutional customers, as of March 31, 2018. We expect that the increasing prescription of diagnostic tests and services by healthcare providers in India, increased awareness and spend on preventive care and wellness tests and a shift from the unorganized players to the organized players in the Indian diagnostic market will create a significant market opportunity for us.

The number of patients that we serve is also dependent on our ability to maintain and improve our brand image, which in turn depends on several factors such as the quality and efficiency of our clinical laboratory tests and profiles, turnaround time and patient satisfaction, the performance of our service network, the introduction of new tests and services and our ability to maintain strong relationships with doctors and vendors. While we expect to continue to serve a higher number of patients in the future, the diagnostics industry in India is highly competitive, and it is challenging to improve market share and profitability. Consequently, our ability to grow our revenues depends on our ability to compete successfully and attract new patients.

Revenue Mix Between Individual Patients and Institutional Customers

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

Cost of Material Consumed

For the financial years 2018, 2017 and 2016, our cost of materials consumed was ₹ 1,458.98 million, ₹ 1,351.04 million and ₹ 1,245.93 million, or 22.39%, 23.80% and 25.39% of our total income. Our cost of materials as percentage of total income is affected by various factors including repricing of vendor contracts for reagents, initiatives for improving operational efficiencies and increased economies of scale of our operations.

As we continue to expand our operations and test portfolio, we would need to procure additional volumes of raw materials. We depend on third-party vendors and suppliers to procure our testing equipment. The procurement cost of foreign produced testing equipment and reagents may increase due to several factors including depreciation of Indian Rupee, and our suppliers may therefore demand to re-negotiate the supply contracts with us. In the event of an increase in the price of such items, we may not be able to correspondingly increase the price of our services.

Periods of Disease Outbreaks

Our revenues and results of operations have fluctuated in the past and may continue to fluctuate significantly due to periods of disease outbreaks. Diagnostic healthcare testing volumes typically increase during the monsoon season, when there is a greater prevalence of malaria and dengue, as well as gastrointestinal and respiratory diseases. The increased prevalence of a particular virus or other pathogen in the general population often causes an increased demand for specific diagnostic healthcare testing for that virus. However, certain of our expenses are less impacted by fluctuations in demand, as a significant portion of our costs and expenses such as employee benefits expense and rental charges are fixed, unlike our costs of medical consumables. As a result of such seasonal and other factors, we experience year-on-year fluctuations and we expect such seasonal patterns in our results of operations to continue in the foreseeable future.

Changes in Government Regulations and Policies

We are subject to government regulations, which can affect our results of operations. These regulations could change at any time, with little or no warning or time for us to prepare. For example, the prices that we charge for our services could become subject to recommended or maximum fees set by the Government or other authorities. The Government could introduce "price lists" for services that could be mandatory or, even if not mandatory, result in guidance for the prices we charge for our diagnostic healthcare services. The implementation of such or other policies affecting the prices we charge could, in effect, limit our ability to charge patients higher prices for our services. For further details, see *"Risk Factors – Internal Risk Factors – Non-compliance with and changes in any of the applicable laws, rules or regulations, including safety, health and environmental laws, may adversely affect our business, results of operations and financial condition", "Risk Factors – Internal Risk Factors - We require certain approvals, licenses, registrations and permits for conducting our business and our inability to obtain, retain or renew them in a timely manner, or at all, may adversely affect our business, results of operations and financial condition." and "Risk Factors – Internal Risk Factors- Implementation of pricing policies by the Government or other authorities could adversely affect our business, results of operations and financial condition.*

Currently, the provision of diagnostic services in India is exempt from GST. Any change in Government regulation in this regard may significantly affect our operations. Compliance with, and changes in laws and regulations applicable in overseas jurisdictions in which we operate could also result in increased operating costs.

Statement of Significant Accounting Policies

Use of estimates and judgements

In preparing our consolidated financial statements, our 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 recognized prospectively in the consolidated statement of profit and loss in the period in which the estimates are revised and in any future periods affected.

The areas involving critical estimates or judgements are:
- Assessment of functional currency;
- Determination of useful lives of property, plant and equipment and intangibles;
- Impairment test of non-financial assets;
- Recognition of deferred tax assets;
- Recognition and measurement of provisions and contingencies;
- Fair value of financial instruments;
- Impairment of financial assets;
- Measurement of defined benefit obligations;
- Fair valuation of employee share options; and
- Fair value measurement of consideration and net assets acquired as part of business combination.

Standards issued but not yet effective

Appendix B to Ind AS 21, foreign currency transactions and advance consideration:
On March 28, 2018, the Ministry of Corporate Affairs has notified the Companies (Indian Accounting Standards) Amendment Rules, 2018 containing Appendix B to Ind AS 21, Foreign currency transactions and advance consideration which clarifies the date of the transaction for the purpose of determining the exchange rate to use on initial recognition of the related asset, expense or income, when an entity has received or paid advance consideration in a foreign currency. The amendment has become effective from April 1, 2018. We do not expect any material impact on account of this change.

Ind AS 115- Revenue from Contract with Customers:

The Ministry of Corporate Affairs has notified Ind AS 115 'Revenue from Contract with Customers' which is effective from April 1, 2018. Ind AS 115 introduces a new framework of five step model for the analysis of revenue transactions. The model specifies that revenue should be recognised when (or as) an entity transfer control of goods or services to a customer at the amount to which the entity expects to be entitled as against the current guidance which is based on risk and rewards. We do not expect any material impact on account of this change.

Principles of consolidation

Subsidiaries

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.

Non-controlling interests

Non-controlling interests ("**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 our Company and to the non-controlling interest, even if this results in the non-controlling interests have a deficit balances. Changes in our equity interest in a subsidiary that do not result in a loss of control are accounted for as equity transactions. When we lose control over a subsidiary, we derecognize 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 recognized in profit or loss.

Written put option

For a written put option with non-controlling interest, we use present access method to recognize put liability with debit to other equity since the risk and rewards of ownership substantially remains with the non-controlling interest during the contract period. Such put options are recognized as financial liabilities at present value of the expected payments. Subsequent changes in measurement of the liability is recorded through equity.

Investment in associates and joint ventures

An associate is an entity over which we have 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. Our investments in our 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 our 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.

Business combinations

In accordance with Ind AS 103, we account for these business combinations using the acquisition method when the control is transferred to us. 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 debt or equity securities.

Property plant and equipment's

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.

Any gain or loss on de-recognition 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 us 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 profit and loss during the reporting period 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 Companies Act, 2013, except in the following case where the life is different than as indicated in Schedule II of the Companies Act, 2013, 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 and Equipment's): (Electrical Machinery, X-ray and 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 of foreign subsidiaries 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.

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

Intangible assets

Goodwill

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

In respect of business combinations that occurred prior to April 1, 2016, goodwill is included on the basis of its deemed cost, which represents the amount recorded under Indian GAAP, adjusted for the reclassification of certain intangibles.

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 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 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.

Impairment of non-financial assets

Our 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.

An impairment loss is recognized if the carrying amount of an asset or CGU exceeds its estimated recoverable amount. Impairment losses are recognized 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 recognized in prior periods, we review 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 recognized.

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.

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.

Revenue Recognition

Revenue comprise of revenue from providing healthcare services such as health checkup and laboratory services. Revenue is recognized once the testing samples are processed for requisitioned test, to the extent that it is probable that the economic benefits will flow to us and revenue can be reliably measured. Revenue is measured at the fair value of the consideration received or receivable, taking into account the amount of any trade discounts and volume rebates allowed by the entity.

Interest income

For all debt instruments measured at amortized cost, interest income is recorded using the effective interest rate method ("**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 we estimate 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 the statement of profit and loss on the date on which our right to receive payment is established.

Employee Benefits

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 statement of profit and loss as the related service is provided.

A liability is recognized for the amount expected to be paid if we have 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.
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 is recorded separately for each vesting portion of the award as if the award, in substance, was multiple awards.

When the terms of an equity-settled award are modified, the minimum expense recognized is the expense had the terms had not been modified, if the original terms of the awards are met. An additional expense is recognized for any modification that increases the total fair value of the share-based payment transaction, or is otherwise beneficial to the employee as measured at the date of modification.

Post-Employment Benefits

<u>Defined Contribution Plans:</u>

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. We make contributions 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.

<u>Defined Benefit Plans:</u>

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

Re-measurement of the net defined benefit liability, which comprise actuarial gains and losses, the return on plan assets (excluding interest) and the effect of the asset ceiling (if any, excluding interest), are recognized immediately in 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 (Pvt) Limited, the defined benefit/obligation are calculated at the balance sheet date by an independent actuary using the projected unit credit method.

Leases

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

Operating lease

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

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 OCI. 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, we have a legally enforceable right to set off the recognized amounts and intend 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.

Deferred tax liabilities are not recognized for temporary difference between the carrying amount and tax base of investments in subsidiaries, branches, associates and interest in joint arrangements where we are 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 we expect, at the reporting date, to recover or settle the carrying amount of its assets and liabilities.

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

Foreign currency

Foreign currency transactions:

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

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

Foreign operations:

The assets and liabilities of foreign operations (subsidiaries, associates, joint arrangements) including goodwill and fair value adjustments arising on acquisition, are translated into Indian rupees, the functional currency of our Company, at the exchange rates at the reporting date. The income and expenses of foreign operations are translated into INR 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 recognized in OCI is reclassified to profit or loss as part of the gain or loss on disposal. If we dispose off part of our interest in a subsidiary but retains control, then the relevant proportion of the cumulative amount is re-allocated to NCI. When we dispose off only a part of our 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.

Dividend

We recognize 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 our discretion on or before the end of the reporting period.

Segmental Information

Basis for segmentation
Our operations are limited to one segment, pathology service.

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

(₹ in million)

Revenue from external customers	March 31, 2018	March 31, 2017	March 31, 2016 (Proforma Ind AS)
India	5,914.95	5,099.52	4,538.23
Outside India	520.72	347.72	216.46

(₹ in million)

Non-current assets (other than financial instruments and deferred)	March 31, 2018	March 31, 2017	March 31, 2016 (Proforma Ind AS)
India	2,033.98	2,016.65	1,442.25

Non-current assets (other than financial instruments and deferred)	March 31, 2018	March 31, 2017	March 31, 2016 (Proforma Ind AS)
Outside India	76.72	172.29	110.24

Income and Expenses

Our income and expenditure is reported in the following manner:

Income

Total income consists of revenue from operations and other income.

Revenue from operations. Revenue from operations comprises of revenue from providing pathology services such as health check-up and laboratory services to individual and institutional customers.

Other Income. Other income primarily comprises of recurring income like gain on fair valuation of mutual fund investments, interest on income tax refund and dividend from mutual fund, and non-recurring income such as sale of subsidiary or joint venture.

Expenses

Total expenses comprise of cost of materials consumed, laboratory testing charges, employee benefits expenses, finance costs, depreciation and amortisation expenses and other expenses.

Cost of Materials Consumed. Cost of materials consumed comprises costs incurred towards the purchase of all the raw materials that we require for conducting clinical laboratory tests and profiles.

Laboratory Testing Charges. Laboratory testing charges comprise outsourcing of certain tests by us to other laboratories.

Employee Benefits Expenses. Employee benefits expenses comprise of salaries, wages and bonus, contribution to provident and other funds, gratuity expenses, share based payments expenses and staff welfare expenses.

Finance Costs. Finance costs comprise of interest on term loans and interest on deferred purchase consideration measured at amortized cost.

Depreciation and Amortisation Expenses. Depreciation and amortisation expenses comprise of depreciation on property plant and equipment and amoritisation of intangible assets.

Other Expenses. Other expenses primarily comprise of rent, legal and professional expenses, sales promotion and entertainment expenses, rates and taxes and postage and courier.

Our Results of Operations

The following table sets forth select financial data from our restated consolidated statement of profit and loss for the financial years 2018, 2017 and 2016, the components of which are also expressed as a percentage of total income for such periods:

	Financial Year					
	2018		2017		2016 (Proforma Ind AS)	
	(₹ in million)	*(% of Total Income)*	*(₹ in million)*	*(% of Total Income)*	*(₹ in million)*	*(% of Total Income)*
Income:						
Revenue from operations	6,435.67	98.77	5,447.24	95.96	4,754.69	96.91
Other income	79.88	1.23	229.35	4.04	151.65	3.09
Total Income	**6,515.55**	**100.00**	**5,676.59**	**100.00**	**4906.34**	**100.00**
Expenses:						
Cost of material consumed	1,458.98	22.39	1,351.04	23.80	1,245.93	25.39
Laboratory testing charges	56.75	0.87	24.70	0.44	31.46	0.64
Employee benefits expenses	1,473.68	22.62	1,276.95	22.50	1,081.77	22.05

	Financial Year					
	2018		2017		2016 (Proforma Ind AS)	
	(₹ in million)	*(% of Total Income)*	*(₹ in million)*	*(% of Total Income)*	*(₹ in million)*	*(% of Total Income)*
Finance costs	12.08	0.19	3.87	0.07	7.98	0.16
Depreciation and amortisation expense	190.17	2.92	172.27	3.03	166.41	3.39
Other expenses	1,720.88	26.41	1,275.08	22.46	1,130.67	23.05
Total Expenses	**4,912.54**	**75.40**	**4,103.91**	**72.30**	**3,664.22**	**74.68**
Profit before share of profit for equity accounted investees and income	**1,603.01**	**24.60**	**1,572.68**	**27.70**	**1,242.12**	**25.32**
Share of profit for equity accounted investees (net of tax)	-	-	26.53	0.47	33.10	0.67
Profit before tax	**1,603.01**	**24.60**	**1,599.21**	**28.17**	**1,275.22**	**25.99**
Income Tax expenses:						
Current Tax	553.16	8.49	516.53	9.10	484.21	9.87
Deferred Tax expense/ (income)	(47.62)	(0.73)	10.11	0.18	(28.54)	(0.58)
Total tax expense	**505.54**	**7.76**	**526.64**	**9.28**	**455.67**	**9.29**
Profit for the year	**1,097.47**	**16.84**	**1,072.57**	**18.89**	**819.55**	**16.70**
Other Comprehensive Income/ (Expense) for the year (Net of tax)	7.93	0.12	2.59	0.05	(19.25)	(0.39)
Total Comprehensive Income for the year	**1,105.40**	**16.96**	**1,075.16**	**18.94**	**800.30**	**16.31**

Financial Year 2018 compared to Financial Year 2017

Income

Our total income increased by 14.78% to ₹ 6,515.55 million for the financial year 2018 from ₹ 5,676.59 million for the financial year 2017, due to an increase in revenue from operations, which was partially offset by a decrease in other income.

Revenue from Operations. Our revenue from operations increased by 18.15% to ₹ 6,435.67 million for the financial year 2018 from ₹ 5,447.24 million for the financial year 2017, due to an overall growth in our business as we conducted approximately 16.0 million tests and profiles for the financial year 2018 as compared to approximately 14.3 million tests and profiles for the financial year 2017. Further, there was an increase in the number of tests and profiles conducted on individual patients in our focus cities in line with the increase in patient touch points in these cities to 770 as of March 31, 2018 from 422 as of March 31, 2017. There was also an overall increase in test and profiles conducted in seeding and other key cities. In addition, we acquired certain businesses including Sanjeevani Pathology Laboratory in February 2017 and as a result, their financial results were consolidated in our financial statements for two months during the financial year 2017 and the entire financial year 2018.

Other income. Our other income decreased by 65.17% to ₹ 79.88 million for the financial year 2018 from ₹ 229.35 million for the financial year 2017, primarily due to a one-time payment on account of Metropolis Health Services (South Africa) (Pty) Limited, our joint venture of ₹ 70.58 million during the financial year 2017, a decrease in gain on fair valuation of mutual fund investments to ₹ 31.44 million for the financial year 2018 from ₹ 60.97 million for the financial year 2017 and a decrease in interest on income tax refund to ₹ 0.49 million for the financial year 2018 from ₹ 27.36 million for the financial year 2017.

Expenses

Cost of material consumed. Cost of materials consumed increased by 7.99% to ₹ 1,458.98 million for the financial year 2018 from ₹ 1,351.04 million for the financial year 2017. This increase was on account of expenses incurred to purchase higher volumes of raw materials in line with the increase in tests and profiles conducted during the financial year 2018. As a percentage of revenue from operations, our cost of materials consumed was 22.67% and 24.8% for the financial year 2018 and 2017, respectively.

Laboratory testing charges. Laboratory testing charges increased to ₹ 56.75 million for the financial year 2018 from ₹ 24.70 million for the financial year 2017 due to increase in outsourcing of certain tests to third party laboratories.

Employee benefits expense. Employee benefits expense increased by 15.41% to ₹ 1,473.68 million for the financial year 2018 from ₹ 1,276.95 million for the financial year 2017. This increase was primarily due to an increase in salaries, wages and bonus to ₹ 1,295.08 million for the financial year 2018 from ₹ 1,145.61 million for the financial year 2017. The increase in salaries and other benefits was due to two senior management level hires as well as overall increase in our number of employees in line with growth in our business and compensation increments given to our employees. Our number of employees increased to 4,585 employees as of March 31, 2018 from 4,312 employees as of March 31, 2017.

Finance costs. Our finance costs increased to ₹ 12.08 million for the financial year 2018 from ₹ 3.87 million for the financial year 2017, due to an increase in interest on deferred purchase consideration measured at amortized cost to ₹11.56 million for the financial year 2018 from ₹ 2.24 million for the financial year 2017, which was partially offset by a decrease in interest paid on term loan to ₹ 0.52 million for the financial year 2018 from ₹ 1.63 million for the financial year 2017.

Depreciation and amortisation expense. Our depreciation and amortisation expense increased by 10.40% to ₹ 190.17 million for the financial year 2018 from ₹ 172.27 million for the financial year 2017, as a result of increase in depreciation on property, plant and equipment to ₹ 168.24 million for the financial year 2018 from ₹ 164.44 million for the financial year 2017 on account of addition in property, plant and equipment and increase in amortization of intangible assets to ₹ 21.93 million for the financial year 2018 from ₹ 7.83 million for the financial year 2017.

Other expenses. Our other expenses increased by 34.96% to ₹ 1,720.88 million for the financial year 2018 from ₹ 1,275.08 million for the financial year 2017, primarily due to:

- an increase in rent expenses to ₹ 398.89 million for the financial year 2018 from ₹ 296.88 million for the financial year 2017, which was due to customary rent escalation in existing leases and an increase in the number of premises leased by us for our operations in line with the expansion of our service network;

- an increase in legal and professional expenses to ₹ 361.01 million for the financial year 2018 from ₹ 296.19 million for the financial year 2017, which was due to an increase in professional services availed by us; and

- an increase in advertisement and sales promotion expenses to ₹ 123.36 million for the financial year 2018 from ₹ 80.25 million for the financial year 2017, which was primarily due to an increase in our marketing activities to promote our services.

Tax expenses. Our total tax expense decreased by 4.00% to ₹ 505.54 million for the financial year 2018 from ₹ 526.64 million for the financial year 2017. Our tax expenses for the financial year 2018 comprised a current tax expense of ₹ 553.16 million and a deferred tax income of ₹ 47.62 million, while our tax expenses for the financial year 2017 comprised a current tax expense of ₹ 516.53 million and a deferred tax expense of ₹ 10.11 million. Our effective tax rate was 31.54% and 32.93% for the financial year 2018 and 2017, respectively.

Profit for the year. Our profit for the year increased by 2.32% to ₹ 1,097.47 million for the financial year 2018 from ₹ 1,072.57 million for the financial year 2017.

Financial Year 2017 compared to Financial Year 2016

Income

Our total income increased by 15.70% to ₹ 5,676.59 million for the financial year 2017 from ₹ 4,906.34 million for the financial year 2016, due to an increase in revenue from operations and other income.

Revenue from Operations. Our revenue from operations increased by 14.57% to ₹ 5,447.24 million for the financial year 2017 from ₹ 4,754.69 million for the financial year 2016, due to an overall growth in our business as we conducted 14.3 million tests and profiles for the financial year 2017 as compared to 13.4 million tests and profiles for the financial year 2016. Further, there was an increase in the number of tests and profiles conducted on individual as well as institutional customers in our focus cities in line with the increase in patient touch points in these cities to 422 as of March 31, 2017 from 209 as of March 31, 2016.

Other income. Our other income increased by 51.24% to ₹ 229.35 million for the financial year 2017 from ₹ 151.65 million for the financial year 2016, primarily due to a one-time payment on account of Metropolis Health Services (South Africa) (Pty) Limited, our joint venture, of ₹ 70.58 million during the financial year 2017 and interest received on income tax refund of ₹ 27.36 million during the financial year 2017, which was partially offset by a decrease in gain on fair valuation of mutual fund investments to ₹ 60.97 million for the financial year 2017 from ₹ 109.02 million for the financial year 2016.

Expenses

Cost of material consumed. Cost of materials consumed increased by 8.44% to ₹ 1,351.04 million for the financial year 2017 from ₹ 1,245.93 million for the financial year 2016. This increase was on account of expenses incurred to purchase higher volumes of raw materials in line with the increase in tests and profiles conducted during the financial year 2017. As a percentage of revenue from operations, our cost of materials consumed was 24.8% and 26.2% for the financial year 2017 and 2016, respectively.

Laboratory testing charges. Laboratory testing charges decreased by 21.49% to ₹ 24.70 million for the financial year 2017 from ₹ 31.46 million for the financial year 2016 due to decrease in tests outsourced to third party laboratories.

Employee benefits expense. Employee benefits expenses increased by 18.04% to ₹ 1,276.95 million for the financial year 2017 from ₹ 1,081.77 million for the financial year 2016. This increase was primarily due to an increase in salaries, wages and bonus by to ₹ 1,145.61 million for the financial year 2017 from ₹ 959.39 million for the financial year 2016. The increase in salaries and other benefits was due to an increase in our number of employees in line with the growth in our business and compensation increments given to our employees. Our number of employees increased to 4,312 employees as of March 31, 2017 from 3,942 employees as of March 31, 2016.

Finance costs. Our finance costs decreased by 51.50% to ₹ 3.87 million for the financial year 2017 from ₹ 7.98 million for the financial year 2016, which was offset by a decrease in interest paid on term loan to ₹ 1.63 million for the financial year 2017 from ₹ 7.98 million for the financial year 2016.

Depreciation and amortisation expense. Our depreciation and amortisation expense increased by 3.52% to ₹ 172.27 million for the financial year 2017 from ₹ 166.41 million for the financial year 2016, as a result of increase in depreciation on property, plant and equipment to ₹ 164.44 million for the financial year 2017 from ₹ 162.19 million for the financial year 2016 on account of addition in property, plant and equipment and increase in amortization of intangible assets to ₹ 7.83 million for the financial year 2017 from ₹ 4.22 million for the financial year 2016.

Other expenses. Our other expenses increased by 12.77% to ₹ 1,275.08 million for the financial year 2017 from ₹ 1,130.67 million for the financial year 2016, primarily due to:

- an increase in rent expenses to ₹ 296.88 million for the financial year 2017 from ₹ 210.76 million for the financial year 2016, which was due to customary rent escalation in existing leases and an increase in the number of premises leased by us in line with the expansion of our service network; and

- an increase in legal and professional expenses to ₹ 296.19 million for the financial year 2017 from ₹ 281.80 million for the financial year 2016.

Tax expenses. Our total tax expense increased by 15.58% to ₹ 526.64 million for the financial year 2017 from ₹ 455.67 million for the financial year 2016. Our tax expenses for the financial year 2017 comprised a current tax expense of ₹ 516.53 million and a deferred tax expense of ₹ 10.11 million, while our tax expenses for the financial year 2016 comprised a current tax expense of ₹ 484.21 million and a deferred tax income of ₹ 28.54 million. Our effective tax rate was 32.93% and 35.73% for the financial year 2017 and 2016, respectively.

Profit for the year. Our profit for the year increased by 30.86% to ₹ 1,072.57 million for the financial year 2017 from ₹ 819.55 million for the financial year 2016.

Cash Flows

The following table sets forth our cash flows for the periods indicated:

(₹ in million)

	Financial Year		
	2018	**2017**	**2016 (Proforma Ind AS)**
Net cash generated from Operating Activities	1,039.31	1,017.53	914.16
Net cash generated from/ (used) in Investing Activities	18.82	(857.85)	963.61
Net cash (used) in Financing Activities	(873.03)	(173.00)	(1,737.63)
Net increase/ (decrease) in Cash and Cash Equivalents	179.59	(13.23)	139.41

Operating Activities

Net cash generated from operating activities was ₹ 1,039.31 million for the financial year 2018. While our net profit before tax was ₹ 1,603.01 million, we had an operating profit before working capital changes of ₹ 1,846.47 million, primarily due to depreciation and amortization of ₹ 190.17 million, partially offset by profit on redemption of mutual fund investments of ₹ 67.33 million. Our changes in working capital for the financial year 2018 primarily consisted of an increase in trade receivables of ₹ 203.96 million and an increase in inventories of ₹ 54.05 million. Our cash generated from operating activities was ₹ 1,615.04 million, adjusted by income taxes paid of ₹ 575.73 million.

Net cash generated from operating activities was ₹ 1,017.53 million for the financial year 2017. While our net profit before tax was ₹ 1,599.21 million, we had an operating profit before working capital changes of ₹ 1,569.19 million, primarily due to depreciation and amortization of ₹ 172.27 million and loss on fair valuation of mutual fund investments of ₹ 74.90 million, partially offset by profit on redemption of mutual fund investments of ₹ 135.87 million and profit on sale of a joint venture entity of ₹ 70.58 million. Our changes in working capital for the financial year 2017 primarily consisted of an increase in trade receivables of ₹ 82.48 million, partially offset by an increase in trade payables of ₹ 44.13 million. Our cash generated from operating activities was ₹ 1,530.20 million, adjusted by income taxes paid of ₹ 512.67 million.

Net cash generated from operating activities was ₹ 914.16 million for the financial year 2016. While our net profit before tax was ₹ 1,275.22 million, we had an operating profit before working capital changes of ₹ 1,321.08 million, primarily due to depreciation and amortization of ₹ 166.41 million and loss on fair valuation of mutual fund investments of ₹ 61.80 million, partially offset by profit on redemption of mutual fund investments of ₹ 170.82 million. Our changes in working capital for the financial year 2016 primarily consisted of an increase in trade receivables of ₹ 108.06 million, partially offset by an increase in trade payables of ₹ 49.76 million and an increase in other financial liabilities of ₹ 41.70 million. Our cash generated from operating activities was ₹ 1,316.91 million, adjusted by incomes taxes paid of ₹ 402.75 million.

Investing Activities

Net cash generated from investing activities was ₹ 18.82 million for the financial year 2018, primarily comprising proceeds from sale of current investments such as mutual funds of ₹ 4,602.39 million, partially offset by purchase of current investments such as mutual funds of ₹ 4,234.98 million, purchase of property, plant and equipment and capital work-in-progress (including capital advances) of ₹ 156.64 million and purchase consideration paid towards certain business acquisitions of ₹ 124.27 million.

Net cash used in investing activities was ₹ 857.85 million for the financial year 2017, primarily comprising purchase of current investments such as mutual funds of ₹ 1,596.99 million, purchase consideration paid towards certain business acquisitions of ₹ 410.13 million and purchase of property, plant and equipment and capital work-in-progress (including capital advances) of ₹ 165.63 million, partially offset by proceeds from sale of current investments of ₹ 1,259.82 million.

Net cash generated from investing activities was ₹ 963.61 million for the financial year 2016, primarily comprising proceeds from sale of current investments such as mutual funds of ₹ 2,038.53 million, partially offset by purchase of current investments of ₹ 988.55 million and purchase of property, plant and equipment and capital work-in-progress (including capital advances) of ₹ 164.25 million.

Financing Activities

Net cash used in financing activities was ₹ 873.03 million for the financial year 2018, primarily comprising payment of dividend of ₹ 527.48 million, acquisition of non-controlling interests of ₹ 229.62 million for increasing our interest in existing subsidiaries, Golwilkar Metropolis Health Services (India) Private Limited and Metropolis Healthcare (Jodhpur) Private Limited and payment of dividend tax of ₹ 111.64 million.

Net cash used in financing activities was ₹ 173.00 million for the financial year 2017, primarily comprising payment of dividend tax of ₹ 130.61 million.

Net cash used in financing activities was ₹ 1,737.63 million for the financial year 2016, primarily comprising of payment of dividend of ₹ 828.94 million, payments for buy-back of equity shares amounting to ₹ 603.20 million and tax on buy-back of equity shares of ₹ 135.08 million.

Indebtedness

As of March 31, 2018, we had outstanding consolidated total borrowings of ₹ 7.34 million comprising of non-current borrowings of ₹ 2.01 million, current borrowings of ₹ 3.70 million and current maturities of long term borrowings of ₹ 1.63 million.

See "*Financial Indebtedness*" for a description of broad terms of our indebtedness on page 512.

In the event our lenders declare an event of default, such current and any future defaults could lead to acceleration of our obligations, termination of one or more of our financing agreements or force us to sell our assets, which may adversely affect our business, results of operations and financial condition.

Capital and Other Commitments

As of March 31, 2018, our estimated amount of contracts remaining to be executed on capital account and not provided for was ₹ 107.84 million.

The following table sets forth a summary of the maturity profile of our contractual obligations as of March 31, 2018:

(₹ in millions)

Other contractual obligations	Carrying Amount	Total	Up to 1 year	1 -3 years	3 – 5 years
Non-derivative financial liabilities					
Payable towards acquisition of business	92.29	98.40	70.00	28.40	-
Non-current Borrowings	3.64	3.64	1.63	2.01	-
Interest payable on borrowings	-	4.13	2.84	1.29	-
Current borrowings	3.70	3.70	3.70	-	-
Trade payables	353.38	353.38	353.38	-	-
Other current financial liabilities	277.44	277.44	277.44	-	-
Total	**730.45**	**740.68**	**708.99**	**31.70**	**-**

Capital Expenditure

For the financial year 2018, we added fixed assets of property, plant and equipment of ₹ 221.49 million, primarily for laboratory equipment, building and office equipment. For the financial year 2017, we added fixed assets of property, plant and equipment of ₹ 151.72 million, primarily for laboratory equipment, furniture and fixtures and office equipment. For the financial year 2016, we added fixed assets of property, plant and equipment of ₹ 156.27 million, primarily for laboratory equipment, furniture and fixtures and computers.

Contingent Liabilities

The following table sets forth certain information relating to our contingent liabilities, which have not been provided for, as of March 31, 2018:

Particulars	Amount (₹ in million)
Income tax liability disputed in appeals	13.99

Particulars	Amount (₹ in million)
Employee related dues	23.24
Claims against the Company not acknowledged as debt :	
- Claims pending in Consumer Dispute Redressal Forum	27.49
Contingent consideration on acquisition of remaining stake from Non-Controlling Interests*	75.94
TOTAL	**140.66**

**Our Company has entered into a share purchase agreement to buy the remaining 30% stake of Golwilkar Metropolis Health Services (India) Private Limited. For purchase of the remaining stake, consideration to be paid, as per the valuation of Golwilkar Metropolis Health Services (India) Private Limited, has been determined to be ₹ 303.75 million. However, on account of a breach of non-compete provision as per the terms of the shareholder's agreement dated October 14, 2005, our Company has filed an application before a sole arbitrator in Mumbai against Dr. Ajit S. Golwilkar, Dr. Awanti T. Mehendale and Dr. Vinanti N. Patankar claiming 25% of consideration determined i.e. ₹ 75.94 million as damages. This matter is currently pending before the arbitrator.*

For details, see *"Financial Statements – Notes to Restated Consolidated Financial Information – Note 47 - Contingent Liabilities not provided for"* on page 286.

Off-Balance Sheet Commitments and Arrangements

We do not have any off-balance sheet arrangements, derivative instruments, swap transactions or relationships with affiliates or other unconsolidated entities or financial partnerships that would have been established for the purpose of facilitating off-balance sheet arrangements.

Related Party Transactions

We have engaged in the past, and may engage in the future, in transactions with related parties. For details of our related party transactions, see "*Related Party Transactions*" on page 201.

Quantitative and Qualitative Analysis of Market Risks

Our Board has overall responsibility for the establishment and oversight of our risk management framework. We are exposed to the following risks arising from financial instruments:

Credit risk

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

Trade Receivables

Our exposure to credit risk is influenced mainly by the individual characteristics of each patient. Credit risk is managed through credit approvals, establishing credit limits and continuously monitoring the creditworthiness of patients to who we grant credit terms in the normal course of business. We establish an allowance for doubtful debts and impairment that represents our estimates of incurred losses in respect of trade and other receivables and investments. We do not have any significant concentration of credit risk. There are no patients which accounted for 10% or more of the total trade receivables as of March 31, 2018.

For further information on our credit risk, see "*Financial Statements – Notes to Restated Consolidated Financial Information – Note 39*" on page 264.

Liquidity risk

Liquidity risk is the risk that we will encounter difficulty in meeting the obligations associated with our 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. Our 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 our reputation.

Market risk

Market risk is the risk that changes in market prices such as foreign exchange rates, interest rates and equity prices will affect our income or the value of its holdings of financial instruments. We are 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.

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. We have foreign currency trade payables and receivables and our therefore exposed to foreign exchange risk.

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.

Unusual or Infrequent Events or Transactions

Except as described in this Draft Red Herring Prospectus, to our knowledge, there have been no unusual or infrequent events or transactions that have in the past or may in the future affect our business operations or future financial performance.

Known Trends or Uncertainties

Our business has been subject, and we expect it to continue to be subject, to significant economic changes arising from the trends identified above in "*Significant Factors Affecting our Results of Operations*" above and the uncertainties described in "*Risk Factors*" on page 18. To our knowledge, except as disclosed in this Draft Red Herring Prospectus, there are no known factors which we expect to have a material adverse effect on our income.

Future Relationship between Cost and Revenue

Other than as described in "*Risk Factors*", "*Our Business*" and "*Management's Discussion and Analysis of Financial Condition and Results of Operations*" on pages 18, 135 and 492, respectively, to our knowledge there are no known factors that may adversely affect our business prospects, results of operations and financial condition.

New Products or Business Segments

Other than as disclosed in this section and in "*Our Business*" on page 135, there are no new products or business segments that have or are expected to have a material impact on our business prospects, results of operations or financial condition.

Dependence on a Few Customers or Suppliers

Given the nature of our business operations, we do not believe our business is dependent on any single or a few customers or supplier.

Seasonality of Business

Our business is not seasonal in nature.

Competitive Conditions

We operate in a competitive environment. Please refer to "*Our Business*", "*Industry Overview*" and "*Risk Factors*" on pages 135, 117 and 18, respectively for further information on our industry and competition.

Certain Observations Noted by Auditors

Our Auditor has noted an unadjusted audit qualification with respect to consolidation of an associate entity, Star Metropolis under Ind-AS 28. For details, see "*Financial Statements – Notes to Restated Consolidated Financial Information-Note 2.1 (a)(iii)*" and "*Risk Factors - Internal Risk Factors - We had certain disagreements with ETA Star Healthcare LLC due to which we have not been able to account for the results of our associate, Star Metropolis Health Services Middle East LLC, in our consolidated financial statements since Fiscal 2012 and there is an auditor qualification in our financial statements in this regard.",* on pages 220 and 18, respectively.

Significant developments subsequent to March 31, 2018

Except as set out in this Draft Red Herring Prospectus, to our knowledge, no circumstances have arisen since the date of the last financial statements as disclosed in this Draft Red Herring Prospectus which materially or adversely affect or are likely to affect, our operations or profitability, or the value of our assets or our ability to pay our material liabilities within the next 12 months.

Merger Scheme and its Impact on Historical Standalone Financial Statements due to Ind AS 103

National Company Law Tribunal Mumbai Bench vide its order dated August 31, 2018 has approved the merger scheme of Bacchus Hospitality Services and Real Estate Private Limited and our wholly owned subsidiaries i.e. Metropolis Healthcare (Chandigarh) Private Limited, Metropolis Healthcare (Jodhpur) Private Limited, Final Diagnosis Private Limited, Sanket Metropolis Health Services (India) Private Limited and Golwilkar Metropolis Health Services (India) Private Limited, with our Company. The scheme of amalgamation came into effect on September 8, 2018, and the appointed date for the scheme of amalgamation is April 1, 2018.

Pursuant to the scheme, our Company issued and allotted 2,657,731 Equity Shares to the shareholders of Bacchus Hospitality Services and Real Estate Private Limited, in proportion to their respective shareholding in Bacchus Hospitality Services and Real Estate Private Limited.

Post-merger, the Restated Standalone Summary Statements of the Company will undergo change pursuant to the accounting treatment as per Ind-AS 103.

Allotment of Equity Shares pursuant to Conversion of a Warrant

On September 11, 2018, Our Company allotted 8,703 Equity Shares of ₹ 10 each at a price of ₹ 2,579 each to Metz Advisory LLP, pursuant to conversion of one warrant allotted to Metz Advisory LLP on a preferential basis. For further details, see "*Capital Structure*" on page 90.

Allotment of Equity Shares pursuant to the Metropolis Employee Stock Option Scheme 2007

On September 11, 2018, our Company allotted (i) 21,250 Equity Shares to Dr. Nilesh Shah; (ii) 4,000 Equity Shares to Mr. Pramod Iyer; and (iii) 7,550 Equity Shares to Mr. Mangesh Kulkarni, pursuant to the Metropolis Employee Stock Option Scheme 2007 ("MESOS 2007"). For further details, see "*Capital Structure*" on page 90.

Allotment of Equity Shares pursuant to the Subsidiary Shareholding Acquisitions

On September 13, 2018, our Company allotted (i) 15,043 Equity Shares to Dr. Pranav Desai; (ii) 6,925 Equity Shares to Dr. Shefali Desai; (iii) 9,119 Equity Shares to Dr. Ravi Kumar H.N.; (iv) 11,102 Equity Shares to Dr. Vani Ravi Kumar; (v) 4,777 Equity Shares to Vinod Lath; (vi) 4,777 Equity Shares to Dr. Bharat Gupta; and (vii) 12,853 Equity Shares to Dr. K. Ramesh Kumar, pursuant to the Subsidiary Shareholding Acquisitions. For further details, see "*Capital Structure*" on page 90.

Allotment of Equity Shares pursuant to a Bonus Issue

On September 15, 2018, our Company allotted 385,990 Equity Shares to the Shareholders pursuant to a bonus issue in the ratio of 1:25. For further details, see "*Capital Structure*" on page 90.

Sub-division of share capital

Our Company has, pursuant to a Shareholders' resolution dated September 14, 2018 (with effect from September 20, 2018), sub-divided its share capital by sub-dividing the face value of Equity Shares from ₹ 10 to ₹ 2 each Equity Share. Accordingly, the issued and paid-up capital of our Company was sub-divided from 10,035,736 Equity Shares of ₹ 10 each to 50,178,680 Equity Shares of ₹ 2 each. For further details, see "*Capital Structure*" on page 90.

Recent Accounting Pronouncements

Appendix B to Ind AS- 21, Foreign Currency Transactions and Advance Consideration

On March 28, 2018, the Ministry of Corporate Affairs notified the Companies (Indian Accounting Standards) Amendment Rules, 2018 containing Appendix B to Ind AS 21, Foreign currency transactions and advance consideration which clarifies the date of the transaction for the purpose of determining the exchange rate to use on initial recognition of the related asset, expense or income, when an entity has received or paid advance consideration in a foreign currency. The amendment has become effective from April 1, 2018. We do not expect any material impact on account of this change. For further details, see "*Financial Statements – Notes to Restated Consolidated Financial Information – Note 2.1(g)*" on page 222.

Ind AS -115, Revenue from Contract with Customers

On March 28, 2018, the Ministry of Corporate Affairs notified Ind-AS 115, Revenue from Contracts with Customers, to be applicable from April 1, 2018. Ind-AS 115 introduces a new framework for the analysis of revenue transactions. The model specifies that revenue should be recognized when (or as) an entity transfer control of goods or services to a customer at the amount to which the entity expects to be entitled as against the current guidance which is based on risk and rewards. We do not expect any material impact on account of this change. For further details, see "*Financial Statements – Notes to Restated Consolidated Financial Information – Note 2.1(g)*" on page 222.

FINANCIAL INDEBTEDNESS

As on September 22, 2018, the aggregate outstanding borrowings of our Company on a standalone basis are as follows:

(in ₹ million)

Category of borrowings	Sanctioned amount (HDFC Bank Limited)	Sanctioned amount (Yes Bank Limited)	Outstanding amount*
Working Capital			
Cash credit	90.00	(100.00)*	-
Bank guarantee	10.00	100.00	84.19
Letter of credit	50.00	-	-
Working capital demand loan	-	(100.00)*	-
Total		**250.00**	84.19

Note: - As on date of this Draft Red Herring Prospectus, our Company has availed only the bank guarantee facilities from Yes Bank Limited and HDFC Bank Limited.

**As a sub-limit of bank guarantee facility of ₹ 100.00 million sanctioned by Yes Bank Limited.*

For details of our outstanding borrowing obligations for the last five Fiscals, please see "*Financial Statements*" on page 203.

Principal terms of the guarantee facilities currently availed by our Company:

The details provided below are indicative and there may be additional terms, conditions and requirements under the borrowing arrangement entered into by us.

1. *Tenor:* In case of bank guarantee facility availed from HDFC Bank Limited -maximum of 36 months including claim period. In case of bank guarantee facility availed from Yes Bank Limited – up to 48 months (including claim period).

2. *Security:* Secured by charge over fixed deposit.

3. *Commission:* In case of bank guarantee facility availed from HDFC Bank Limited - as per applicable rule of the Foreign Exchange Dealers Association of India. In case of bank guarantee facility availed from Yes Bank Limited – 0.10% payable upfront on annual basis (commission to be charged on per day basis). Further, in case of bank guarantee facility availed from Yes Bank Limited, an additional 2% commission is applicable.

4. *Penal Interest:* 2% per annum for all overdues/ delays of any monies payable, in case of bank guarantee facility availed from HDFC Bank Limited.

SECTION VI – LEGAL AND OTHER INFORMATION

OUTSTANDING LITIGATION AND OTHER MATERIAL DEVELOPMENTS

Except as stated in this section, there are no outstanding (i) criminal proceedings, (ii) actions taken by statutory or regulatory authorities, (iii) claims related to direct and indirect taxes, and (iv) material litigation, in each case involving our Company, our Subsidiaries, our Promoters, our Directors or our Group Company.

In relation to (iv) above, our Board in its meeting held on September 24, 2018, has considered and adopted a policy of materiality for identification of material litigation. In terms of the materiality policy adopted by our Board, any outstanding litigation:

(a) involving our Company, our Subsidiaries, our corporate Promoter and our Group Companies in which the aggregate monetary amount involved is in excess of two per cent. of the consolidated profit after tax, as per the Restated Consolidated Summary Statements of our Company as at March 31, 2018 would be considered as material. The profit after tax of our Company for the Fiscal 2018 is ₹1,097.47 million, and accordingly, all litigation involving our Company, our Subsidiaries, our corporate Promoter and our Group Companies in which the amount involved exceeds ₹ 21.95 million have been considered as material;

(b) involving our Directors and individual Promoters, the outcome of which could have a material adverse effect on the position, business, operations, prospects or reputation of our Company, irrespective of the amount involved in such litigation, has been considered as material; and

(c) involving our Company, our Subsidiaries, our corporate Promoter and our Group Company, the outcome of which could have a material adverse effect on the position, business, operations, prospects or reputation of our Company, irrespective of the amount involved in such litigation, has been considered as material.

*Our Company has approved, pursuant to its meeting dated September 24, 2018, that in view of the nature and extent of outstanding dues of our Company and nature of business undertaken by our Company, a creditor of our Company, shall be considered to be material for the purpose of disclosure in this Draft Red Herring Prospectus, if amounts due to such creditor exceeds five per cent. of our Company's consolidated trade payables as per our Restated Consolidated Summary Statements of our Company as at March 31, 2018, which is ₹ 17.67 million ("**Creditors' Materiality Policy**").*

It is clarified that for the purposes of the above, pre-litigation notices received by our Company, Directors, Promoters or Group Companies from third parties (excluding those notices issued by statutory/regulatory/tax authorities or notices threatening criminal action) shall, unless otherwise decided by the Board, not be considered as material until such time that our Company, Directors, Promoters or Group Company, as applicable, is impleaded as defendant in litigation proceedings before any judicial forum.

We have disclosed matters relating to direct and indirect taxes involving our Company, Directors, Promoters and Group Companies in a consolidated manner giving details of number of cases and total amount involved in such claims.

All terms defined in a particular litigation disclosure below are for that particular litigation only.

I. Litigations in relation to/ arising out of dispute pertaining to our Registered Office

Our Registered Office is located in a premise which is managed by a public limited company within the meaning of the Companies Act – Industrial Bhavan (Worli) Limited ("**Industrial Bhavan**"). Our Company a is shareholder of Industrial Bhavan.

There are certain outstanding litigations pertaining to our Registered Office, which are disclosed below. Our Company may not be a party to these litigations, however, the subject matter of these litigations is our Registered Office.

Criminal proceedings

1. Industrial Bhavan (the "**Complainant**") has filed a criminal complaint before the Additional Chief Metropolitan Magistrate, 62nd Court, Dadar at Mumbai against Dr. Sushil Kanubhai Shah and Dr. Duru

Sushil Shah (the “**Accused**”) alleging that the Accused have committed a criminal breach of trust and trespass by occupying and carrying out illegal constructions in our Registered Office premises, since their shares have been forfeited. The matter is currently pending.

2. Industrial Bhavan (the “**Complainant**”) has filed a criminal complaint before the Additional Chief Metropolitan Magistrate,2nd Court, Mazgaon at Mumbai against Dr. Sushil Kanubhai Shah, Dr. Duru Sushil Shah and others (the “**Accused**”) alleging that the Accused have conspired and fraudulently filed forged documents in the office of the Registrar of Companies with an intention to misrepresent themselves as directors of Industrial Bhavan for purposes of obtaining a loan from Standard Chartered Bank Limited, thereby creating an invalid and illegal charge on our Registered Office. The Complainant has subsequently filed a writ petition dated September 29, 2015 before the High Court of Bombay, seeking an expeditious trial of the Complaint. The matter is currently pending.

3. Industrial Bhavan (the “**Complainant**”) has filed a criminal complaint before the Additional Chief Metropolitan Magistrate, 29th Court, Dadar at Mumbai against Dr. Sushil Kanubhai Shah, Dr. Duru Sushil Shah and others (the “**Accused**”) alleging that the Accused have conspired and fraudulently opened a bank account in UTI Bank, in its Worli branch in a false name, deceiving persons from whom they collected huge sums of money and misappropriated the amount collected purportedly in the name of Industrial Bhavan (Worli) Private Limited. The matter is currently pending.

4. Industrial Bhavan (the “**Complainant**”) has filed a criminal complaint (“**Complaint**”) before the Additional Chief Metropolitan Magistrate, 29th Court, Dadar (“**Magistrate Court**”) at Mumbai against the Maharashtra Pollution Control Board, Metropolis Laboratory, Metropolis Health Services (India) Private Limited (which got merged with our Company pursuant to the Scheme of Amalgamation 2009), Dr. Sushil Kanubhai Shah, Dr. Duru Sushil Shah, Ameera Sushil Shah and others (together the “**Accused**”) alleging that the Accused, through Metropolis Laboratory, are (i) illegally dumping bio medical waste in the compound of our Registered Office; (ii) keeping municipal waste outside the compound of our Registered Office and (iii) discharging hazardous bio-medical wastes into storm water drains situated in the vicinity of our Registered Office. Subsequently, the Accused filed a discharge application before the Magistrate Court, seeking discharge from the Complaint (“**Discharge Application**”). Pursuant to an order dated March 26, 2018 (“**Magistrate Court order**”), the Magistrate Court has dismissed the Discharge Application. Subsequently, the Accused have filed a criminal revision application before the Sessions Court, Greater Mumbai, seeking dismissal of the Magistrate Court Order. The matter is currently pending.

5. Dileep Nevatia (the “**Complainant**”) has filed a complaint before the Chief Metropolitan Magistrate 29th Court at Dadar, Mumbai against Dr. Sushil Kanubhai Shah (the “**Accused**”) alleging that the Accused has defamed the Complainant and his family members in an affidavit filed by the Accused in respect of another litigation between the Complainant and the Accused concerning our Registered Office. The matter is currently pending.

6. Sunita Nevatia (the “**Complainan**t”) has filed a complaint before the Additional Chief Metropolitan Magistrate, 8th Court, Esplanade at Mumbai against Dr. Sushil Kanubhai Shah and Dr. Duru Sushil Shah (the “**Accused**”) alleging that the Accused have defamed the Complainant and her family in a written statement filed by the Accused in respect of another litigation between the Complainant and the Accused concerning our Registered Office. The matter is currently pending.

7. Dileep Nevatia (the “**Complainant**”) has filed a complaint before the Additional Chief Metropolitan Magistrate, 8th Court, Esplanade at Mumbai against Dr. Sushil Kanubhai Shah and Dr. Duru Sushil Shah (the “**Accused**”) alleging that the Accused have defamed the Complainant and his family in a written statement filed by the Accused in respect of another litigation between the Complainant and the Accused concerning our Registered Office. The matter is currently pending.

8. Industrial Bhavan (the “**Complainant**”) has filed a criminal complaint before the Additional Chief Metropolitan Magistrate, 8th Court, Esplanade at Mumbai against Dr. Sushil Kanubhai Shah, Dr. Duru Sushil Shah, Metropolis Health Services (India) Private Limited (which got merged with our Company pursuant to the Scheme of Amalgamation 2009), and others (the “**Accused**”) alleging conspiracy, fraud and criminal breach of trust in relation to the mortgage of our Registered Office to secure a loan from HDFC Limited. The Complainant has claimed that it is the sole and absolute owner of our Registered Office premises. The matter is currently pending.

9. Industrial Bhavan (the "**Complainant**") has filed a criminal case before the Additional Chief Metropolitan Magistrate, 62nd Court, Dadar at Mumbai (the "**Magistrate Court**") against Rajesh Brothers and its partners, Excellent Make Diamonds and its partners, Dr. Sushil Kanubhai Shah and Attaserial T. G. Kurien (together the "**Accused**") alleging that Rajesh Brothers had illegally entered into a leave and license agreement with respect to premises at 2nd Floor (East Wing) Udyog Bhavan,250-D, Worli, since Rajesh Brothers had no rights over the said property (the "**Complaint**"). Pursuant to an order dated January 22, 2015 of the Magistrate Court, Dr. Sushil Kanubhai Shah was added as an accused in the Complaint (the "**Order**"). Dr. Sushil Kanubhai Shah has filed a writ petition before the High Court of Bombay challenging the Order. These matters are currently pending.

Civil proceedings

1. Elegant Industries Private Limited (the "**Plaintiff**") has filed a suit before the Court of Small Causes, Bombay against Dr. Jyoti Chordia, Metropolis Laboratories and Trivitron Medical System Private Limited and others (the "**Defendants**") alleging that Dr. Jyoti Chordia has wrongfully retained possession of part of the property at 4th Floor, Udyog Bhavan (the "**Suit Premises**") and has illegally sub-let and inducted the other Defendants into the Suit Premises. Our Company is presently not occupying the Suit Premises. The matter is currently pending.

2. Elegant Industries Private Limited (the "**Plaintiff**") has filed a suit before the High Court of Bombay against Dr. Jyoti Chordia, Sunil Pawar, Ramawadh Mishra and Metropolis Health Services (India) Private Limited (which got merged with our Company pursuant to the Scheme of Amalgamation 2009) (together, the "**Defendants**"), alleging that Dr. Jyoti Chordia had illegally sub-let a part of the property of our Registered Office (the "**Suit Premises**") to Metropolis Health Services (India) Private Limited. The Plaintiff has sought restoration of possession of the Suit Premises pursuant to Section 6 of the Specific Relief Act, 1963.

3. Industrial Bhavan (the "**Plaintiff**") has filed a suit before the Bombay City Civil Court against the Municipal Corporation of Greater Mumbai, Dr. Sushil Kanubhai Shah, Dr. Duru Sushil Shah, our Company, Ameera Sushil Shah and others (together the "**Defendants**") alleging that Municipal Corporation of Greater Mumbai had knowledge of an unauthorised construction of a mezzanine floor in our Registered Office and had yet failed to take any action in demolishing the same and prosecuting the concerned persons. The matter is currently pending.

4. Industrial Bhavan (the "**Plaintiff**") has filed a suit ("**Suit**") before the Bombay City Civil Court ("**Civil Court**") against Dr. Sushil Kanubhai Shah, Dr. Duru Sushil Shah, Jiten Pravinchandra Sheth and others (together, the "**Defendants**"), alleging that the Defendants had illegally broken the locks and damaged two doors leading up to the lift room and terrace of our Registered Office. Pursuant to the Suit, the Plaintiff has sought directions from the Civil Court to direct the Defendants to (i) repair the two doors leading up to the lift room and terrace of our Registered Office and (ii) restrain from interfering with one Dileep Nevatia's possession of our Registered Office. Subsequently, pursuant to an order of the Civil Court dated March 4, 2017, the Civil Court dismissed one Dileep Nevatia's plea to represent the Plaintiff in person in the Suit proceedings ("**Civil Court order**"). Subsequently, the Plaintiff has filed a writ petition before the High Court of Bombay challenging the Civil Court order. The matter is currently pending.

5. Industrial Bhavan, our Company and others (the "**Plaintiffs**") have filed a suit before the Bombay City Civil Court ("**Civil Court**") against Municipal Corporation of Greater Mumbai, Dileep Nevatia, Sunita Nevatia, Karan Nevatia and others (together, the "**Defendants**") for declaration by the Civil Court that two iron gates which had allegedly been constructed by the Defendants in the premises of our Registered Office, is illegal. The matter is currently pending.

6. Industrial Bhavan (the "**Plaintiff**") has filed a suit before the Bombay City Civil Court ("**Civil Court**") against Dr. Sushil Kanubhai Shah and Dr. Duru Sushil Shah (the "**Defendants**") alleging that the Defendants did not have the right of possession over half of the ground floor and the first floor of our Registered Office ("**Suit Premises**") on account of the Plaintiff having forfeited the shares held by the Defendants in the Plaintiff company. Pursuant to an order dated February 13, 2009, the Civil Court has directed the Defendants to restrain from alienating, encumbering or creating any third party interest in the Suit Premises without prior permission of the Plaintiff ("**Civil Court order**"). Pursuant to an appeal

dated August 8, 2011, the Defendants have appealed against the Civil Court order. By an order dated December 14, 2010, the Bombay High Court has admitted the appeal. Subsequently, the Plaintiff has filed an execution application dated August 2, 2011 before the Civil Court, seeking to enforce the Civil Court order. The matter is currently pending.

7. Industrial Bhavan (the "**Plaintiff**") has filed a suit before the Bombay City Civil Court (the "**City Civil Court**") against the Municipal Corporation of Greater Mumbai, Food and Drug Administration, Dr. Sushil Kanubhai Shah, Dr. Duru Sushil Shah, our Company, Ameera Sushil Shah and others (together the "**Defendants**") alleging that our Company is unauthorisedly running a pathological laboratory in our Registered Office and that the authorities being Municipal Corporation of Greater Mumbai and Food and Drug Administration, should not permit our Company to run a pathological laboratory or a super specialised research laboratory in the such premises. Our Company has filed a notice of motion ("**Notice of Motion**") before the City Civil Court seeking (i) dismissal of the suit on grounds of lack of jurisdiction of the City Civil Court; and (ii) directions from the City Civil Court to stay further proceedings in the matter before disposal of the Notice of Motion. Pursuant to its order dated September 2, 2015, the City Civil Court has partly allowed the Notice of Motion and proceeded to frame preliminary issues in the matter. Thereafter, the Plaintiff has filed a writ petition before the High Court of Bombay against the order. The matter is currently pending.

8. Industrial Bhavan (the "**Plaintiff**") has filed a suit before the Bombay City Civil Court against Dr. Sushil Kanubhai Shah, Dr. Duru Sushil Shah and others (the "**Defendants**") alleging that the Defendants have filed false and fabricated Form 32s under the Companies Act, 1956 in relation to appointment of Dr. Sushil Kanubhai Shah and Dr. Duru Sushil Shah as directors of the Plaintiff, and for removing Dileep Nevatia, Sunita Nevatia and Karan Nevatia from directorship of the Plaintiff. The Plaintiff has prayed that the Defendants be restrained from claiming and acting as directors of the Plaintiff. The matter is currently pending.

9. Industrial Bhavan, along with our Company, Gospel Literature Service and its trustees and M/s Rajesh Brothers have filed a suit before the High Court of Bombay ("**High Court**") against Dileep Nevatia, Sunita Nevatia, Karan Nevatia, Kunal Nevatia and others (the "**Defendants**") seeking a declaration by the High Court that the Defendants are not the shareholders and/or directors of Industrial Bhavan. The matter is currently pending.

II. Litigations involving our Company

Litigations against our Company

Criminal proceedings

1. Rahul Talwar (the "**Complainant**") has filed a first information report before the Saket Police Station, Delhi against Max Hospital, Saket and our Company (together, "**the Accused**"), alleging that the Accused were involved in cheating and medical negligence in the treatment of the Complainant. The Complainant has alleged that our Company had issued wrong test reports to the Complainant. The matter is currently pending.

Actions taken by statutory or regulatory authorities

1. The Assistant Registrar of Companies, Maharashtra at Mumbai issued a show-cause notice dated December 12, 2017 to our Company alleging that our Company had violated the provisions of the Companies Act, 2013 by (i) not disclosing various details of its CSR activities for Fiscal 2015 and (ii) not incurring the requisite statutory expenditure towards CSR activities during Fiscal 2015 (the "**SCN**"). Our Company has responded to the SCN by its letters dated December 22, 2017 and January 25, 2018. Our Company subsequently filed a compounding petition dated June 8, 2018 before the NCLT, Mumbai Bench, seeking compounding of the aforesaid non-compliance. The matter is currently pending.

2. Our Company has filed a compounding petition dated February 1, 2018 before the Regional Director (Western Region), RoC, seeking compounding of non-compliance in relation to e-filing of Form MR-1 under the Companies Act, 2013 for appointment of Vijender Singh as Chief Executive Officer and

Tushar Karnik as Chief Financial Officer within the statutorily prescribed period. The matter is currently pending.

3. Directors of Golwilkar Metropolis Health Services (India) Private Limited ("**Golwilkar**"), which got amalgamated with our Company pursuant to the Scheme of Amalgamation 2018, received a summon cum show cause notice from the Assistant Provident Fund Commissioner, Employees' Provident Fund Organisation, Ministry of Labour and Employment, Government of India, in relation to a complaint by Dr. Awanti Mehendale (the "**Complainant**") alleging that the Complainant was not paid provident fund for certain period during her tenure as a director with Golwilkar. The matter is currently pending.

Tax proceedings

Nature of proceeding	Number of proceedings outstanding	Amount involved (in ₹ million)
Direct tax	4	11.75
Indirect tax	-	-
Total	**4**	**11.75**

Litigations by our Company

Criminal proceedings

1. Our Company has filed seven separate criminal complaints in relation to dishonour of cheques issued by its business partners or patients. The aggregate amount involved in these matters is ₹ 13.12 million. These matters are presently pending before various forums at various stages of adjudication.

Civil proceedings

1. Our Company has filed a suit before the High Court of Bombay against Navkar Construction Company, Mr. Sanjay Jugraj Jain and Mr. Jugraj Jain (the "**Defendants**") for recovery of ₹ 93.15 million along with 15% interest, paid towards advance amount by the Company. The Defendants had agreed to construct commercial premises for our Company on the basis of the advance payment but were unable complete the construction. The matter is currently pending
2. Our Company has filed a suit before the High Court of Bombay against Star Metropolis Health Services Middle East LLC and ETA Star Healthcare LLC (the "**Defendants**") for recovery of ₹ 103.8 million (AED 5.97 million) along with 18% interest per annum, towards unpaid amounts on invoices raised by our Company on account of healthcare and pathological test services rendered by our Company to the Defendants. The matter is currently pending.
3. Our Company has filed an application before a sole arbitrator - Cyrus Bharucha at Mumbai against a hospital, Centre for Digestive and Kidney Diseases (India) Private Limited and another (the "**Respondents**") for recovery of ₹ 305.18 million towards providing pathology services to the Respondents as per the conducting agreement dated October 3, 2008 entered into between our Company and the Respondents, for purposes of operating the pathology department of the said hospital. The matter is currently pending.
4. Our 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 ₹ 75.94 million as damages arising out of a breach of a non-compete provision by the Respondents in terms of the shareholder's agreement dated October 14, 2005 entered into between our Company and the Respondents in respect of Golwilkar Metropolis Health Services (India) Private Limited (which got merged with our Company pursuant to the Scheme of Amalgamation 2018). The Respondents have subsequently filed their counter-claim dated September 5, 2018 before the sole arbitrator, claiming ₹ 13.41 million from our Company towards alleged (i) non-payment of salary to the Respondents by our Company and (ii) breach of the Shareholders Agreement by our Company. The matter is currently pending.

III. Litigations involving our Subsidiaries

Metropolis Healthcare Lanka (Pvt) Limited

Litigations against Metropolis Lanka Healthcare (Pvt) Limited

Civil proceedings

1. Dr. P.G Thakar (the "**Complainant**"), an ex-employee of our Company, had filed a complaint before the Department of Labour at Colombo alleging that certain dues remained unpaid to him towards provident fund, employees trust fund and gratuity from Metropolis Lanka Healthcare (Pvt) Limited ("**MLHPL**"). By its orders dated January 19, 2016 and January 26, 2018, the Department of Labour had determined that an amount of ₹ 6.25 million was due to be paid to the Complainant towards provident fund ("**Department Order**"). The Department of Labour also filed a complaint before the Magistrate's Court, Fort ("**Magistrate Court**") against Metropolis Lanka Healthcare (Pvt) Limited (the "**Defendant**") for alleged non-payment of provident fund dues. By its order dated January 5, 2018, the Magistrate Court directed the Defendant to pay an amount of ₹ 6.25 million to the Complainant ("**Magistrate Court Order**"). The Defendant has filed an appeal before the High Court of Colombo against the Magistrate Court Order.

   The Complainant also filed a complaint against the Defendant before the Labour Tribunal at Colombo ("**Labour Tribunal**"), alleging that certain dues remained unpaid to him towards provident fund, employees trust fund and gratuity from the Defendant. By its order dated July 10, 2017, the Labour Tribunal awarded a sum of ₹ 9.5 million to the Complainant as compensation ("**Labour Tribunal Order**"). The Defendant filed an appeal before the High Court of Colombo against the Labour Tribunal Order. The High Court of Colombo by its order dated July 6, 2018 reduced the quantum of compensation to ₹ 3.8 million ("**High Court Order**").

   The Defendant had also separately filed writs of certiorari and prohibition before the Court of Appeal, Sri Lanka ("**Court of Appeal**") against the Labour Tribunal Order (the "**Writ Petition**"). By its order dated April 6, 2017, the Court of Appeal dismissed the Writ Petitions ("**Court of Appeal Order**"). Thereafter, the Defendant filed an appeal before the Supreme Court of Sri Lanka against the Court of Appeal Order.

   These matters are currently pending.

Metropolis Bramser Lab Services (Mtius) Limited

Litigation against Metropolis Bramser Lab Services (Mtius) Limited

Civil proceedings

1. Dr. Pravin Kumar Oogarah (the "**Plaintiff**") has filed a plaint before the Supreme Court of Mauritius against Metropolis Bramser Lab Services (Mtius) Limited ("**the Defendant**") claiming an amount of MUR 0.79 million along with interest and costs which allegedly remained unpaid to the Plaintiff from the Defendant on account of services rendered by the Plaintiff as a visiting specialist pathologist. The Defendant has filed for a counter claim of MUR 0.35 million from the Plaintiff. The matter is currently pending.

Litigation by Metropolis Bramser Lab Services (Mtius) Limited

Civil proceedings

1. Metropolis Bramser Lab Services (Mtius) Limited (the "**Plaintiff**") has filed a suit before the Supreme Court of Mauritius (Commercial Division) against The Medical and Surgical Centre Limited ("**Defendant**") claiming an amount of ₹ 150,000,000 as compensation for damages suffered by the Plaintiff as a result of the Defendant's alleged breach of its contractual obligations in relation to the business operations and revenue sharing of one Welkin Hospital. The matter is currently pending.

Metropolis Healthcare (Ghana) Limited

Litigation against Metropolis Healthcare (Ghana) Limited

Civil proceedings

1. Unichem (Ghana) Limited and another (together, the "**Claimants**") have filed a statement of claim against Metropolis Healthcare (Mauritius) Limited ("**Metropolis Mauritius**") and Metropolis Healthcare (Ghana) Limited ("**Metropolis Ghana**" and together with Metropolis Mauritius, the "**Respondents**") before the Superior Court of Judicature in the High Court of Justice (Commercial Division, Greater ACCRA region) ("**High Court**") claiming that the acquisition of shares by Metropolis Mauritius in Metropolis Ghana pursuant to a share purchase and share subscription agreement dated May 2, 2014 entered into with the Claimants, had been carried out fraudulently and hence, illegal and void *ab initio*. The matter is currently pending.

Metropolis Healthcare (Mauritius) Limited

Litigation against Metropolis Healthcare (Mauritius) Limited

See "*– Litigations involving our Subsidiaries – Metropolis Healthcare (Ghana) Limited – Litigation against Metropolis Healthcare (Ghana) Limited*" on page 518.

Tax proceedings

Nature of proceeding	Number of proceedings outstanding	Amount involved (in ₹ million)
Direct tax	1*	2.20
Indirect tax	-	-
Total	**1***	**2.20**

**Tax proceeding against Sudharma Metropolis Health Services Private Limited*

IV. Litigations involving our Promoters

Litigations against our Promoters

Criminal proceedings

Dr. Sushil Kanubhai Shah

See " *– Litigations involving in relation to/ arising out of dispute pertaining to our Registered Office– Criminal proceedings*" on page 513.

Ameera Sushil Shah

See " *– Litigations involving in relation to/ arising out of dispute pertaining to our Registered Office– Criminal proceedings*" on page 513.

Civil proceedings

Dr. Sushil Kanubhai Shah

See " *– Litigations involving in relation to/ arising out of dispute pertaining to our Registered Office– Civil proceedings*" on page 515.

Ameera Sushil Shah

See " *– Litigations involving in relation to/ arising out of dispute pertaining to our Registered Office– Civil proceedings*" on page 515.

Litigations by our Promoters

Criminal proceedings

Dr. Sushil Kanubhai Shah

1. Dr. Sushil Kanubhai Shah has filed a criminal complaint before the Court of the Metropolitan Magistrate, Bhoiwada against Sameer Kapadia (the "**Accused**") in relation to dishonour of cheque issued by the Accused for an amount of ₹ 1.5 million. The matter is currently pending.

Ameera Sushil Shah

1. Ameera Sushil Shah (the "**Complainant**") has filed a criminal complaint before the Court of the Metropolitan Magistrate, 7th Court, Bhoiwada against Sameer Kapadia and Bhupendra Kapadia (the "**Accused**") in relation to dishonour of cheque issued by the Accused for an amount of ₹ 1.5 million. The matter is currently pending.

Civil proceedings

Dr. Sushil Kanubhai Shah

See "*– Litigations involving in relation to/ arising out of dispute pertaining to our Registered Office– Civil proceedings*" on page 515.

Tax proceedings

Nature of proceeding	Number of proceedings outstanding	Amount involved (in ₹ million)
Direct tax	1*	0.27
Indirect tax	-	-
Total	**1***	**0.27**

**Tax proceeding against Metz Advisory LLP*

V. Litigations involving our Directors

Litigations against our Directors

Criminal proceedings

Dr. Sushil Kanubhai Shah

See "*– Litigation Against our Promoters – Criminal proceedings*" on page 519.

Ameera Sushil Shah

See "*– Litigation Against our Promoters – Criminal proceedings*" on page 519.

Vivek Gambhir

1. A criminal complaint ("**Complaint**") was filed by the Insecticides Inspector, New Delhi against Vivek Gambhir (the "**Accused**") in his capacity as the managing director of Godrej Consumer Products Ltd ("**GCPL**") before the Magistrate Court, Saket, New Delhi ("**Magistrate Court**") alleging that GCPL had manufactured and marketed a substandard insecticide. Pursuant to the Complaint, the Magistrate Court issued summons against the Accused. Subsequently, the Accused filed a quashing petition before the High Court of Delhi and a stay order was obtained against the summons issued by the Magistrate Court. The matter is currently pending.

Civil proceedings

Dr. Sushil Kanubhai Shah

See "*– Litigation Against our Promoters – Civil proceedings*" on page 519.

Ameera Sushil Shah

See "– *Litigation Against our Promoters – Civil proceedings*" on page 519.

Litigations by our Directors

Criminal proceedings

Dr. Sushil Kanubhai Shah

See "– *Litigation by our Promoters – Criminal proceedings*" on page 519.

Ameera Sushil Shah

See "– *Litigation by our Promoters – Criminal proceedings*" on page 519.

Civil proceedings

Dr. Sushil Kanubhai Shah

See "– *Litigation Against our Promoters – Civil proceedings*" on page 520.

VI. Outstanding dues to small scale undertakings and other creditors

As of March 31, 2018, we had 2,362 creditors. The aggregate amount outstanding to such creditors as on March 31, 2018 was ₹ 353.38 million.

Based on the Creditors' Materiality Policy, as on March 31, 2018, our Company owed an amount of ₹ 32.40 million to one material creditor of our Company.

As of March 31, 2018, our Company had no outstanding dues to micro and small enterprises, as defined under the Micro, Small and Medium Enterprises Development Act, 2006.

The details pertaining to amounts due towards such creditors are available on the website of our Company at the following link: https://www.metropolisindia.com/about-metropolis/material-creditors/.

It is clarified that information provided on the website of our Company is not a part of this Draft Red Herring Prospectus and should not be deemed to be incorporated by reference. Anyone placing reliance on any other source of information, including our Company's website, would be doing so at their own risk.

VII. Material Developments

For details of material developments, see "*Management's Discussion and Analysis of Financial Condition and Results of Operations*" on page 492.

GOVERNMENT AND OTHER APPROVALS

We have obtained all material consents, licenses, permissions, registrations and approvals from various governmental, statutory and regulatory authorities in India, which are necessary for undertaking our Company's and Subsidiaries' business. The disclosure below is indicative and no further material approvals are required for carrying on the present business operations of our Company or Subsidiaries. Unless otherwise stated, these approvals are valid as on the date of this Draft Red Herring Prospectus.

In relation to the patient service centers and laboratories operated and maintained by our Company and Subsidiaries, which are material from the perspective of our business operations, we have also disclosed below (i) the material approvals applied for, including renewal applications made, but not received; (ii) the material approvals which have expired and renewal for which are yet to be applied for; and (iii) the material approvals which are required but not obtained or applied for.

For details in connection with the regulatory and legal framework within which our Company operates, see "Regulations and Policies" on page 154*.*

For Offer related approvals, see "Other Regulatory and Statutory Disclosures" on page 525 *and for incorporation details of our Company, see "History and Certain Corporate Matters" on page* 158*.*

Material approvals in relation to our business and operations

Business related approvals in respect of material patient service centers and laboratories operated and maintained by our Company and Subsidiaries

1. Registration under the Clinical Establishments (Registration and Regulations) Act, 2010 or under respective State clinical establishment legislation and rules thereunder, as applicable, issued by the appropriate State authority, wherever applicable.

2. Trade license under applicable local municipality laws, issued by appropriate local municipality, wherever applicable.

3. Authorisation under the Bio-Medical Waste (Management and Handling) Rules, 2016, issued by the respective State Pollution Control Board, wherever applicable.

4. No objection for import of radioactive materials under the Atomic Energy Act, 1962 and the rules thereunder, issued by the Atomic Energy Regulatory Board (Government of India), wherever applicable.

5. Registration under the Pre-Natal Diagnostic Techniques (Regulation and Prevention of Misuse) Act, 1984 and the rules thereunder, issued by appropriate State authority, wherever applicable.

Material labour/employment related approvals

1. Registration under applicable shops and establishments legislation for our laboratories, patient service centers and offices, issued by the ministry or department of labour of relevant State government, wherever applicable.

2. Registration under the Employees' Provident Funds and Miscellaneous Provisions Act, 1952, issued by the Employees' Provident Fund Organisation.

3. Registration under the Employees' State Insurance Act, 1948, issued by the Regional Office, Employees State Insurance Corporation of different States.

Tax related approvals

1. Permanent account number issued by the Income Tax Department under the Income Tax Act, 1961.

2. Tax deduction account number issued by the Income Tax Department under the Income Tax Act, 1961.

3. Goods and services tax registration issued by the GoI under the Goods and Service Tax Act, 2017.

Material approvals for which no fresh or renewal applications have been made

Nature of approval	Issuing authority
Trade license for patient service centers and laboratory in Malleshwaram, Karnataka	Municipal Corporation, Malleshwaram, Karnataka
Authorisation under the Bio-Medical Waste (Management and Handling) Rules, 2016 for patient service center in Mukundnagar, Maharashtra	Maharashtra Pollution Control Board
Authorisation under the Bio-Medical Waste (Management and Handling) Rules, 2016 for patient service center in Singhad Road, Maharashtra	Maharashtra Pollution Control Board
Authorisation under the Bio-Medical Waste (Management and Handling) Rules, 2016 for patient service center and laboratory (Ranade Chambers), in Satara, Maharashtra	Maharashtra Pollution Control Board
Authorisation under the Bio-Medical Waste (Management and Handling) Rules, 2016 for patient service center in Juhu, Maharashtra	Maharashtra Pollution Control Board
Authorisation under the Bio-Medical Waste (Management and Handling) Rules, 2016 for patient service center and laboratory in Ulhasnagar, Thane, Maharashtra	Maharashtra Pollution Control Board
Authorisation under the Bio-Medical Waste (Management and Handling) Rules, 2016 for patient service center in Kalyan Wayalenagar, Maharashtra	Maharashtra Pollution Control Board
Authorisation under the Bio-Medical Waste (Management and Handling) Rules, 2016 for patient service center in Kalyaninagar Pune, Maharashtra	Maharashtra Pollution Control Board
Authorisation under the Bio-Medical Waste (Management and Handling) Rules, 2016 for patient service center in Hiranandani, G.B Road, Thane, Maharashtra	Maharashtra Pollution Control Board
Authorisation under the Bio-Medical Waste (Management and Handling) Rules, 2016 for patient service center and laboratory in Goregaon, Maharashtra	Maharashtra Pollution Control Board
Authorisation under the Bio-Medical Waste (Management and Handling) Rules, 2016 for patient service center in Salunke Vihar, Pune, Maharashtra	Maharashtra Pollution Control Board
Authorisation under the Bio-Medical Waste (Management and Handling) Rules, 2016 for patient service center and laboratory in Borivali, Maharashtra	Maharashtra Pollution Control Board
Authorisation under the Bio-Medical Waste (Management and Handling) Rules, 2016 for patient service center in Bhandup, Maharashtra	Maharashtra Pollution Control Board
Authorisation under the Bio-Medical Waste (Management and Handling) Rules, 2016 for patient service center in Chembur, Runwal, Maharashtra	Maharashtra Pollution Control Board
Authorisation under the Bio-Medical Waste (Management and Handling) Rules, 2016 for patient service center in Powai, Maharashtra	Maharashtra Pollution Control Board
Registration under applicable shops and establishments legislations for patient service center in Ambattur, Tamil Nadu	Labour Department
Registration under applicable shops and establishments legislations for patient service center in Tambaram, Tamil Nadu	Labour Department
Registration under applicable shops and establishments legislations for patient service center in Mambalam, Tamil Nadu	Labour Department

Material approvals for which fresh applications have been made

Nature of approval	Issuing authority	Date of acknowledgement of application / date of application
Registration under applicable shops and establishments legislations for patient service center and laboratory in Panvel, Maharashtra	Deputy Commissioner of Labour, Raigad, New Panvel	January 12, 2018

Material approvals which have expired for which renewal applications have been made

Nature of approval	Issuing authority	Date of acknowledgement of renewal application / date of renewal application
Consent to operate for patient service center and laboratory in Guwahati	Assam Pollution Control Board	May 7, 2018

Nature of approval	**Issuing authority**	**Date of acknowledgement of renewal application / date of renewal application**
Authorisation under the Bio-Medical Waste (Management and Handling) Rules, 2016 for patient service center and laboratory in Parasnis Colony, Naka, Satara, Mumbai, Maharashtra	Maharashtra Pollution Control Board	August 16, 2018

Intellectual property rights

Our Company has applied for a copyright registration of its logo, including the tagline "*The Pathology Specialist*", with the Registrar of Trademarks under the Copyright Act, 1957. Additionally, our Company has 14 trademark registrations under class 42 or 44 of the Trade Mark Act, 1999 from the Registrar of Trademarks. For details, see "*Our Business*" on page 135 and "*Risk Factors – Our inability to protect or use our intellectual property rights or comply with intellectual property rights of others may adversely affect our business"* on page 32.

OTHER REGULATORY AND STATUTORY DISCLOSURES

Authority for the Offer

Corporate Approvals

The Offer has been authorised by our Board pursuant to resolutions dated September 24, 2018 and September 27, 2018. This Draft Red Herring Prospectus has been approved by our Board on September 27, 2018.

Authorisation from the Selling Shareholders

The Selling Shareholders have approved the transfer of their respective portion of the Offered Shares as set out below:

S. No.	Name of the Selling Shareholder	Date of corporate authorisation/ consent letter	Number of Offered Shares
1.	Dr. Sushil Kanubhai Shah	September 24, 2018	5,017,868
2.	CA Lotus Investments	September 7, 2018 and September 27, 2018	10,251,816

The Selling Shareholders, severally and not jointly, confirm that their respective portion of the Offered Shares are in compliance with Regulation 26(6) of the SEBI ICDR Regulations and accordingly, are eligible for sale in the Offer, and that they are the legal and beneficial owners of the respective Offered Shares.

In-principle listing approvals

Our Company has received in-principle approvals from BSE and NSE for the listing of our Equity Shares pursuant to letters dated [●] and [●], respectively.

Prohibition by the SEBI, the RBI or other authorities

None of our Company, our Directors, Group Company, our Promoters, members of the Promoter Group or persons in control of our Company are, or have been, debarred or prohibited from accessing or operating in the capital markets or restrained from buying, selling or dealing in securities under any order or direction passed by the SEBI or any other authorities. Neither our Promoters nor any of our Directors or persons in control of our Company were or are associated as a promoter, director, or person in control of any other company which is debarred or prohibited from accessing or operating in the capital market or restrained from buying, selling or dealing in securities under any order or directions made by the SEBI or any other authorities. Further, there have been no violations of securities laws committed by them in the past or are currently pending against them.

The Selling Shareholders, severally and not jointly, specifically confirm that they have not been prohibited from accessing or operating in the capital markets or restrained from buying, selling or dealing in securities under any order or direction passed by SEBI or any other authority.

Other than Mihir Jagdish Doshi, who is a managing director of Credit Suisse Securities (India) Private Limited, none of our Directors or the entities that our Directors are associated with, are associated with the securities market in any manner, including securities market related business and no action has been taken by SEBI against our Directors or any entity in which our Directors are involved as promoters and/or directors.

Further, each of the Selling Shareholders specifically confirm that they have not been declared as a wilful defaulter, as defined under the SEBI ICDR Regulations

None of our Company, our Subsidiaries, our Promoters, member of the Promoter Group, our Directors or the relatives of our Promoters and our Group Companies are or have been identified as wilful defaulters, as defined by the SEBI ICDR Regulations.

Eligibility for the Offer

Our Company is undertaking the Offer in accordance with the Regulation 26(2) of the SEBI ICDR Regulations, which states the following:

"*An issuer not satisfying the condition stipulated in sub-regulation (1) may make an initial public offer if the issue is made through the book-building process and the issuer undertakes to allot, at least seventy five percent of the net offer to public, to qualified institutional buyers and to refund full subscription money if it fails to make the said minimum allotment to qualified institutional buyers*."

We are an unlisted company not complying with the conditions specified in Regulation 26(1) of the SEBI ICDR Regulations and are therefore required to meet the conditions detailed of Regulation 26(2) of the SEBI ICDR Regulations.

We undertake to comply with Regulation 26(2) of the SEBI ICDR Regulations as at least 75% of the Net Offer is proposed to be allocated to QIBs and in the event that we fail to do so, the full application monies shall be refunded to the Bidders, in accordance with the SEBI ICDR Regulations.

Further, in accordance with Regulation 26(4) of the SEBI ICDR Regulations, our Company shall ensure that the number of Allottees under the Offer shall be not less than 1,000, failing which, the entire application money shall be refunded forthwith/unblocked in the respective ASBA Accounts of the ASBA Bidders, as applicable.

Our Company is in compliance with conditions specified in Regulations 4(2) and 4(5)(a) of the SEBI ICDR Regulations to the extent applicable.

DISCLAIMER CLAUSE OF THE SEBI

AS REQUIRED, A COPY OF THIS DRAFT RED HERRING PROSPECTUS HAS BEEN SUBMITTED TO SEBI. IT IS TO BE DISTINCTLY UNDERSTOOD THAT SUBMISSION OF THIS DRAFT RED HERRING PROSPECTUS TO THE SEBI SHOULD NOT IN ANY WAY BE DEEMED OR CONSTRUED THAT THE SAME HAS BEEN CLEARED OR APPROVED BY THE SEBI. THE SEBI DOES NOT TAKE ANY RESPONSIBILITY EITHER FOR THE FINANCIAL SOUNDNESS OF ANY SCHEME OR THE PROJECT FOR WHICH THE OFFER IS PROPOSED TO BE MADE OR FOR THE CORRECTNESS OF THE STATEMENTS MADE OR OPINIONS EXPRESSED IN THIS DRAFT RED HERRING PROSPECTUS. THE BRLMS, BEING JM FINANCIAL LIMITED, CREDIT SUISSE SECURITIES (INDIA) PRIVATE LIMITED, GOLDMAN SACHS (INDIA) SECURITIES PRIVATE LIMITED, HDFC BANK LIMITED AND KOTAK MAHINDRA CAPITAL COMPANY LIMITED HAVE CERTIFIED THAT THE DISCLOSURES MADE IN THIS DRAFT RED HERRING PROSPECTUS ARE GENERALLY ADEQUATE AND ARE IN CONFORMITY WITH THE SECURITIES AND EXCHANGE BOARD OF INDIA (ISSUE OF CAPITAL AND DISCLOSURE REQUIREMENTS) REGULATIONS, 2009 IN FORCE FOR THE TIME BEING. THIS REQUIREMENT IS TO FACILITATE BIDDERS TO TAKE AN INFORMED DECISION FOR MAKING AN INVESTMENT IN THE PROPOSED OFFER.

IT SHOULD ALSO BE CLEARLY UNDERSTOOD THAT WHILE THE COMPANY AND THE PROMOTER SELLING SHAREHOLDER ARE PRIMARILY RESPONSIBLE FOR THE CORRECTNESS, ADEQUACY AND DISCLOSURE OF ALL RELEVANT INFORMATION IN THIS DRAFT RED HERRING PROSPECTUS, AND THE INVESTOR SELLING SHAREHOLDER SHALLBE RESPONSIBLE ONLY FOR THE STATEMENTS SPECIFICALLY CONFIRMED OR UNDERTAKEN BY IT IN THIS DRAFT RED HERRING PROSPECTUS IN RELATION TO ITSELF, AS SELLING SHAREHOLDER AND ITS RESPECTIVE PORTION OF THE EQUITY SHARES OFFERED IN THE OFFER, THE BRLMS ARE EXPECTED TO EXERCISE DUE DILIGENCE TO ENSURE THAT THE COMPANY AND THE SELLING SHAREHOLDERS DISCHARGE THEIR RESPONSIBILITY ADEQUATELY, IN THIS BEHALF AND TOWARDS THIS PURPOSE, THE BRLMS, BEING JM FINANCIAL LIMITED, CREDIT SUISSE SECURITIES (INDIA) PRIVATE LIMITED, GOLDMAN SACHS (INDIA) SECURITIES PRIVATE LIMITED AND KOTAK MAHINDRA CAPITAL COMPANY LIMITED HAVE FURNISHED TO THE SEBI A DUE DILIGENCE CERTIFICATE DATED SEPTEMBER 27, 2018 WHICH READS AS FOLLOWS:

WE, THE BRLMS TO THE ABOVE MENTIONED OFFER, STATE AND CONFIRM AS FOLLOWS:

1. **WE HAVE EXAMINED VARIOUS DOCUMENTS INCLUDING THOSE RELATING TO LITIGATION LIKE COMMERCIAL DISPUTES, PATENT DISPUTES, DISPUTES WITH COLLABORATORS, ETC. AND OTHER MATERIAL DOCUMENTS IN CONNECTION WITH**

THE FINALISATION OF THE DRAFT RED HERRING PROSPECTUS ("DRHP") PERTAINING TO THE SAID OFFER;

2. **ON THE BASIS OF SUCH EXAMINATION AND THE DISCUSSIONS WITH THE COMPANY, ITS DIRECTORS AND OTHER OFFICERS, OTHER AGENCIES AND INDEPENDENT VERIFICATION OF THE STATEMENTS CONCERNING THE OBJECTS OF THE OFFER, PRICE JUSTIFICATION AND THE CONTENTS OF THE DOCUMENTS AND OTHER PAPERS FURNISHED BY THE COMPANY AND THE SELLING SHAREHOLDERS, WE CONFIRM THAT:**

    A. **THE DRHP FILED WITH THE SECURITIES AND EXCHANGE BOARD OF INDIA ("SEBI") IS IN CONFORMITY WITH THE DOCUMENTS, MATERIALS AND PAPERS RELEVANT TO THE OFFER;**

    B. **ALL THE LEGAL REQUIREMENTS RELATING TO THE OFFER AS ALSO THE REGULATIONS, GUIDELINES, INSTRUCTIONS, ETC. FRAMED/ISSUED BY THE SEBI, THE CENTRAL GOVERNMENT AND ANY OTHER COMPETENT AUTHORITY IN THIS BEHALF HAVE BEEN DULY COMPLIED WITH; AND**

    C. **THE DISCLOSURES MADE IN THE DRHP ARE TRUE, FAIR AND ADEQUATE TO ENABLE THE INVESTORS TO MAKE A WELL INFORMED DECISION AS TO THE INVESTMENT IN THE PROPOSED OFFER AND SUCH DISCLOSURES ARE IN ACCORDANCE WITH THE REQUIREMENTS OF THE COMPANIES ACT, 1956, AS AMENDED AND REPLACED BY THE COMPANIES ACT, 2013, TO THE EXTENT IN FORCE), THE COMPANIES ACT, 2013, THE SECURITIES AND EXCHANGE BOARD OF INDIA (ISSUE OF CAPITAL AND DISCLOSURE REQUIREMENTS) REGULATIONS, 2009, AS AMENDED (THE "SEBI ICDR REGULATIONS") AND OTHER APPLICABLE LEGAL REQUIREMENTS.**

3. **WE CONFIRM THAT BESIDES OURSELVES, ALL THE INTERMEDIARIES NAMED IN THE DRHP ARE REGISTERED WITH THE SEBI AND THAT TILL DATE SUCH REGISTRATION IS VALID;**

4. **WE HAVE SATISFIED OURSELVES ABOUT THE CAPABILITY OF THE UNDERWRITERS TO FULFIL THEIR UNDERWRITING COMMITMENTS. – <u>NOTED FOR COMPLIANCE;</u>**

5. **WE CERTIFY THAT WRITTEN CONSENT FROM THE PROMOTERS HAVE BEEN OBTAINED FOR INCLUSION OF THEIR EQUITY SHARES AS PART OF PROMOTERS' CONTRIBUTION SUBJECT TO LOCK-IN AND THE SPECIFIED SECURITIES PROPOSED TO FORM PART OF PROMOTERS' CONTRIBUTION SUBJECT TO LOCK-IN SHALL NOT BE DISPOSED/SOLD/TRANSFERRED BY THE PROMOTERS DURING THE PERIOD STARTING FROM THE DATE OF FILING OF THE DRHP WITH THE SEBI TILL THE DATE OF COMMENCEMENT OF LOCK-IN PERIOD AS STATED IN THE DRHP;**

6. **WE CERTIFY THAT REGULATION 33 OF THE SEBI ICDR REGULATIONS, WHICH RELATES TO SPECIFIED SECURITIES INELIGIBLE FOR COMPUTATION OF PROMOTERS' CONTRIBUTION, HAS BEEN DULY COMPLIED WITH AND APPROPRIATE DISCLOSURES AS TO COMPLIANCE WITH THE SAID REGULATION HAVE BEEN MADE IN THE DRHP. - <u>COMPLIED WITH AND NOTED FOR COMPLIANCE;</u>**

7. **WE UNDERTAKE THAT SUB-REGULATION (4) OF REGULATION 32 AND CLAUSES (C) AND (D) OF SUB-REGULATION (2) OF REGULATION 8 OF THE SEBI ICDR REGULATIONS SHALL BE COMPLIED WITH. WE CONFIRM THAT ARRANGEMENTS HAVE BEEN MADE TO ENSURE THAT PROMOTERS' CONTRIBUTION SHALL BE RECEIVED AT LEAST ONE DAY BEFORE THE OPENING OF THE OFFER. WE UNDERTAKE THAT AUDITORS' CERTIFICATE TO THIS EFFECT SHALL BE DULY SUBMITTED TO SEBI. WE FURTHER CONFIRM THAT ARRANGEMENTS HAVE BEEN MADE TO ENSURE THAT PROMOTERS' CONTRIBUTION SHALL BE KEPT IN AN ESCROW ACCOUNT WITH A SCHEDULED COMMERCIAL BANK AND SHALL BE RELEASED TO THE COMPANY ALONG WITH THE PROCEEDS OF THE PUBLIC OFFER. – <u>NOT APPLICABLE;</u>**

8. **WE CERTIFY THAT THE PROPOSED ACTIVITIES OF THE COMPANY FOR WHICH THE FUNDS ARE BEING RAISED IN THE PRESENT OFFER FALL WITHIN THE 'MAIN OBJECTS' LISTED IN THE OBJECT CLAUSE OF THE MEMORANDUM OF ASSOCIATION OR OTHER CHARTER OF THE COMPANY AND THAT THE ACTIVITIES WHICH HAVE BEEN CARRIED OUT UNTIL NOW ARE VALID IN TERMS OF THE OBJECT CLAUSE OF ITS MEMORANDUM OF ASSOCIATION.- COMPLIED WITH TO THE EXTENT APPLICABLE;**

9. **WE CONFIRM THAT NECESSARY ARRANGEMENTS HAVE BEEN MADE TO ENSURE THAT THE MONIES RECEIVED PURSUANT TO THE OFFER ARE KEPT IN A SEPARATE BANK ACCOUNT AS PER THE PROVISIONS OF SUB SECTION (3) OF SECTION 40 OF THE COMPANIES ACT, 2013 AND THAT SUCH MONEYS SHALL BE RELEASED BY THE SAID BANK ONLY AFTER PERMISSION IS OBTAINED FROM ALL THE STOCK EXCHANGES MENTIONED IN THE PROSPECTUS. WE FURTHER CONFIRM THAT THE AGREEMENT ENTERED INTO BETWEEN THE BANKERS TO THE OFFER, THE SELLING SHAREHOLDERS AND THE COMPANY SPECIFICALLY CONTAINS THIS CONDITION. – NOTED FOR COMPLIANCE. ALL MONIES RECEIVED OUT OF THE OFFER SHALL BE CREDITED/TRANSFERRED TO A SEPARATE BANK ACCOUNT AS REFERRED TO IN SUB-SECTION (3) OF SECTION 40 OF THE COMPANIES ACT, 2013;**

10. **WE CERTIFY THAT A DISCLOSURE HAS BEEN MADE IN THE DRHP THAT THE INVESTORS SHALL BE GIVEN AN OPTION TO GET THE SHARES IN DEMAT OR PHYSICAL MODE. – NOT APPLICABLE. UNDER SECTION 29 OF THE COMPANIES ACT, 2013, EQUITY SHARES IN THE OFFER WILL BE ISSUED IN DEMATERIALISED FORM ONLY;**

11. **WE CERTIFY THAT ALL THE APPLICABLE DISCLOSURES MANDATED IN THE SEBI ICDR REGULATIONS HAVE BEEN MADE IN ADDITION TO DISCLOSURES WHICH, IN OUR VIEW, ARE FAIR AND ADEQUATE TO ENABLE THE INVESTOR TO MAKE A WELL INFORMED DECISION;**

12. **WE CERTIFY THAT THE FOLLOWING DISCLOSURES HAVE BEEN MADE IN THE DRHP:**

    A. **AN UNDERTAKING FROM THE COMPANY THAT AT ANY GIVEN TIME, THERE SHALL BE ONLY ONE DENOMINATION FOR THE EQUITY SHARES OF THE COMPANY; AND**

    B. **AN UNDERTAKING FROM THE COMPANY THAT IT SHALL COMPLY WITH SUCH DISCLOSURE AND ACCOUNTING NORMS SPECIFIED BY SEBI FROM TIME TO TIME;**

13. **WE UNDERTAKE TO COMPLY WITH THE REGULATIONS PERTAINING TO ADVERTISEMENT IN TERMS OF THE SEBI ICDR REGULATIONS WHILE MAKING THE OFFER. – NOTED FOR COMPLIANCE;**

14. **WE ENCLOSE A NOTE EXPLAINING HOW THE PROCESS OF DUE DILIGENCE HAS BEEN EXERCISED BY US IN VIEW OF THE NATURE OF CURRENT BUSINESS BACKGROUND OF THE COMPANY, SITUATION AT WHICH THE PROPOSED BUSINESS STANDS, THE RISK FACTORS, PROMOTERS' EXPERIENCE, ETC.;**

15. **WE ENCLOSE A CHECKLIST CONFIRMING REGULATION-WISE COMPLIANCE WITH THE APPLICABLE PROVISIONS OF THE SEBI ICDR REGULATIONS, CONTAINING DETAILS SUCH AS THE REGULATION NUMBER, ITS TEXT, THE STATUS OF COMPLIANCE, PAGE NUMBER OF THE DRHP WHERE THE REGULATION HAS BEEN COMPLIED WITH AND OUR COMMENTS, IF ANY;**

16. **WE ENCLOSE A STATEMENT ON 'PRICE INFORMATION OF PAST ISSUES HANDLED BY MERCHANT BANKERS (WHO ARE RESPONSIBLE FOR PRICING THE OFFER)', AS PER FORMAT SPECIFIED BY THE SEBI THROUGH CIRCULAR;**

17. WE CERTIFY THAT PROFITS FROM RELATED PARTY TRANSACTIONS HAVE ARISEN FROM LEGITIMATE BUSINESS TRANSACTIONS. – COMPLIED WITH TO THE EXTENT OF THE RELATED PARTY TRANSACTIONS OF THE COMPANY, AS PER THE INDIAN ACCOUNTING STANDARD 24 IN THE FINANCIAL STATEMENTS AND INCLUDED IN THE DRHP, AS CERTIFIED BY M. C. JAIN & CO., CHARTERED ACCOUNTANTS, ICAI FIRM REGISTRATION NUMBER 304012E, PURSUANT TO THEIR CERTIFICATE DATED SEPTEMBER 24, 2018; AND

18. WE CERTIFY THAT THE ENTITY IS ELIGIBLE UNDER 106Y (1) (A) OR (B) (AS THE CASE MAY BE) TO LIST ON THE INSTITUTIONAL TRADING PLATFORM, UNDER CHAPTER XC OF THE SEBI ICDR REGULATIONS. (IF APPLICABLE). - NOT APPLICABLE.

The filing of this Draft Red Herring Prospectus does not, however, absolve the Company or any person who has authorised the issue of this Draft Red Herring Prospectus from any liabilities under Section 34 or Section 36 of the Companies Act, 2013 or from the requirement of obtaining such statutory and/or other clearances as may be required for the purpose of the Offer. SEBI further reserves the right to take up at any point of time, with the BRLMs, any irregularities or lapses in this Draft Red Herring Prospectus.

The filing of this Draft Red Herring Prospectus also does not absolve the Selling Shareholders from any liabilities to the extent of the statements specifically made or confirmed by each of the Selling Shareholders in respect of itself as a Selling Shareholder and of its respective Offered Shares, under Section 34 or Section 36 of Companies Act, 2013.

All legal requirements pertaining to the Offer will be complied with at the time of filing of the Red Herring Prospectus with the RoC in terms of Section 32 of the Companies Act, 2013. All legal requirements pertaining to the Offer will be complied with at the time of registration of the Prospectus with the RoC in terms of Sections 26, 30, 32, 33(1) and 33(2) of the Companies Act, 2013.

Price Information of past issues handled by the BRLMs

JM Financial Limited

1. *Price information of past issues (during the current Fiscal and two Fiscals preceding the current Fiscal) handled by JM Financial Limited:*

Sr. No.	Issue name	Issue Size (₹ million)	Issue price (₹)	Listing Date	Opening price on Listing Date (in ₹)	+/- % change in closing price, [+/- % change in closing benchmark] - 30th calendar days from listing	+/- % change in closing price, [+/- % change in closing benchmark] - 90th calendar days from listing	+/- % change in closing price, [+/- % change in closing benchmark] - 180th calendar days from listing
1.	HDFC Asset Management Company Limited	28,003.31	1,100.00	August 6, 2018	1,726.25	+58.04% [+1.17%]	NA	NA
2.	Fine Organic Industries Limited	6,001.69	783.00	July 2, 2018	815.00	+5.72% [+6.56%]	NA	NA
3.	IndoStar Capital Finance Limited	18,440.00	572.00	May 21, 2018	600.00	-0.96% [+1.84%]	-16.28% [+9.07%]	NA
4.	Bandhan Bank Limited	44,730.19	375.00	March 27, 2018	499.00	+31.81% [+3.79%]	+42.96% [+6.26%]	+51.89% [+9.42%]
5.	Aster DM Healthcare Limited	9,801.00	190.00	February 26, 2018	183.00	-13.66% [-3.77%]	-4.97% [+0.21%]	-8.16% [+9.21%]
6.	Galaxy Surfactants Limited	9,370.88	1,480.00	February 8, 2018	1,525.00	+1.14% [-3.31%]	-0.85% [+1.33%]	-14.80% [+7.66%]
7.	Reliance Nippon Life Asset Management Limited	15,422.40	252.00	November 6, 2017	295.90	+3.61% [-3.19%]	+5.91% [+2.95%]	-4.21% [+1.59%]
8.	Prataap Snacks Limited	4,815.98	938.00(1)	October 5, 2017	1,270.00	+25.12% [+5.70%]	+31.82% [+5.60%)	+40.99% [+3.27%)
9.	SBI Life Insurance Company Limited	83,887.29	700.00(2)	October 3, 2017	735.00	-7.56% [+5.89%]	-0.66% [+6.81%]	-3.11% [+2.58%]
10.	ICICI Lombard General Insurance Company Limited	57,009.40	661.00	September 27, 2017	651.10	+3.62% [+6.25%]	+17.60% [+7.78%]	+12.13% [+2.69%]

Source: www.nseindia.com for price information and prospectus/basis of allotment for issue details

Notes:

2. *A discount of ₹ 90 per equity share had been offered to eligible employees.*
3. *A discount of ₹ 68 per equity share had been offered to eligible employees.*
4. *Opening price information as disclosed on the website of NSE.*
5. *Change in closing price over the issue/offer price as disclosed on NSE.*
6. *Change in closing price over the closing price as on the listing date for benchmark index viz. NIFTY 50.*
7. *In case of reporting dates falling on a trading holiday, values for the trading day immediately preceding the trading holiday have been considered.*
8. *30th calendar day has been taken as listing date plus 29 calendar days; 90th calendar day has been taken as listing date plus 89 calendar days; 180th calendar day has been taken a listing date plus 179 calendar days.*
9. *Restricted to last 10 issues.*

Summary statement of price information of past issues (during the current Fiscal and two Fiscals preceding the current Fiscal) handled by JM Financial Limited:

Financial Year	Total no. of IPOs	Total funds raised (₹ in Millions)	Nos. of IPOs trading at discount on as on 30th calendar days from listing date			Nos. of IPOs trading at premium on as on 30th calendar days from listing date			Nos. of IPOs trading at discount as on 180th calendar days from listing date			Nos. of IPOs trading at premium as on 180th calendar days from listing date		
			Over 50%	Between 25% - 50%	Less than 25%	Over 50%	Between 25%-50%	Less than 25%	Over 50%	Between 25%-50%	Less than 25%	Over 50%	Between 25%-50%	Less than 25%
2018-2019*	3	52,445.00	-	-	1	1	-	1	-	-	-	-	-	-
2017-2018	10	251,600.44	-	-	4	-	3	3	-	1	5	1	1	2
2016-2017	7	137,049.21	-	-	2	1	1	3	-	-	1	2	2	2

**The information is as on the date of the DRHP*

<u>Credit Suisse Securities (India) Private Limited</u>

1. *Price information of past issues (during the current Fiscal and two Fiscals preceding the current Fiscal) handled by Credit Suisse Securities (India) Private Limited*

No.	Issue name	Issue size (in ₹ million)	Issue price (in ₹)	Listing date	Opening price on listing date (in ₹)	+/- % change in closing price, [+/- % change in closing benchmark]- 30th calendar days from listing	+/- % change in closing price, [+/- % change in closing benchmark]- 90th calendar days from listing	+/- % change in closing price, [+/ % change in closing benchmark]- 180th calendar days from listing
1.	S Chand and Company Limited	7,285.57	670.00	May 09, 2017	700.00	-18.10%, [3.72%]	-26.91%, [7.95%]	-28.06%, [12.18%]
2.	IRB InvIT Fund	50,328.84	102.00	May 18, 2017	102.00	-2.61%, [1.68%]	-5.49%, [4.96%]	-11.03%, [8.44%]
3.	Eris Lifesciences Limited	17,411.63	603.00	June 29, 2017	611.00	1.12%, [5.37%]	-5.45%, [3.87%]	26.48%, [10.81%]
4.	Godrej Agrovet Limited	11,573.12	460.00	October 16, 2017	615.60	-11.22%, [-0.43%]	4.77%, [4.99%]	16.68%, [2.44%]
5.	HDFC Standard Life Insurance Company Limited	86,950.00	290.00	November 17, 2017	310.00	9.53%, [1.02%]	25.33%, [2.11%]	46.98%, [5.04%]
6.	Varroc Engineering Limited	19,549.61	967.00	July 6, 2018	1,015	-3.70%, [5.70%]	Not Applicable	Not Applicable
7.	CreditAccess Grameen Limited	11,311.88	422.00	August 23, 2018	390	-21.17%, [-3.80%]	Not Applicable	Not Applicable

Source: www.nseindia.com for the price information and prospectus for issue details

Notes:

(a) 30th, 90th, 180th calendar days from listed day have been taken as listing day plus 29, 89 and 179 calendar days, except wherever 30th , 90th, 180th calendar day is a holiday, in which case we have considered the closing data of the next trading date

(b) Price information and benchmark index values have been shown only for the designated stock exchange in the above table

(c) NSE is the designated stock exchange for the issue listed in the above table. NIFTY has been used as the benchmark index

(d) Details for Varroc is not available, as the company got listed on July 06, 2018 and 90th, 180th calendar day has not been completed

(e) Details for Creditaccess Grameen is not available, as the company got listed on August 23, 2018 and 90th, 180th calendar day has not been completed

2. *Summary statement of price information of past issues (during the current Fiscal and two Fiscals preceding the current Fiscal) handled by Credit Suisse Securities (India) Private Limited*

Fiscal	Total no. of IPOs	Total amount of funds raised (₹ in million)	No. of IPOs trading at discount as on 30th calendar day from listing date			No. of IPOs trading at premium as on 30th calendar day from listing date			No. of IPOs trading at discount as on 180th calendar day from listing date			No. of IPOs trading at premium as on 180th calendar day from listing date		
			Over 50%	Between 25%-50%	Less than 25%	Over 50%	Between 25%-50%	Less than 25%	Over 50%	Between 25%-50%	Less than 25%	Over 50%	Between 25%-50%	Less than 25%
2016-2017	-	-	-	-	-	-	-	-	-	-	-	-	-	-
2017-2018	5	173,549.16	-	-	3	-	-	2	-	1	1	-	2	1
2018-2019	2	30.861.49	-	-	2	-	-	-	-	-	-	-	-	-

<u>Goldman Sachs (India) Securities Private Limited</u>

1. *Price information of past issues (during the current Fiscal and two Fiscals preceding the current Fiscal) handled by Goldman Sachs (India) Securities Private Limited*

No.	Issue name	Issue size (in ₹ million)	Issue price (in ₹)	Listing date	Opening price on listing date (in ₹)	+/- % change in closing price, [+/- % change in closing benchmark]- 30th calendar days from listing	+/- % change in closing price, [+/- % change in closing benchmark]- 90th calendar days from listing	+/- % change in closing price, [+/ % change in closing benchmark]- 180th calendar days from listing
1.	Aster DM Healthcare Limited	9,801	190	February 26, 2018	183	(13.7)% / (3.8)%	(5.0)% / 0.2%	(8.2)% / 9.2%
2.	Bandhan Bank Limited	44,730	375	March 27, 2018	499	31.8% / 3.8%	43.0% / 6.3%	51.9% / 9.4%

Notes:

1. *All data sourced from <u>www.nseindia.com</u>*

2. *Benchmark index considered is NIFTY 50*

3. *30th, 90th, 180th calendar day from listed day have been taken as listing day plus 29, 89 and 179 calendar days, except wherever 30th, 90th, 180th calendar day is a holiday, in which case we have considered the closing data of the next trading day*

2. *Summary statement of price information of past issues (during the current Fiscal and two Fiscals preceding the current Fiscal) handled by Goldman Sachs (India) Securities Private Limited*

Fiscal	Total no. of IPOs	Total amount of funds raised (₹ in million)	No. of IPOs trading at discount as on 30th calendar day from listing date			No. of IPOs trading at premium as on 30th calendar day from listing date			No. of IPOs trading at discount as on 180th calendar day from listing date			No. of IPOs trading at premium as on 180th calendar day from listing date		
			Over 50%	Between 25%-50%	Less than 25%	Over 50%	Between 25%-50%	Less than 25%	Over 50%	Between 25%-50%	Less than 25%	Over 50%	Between 25%-50%	Less than 25%
2019	0	0	0	0	0	0	0	0	0	0	0	0	0	0
2018	2	54,531	0	0	1	0	1	0	0	0	1	1	0	0
2017	0	0	0	0	0	0	0	0	0	0	0	0	0	0

HDFC Bank Limited

1. *Price information of past issues (during the current Fiscal and two Fiscals preceding the current Fiscal) handled by HDFC Bank Limited*

S. No.	Issue name	Issue size (Rs. million)	Issue price (Rs.)	Listing date	Opening price on listing date	+/- % change in closing price, [+/- % change in closing benchmark] – 30th calendar day from listing	+/- % change in closing price, [+/- % change in closing benchmark] – 90th calendar day from listing	+/- % change in closing price, [+/- % change in closing benchmark] – 180th calendar day from listing
1.	HDFC Asset Management Company Limited	28,003.31	1,100	August 6, 2018	1,726.25	+58.04% [+1.17%]	-	-
2.	H.G. Infra Engineering Limited	4,620	270	March 9, 2018	270.00	+22.96% [+1.49%]	+8.35% [+4.48%]	-12.81% [+12.65%]
3.	HDFC Standard Life Insurance Company Limited	86,950.07	290	November 17, 2017	310.00	+30.16% [+1.02%]	+48.93% [+2.11%]	+74.66% [+5.04%]
4.	AU Small Finance Bank Limited	19,125.14	358	July 10, 2017	525.00	+58.76% [+2.12%]	+65.20% [+2.23%]	+95.38% [+8.06%]
5.	Shankara Building Products Limited	3,450.01	460	April 5, 2017	555.05	+51.04% [+1.02%]	+80.91% [+3.78%]	+214.86% [+6.41%]
6.	Avenue Supermarts Limited	18,700.00	299	March 21, 2017	600.00	+145.08% [-0.20%]	+166.35% [+5.88%]	+264.38% [+11.31%]
7.	RBL Bank Limited	12,129.67	225	August 31, 2016	274.20	+27.07% [-2.22%]	+56.98% [-7.50%]	+107.91% [+1.26%]

Source: www.nseindia.com for price information and prospectus for issue details

Notes:

1. *Opening price information as disclosed on the website of NSE*
2. *Change in closing price over the issue/offer price as disclosed on NSE*
3. *Change in closing price over the closing price as on the listing date for benchmark index i.e. NIFTY 50*
4. *In case of reporting dates falling on a trading holiday, values for the trading day immediately after the trading holiday have been considered*
5. *30th calendar day has been taken as listing date plus 29 calendar days; 90th calendar day has been taken as listing date plus 89 calendar days; 180th calendar day has been taken as listing date plus 179 calendar days*

2. *Summary statement of price information of past issues (during the current Fiscal and two Fiscals preceding the current Fiscal) handled by HDFC Bank Limited*

Financial Year	Total no. of IPOs	Total amount of funds raised (Rs. million)	No. Of IPOs trading at discount - 30th calendar day from listing			No. Of IPOs trading at premium - 30th calendar day from listing			No. Of IPOs trading at discount - 180th calendar day from listing			No. Of IPOs trading at premium - 180th calendar day from listing		
			Over 50%	Between 25-50 %	Less than 25%	Over 50%	Between 25-50 %	Less than 25%	Over 50%	Between 25-50 %	Less than 25%	Over 50%	Between 25-50 %	Less than 25%
2019	1	28,003.31	-	-	-	1	-	-	-	-	-	-	-	-
2018	4	114,145.22	-	-	-	2	1	1	-	-	1	3	-	-
2017	2	30,829.67	-	-	-	1	1	-	-	-	-	2	-	-

Kotak Mahindra Capital Company Limited

1. *Price information of past issues (during the current Fiscal and two Fiscals preceding the current Fiscal) handled by Kotak Mahindra Capital Company Limited*

No.	Issue name	Issue size (in ₹ million)	Issue price (in ₹)	Listing date	Opening price on listing date (in ₹)	+/- % change in closing price, [+/- % change in closing benchmark]- 30th calendar days from listing	+/- % change in closing price, [+/- % change in closing benchmark]- 90th calendar days from listing	+/- % change in closing price, [+/ % change in closing benchmark]- 180th calendar days from listing
1.	CreditAccess Grameen Limited	11,311.88	422	August 23, 2018	390.00	-21.6% [-3.80%]	-	-
2.	HDFC Asset Management Company Limited	28,003.31	1,100	August 6, 2018	1,726.25	+58.35% [+1.17%]	-	-
3.	TCNS Clothing Co. Limited	11,251.25	716	July 30, 2018	716.00	-9.29% [+3.70%]	-	-
4.	Varroc Engineering Limited(1)	19,549.61	967	July 6, 2018	1,015.00	+1.62% [+5.46%]	-	-
5.	IndoStar Capital Finance Limited	18,440.00	572	May 21, 2018	600.00	-0.96% [+1.84%]	-16.28% [+9.07%]	-
6.	Lemon Tree Hotels Limited	10,386.85	56	Apr 9, 2018	61.60	+30.18% [+3.26%]	+29.91% [+3.79%]	-
7.	Bandhan Bank Limited	44,730.19	375	March 27, 2018	499.00	+31.81% [+3.79%]	+42.96 [+6.26%]	+51.89% [9.42%]
8.	Aster DM Healthcare Limited	9,801.36	190	February 26, 2018	183.00	-13.66% [-3.77%]	-4.97% [+0.21%]	-8.16% [+9.21%]
9.	The New India Assurance Company Limited(2)	95,858.22	800	November 13, 2017	750.00	-27.91% [+0.15%]	-12.93% [+2.25%]	-13.06% [+5.69%]
10.	Mahindra Logistics Limited(3)	8,288.84	429	November 10, 2017	429.00	+3.12% [-0.54%]	+9.48% [+1.50%]	+21.00% [+3.84%]

Source: www.nseindia.com

Notes:

1. *In Varroc Engineering Limited, the issue price to employees was ₹ 919 after a discount of ₹ 48 per equity share.*

2. *In The New India Assurance Company Limited, the issue price to retail individual bidders and employees was ₹770 per equity share after a discount of ₹30 per equity share.*
3. *In Mahindra Logistics Limited, the issue price to employees was ₹387 per equity share after a discount of ₹42 per equity share. The Anchor Investor Issue price was ₹ 429 per equity share.*
4. *In the event any day falls on a holiday, the price/index of the immediately preceding working day has been considered.*
5. *The 30th, 90th, 180th calendar days from listed day have been taken as listing day plus 29, 89 and 179 calendar days.*
6. *Nifty is considered as the benchmark index.*
7. *Restricted to last 10 issues.*

2. *Summary statement of price information of past issues (during the current Fiscal and two Fiscals preceding the current Fiscal) handled by Kotak Mahindra Capital Company Limited*

Fiscal	Total no. of IPOs	Total amount of funds raised (₹ in million)	No. of IPOs trading at discount as on 30th calendar day from listing date			No. of IPOs trading at premium as on 30th calendar day from listing date			No. of IPOs trading at discount as on 180th calendar day from listing date			No. of IPOs trading at premium as on 180th calendar day from listing date		
			Over 50%	Between 25%-50%	Less than 25%	Over 50%	Between 25%-50%	Less than 25%	Over 50%	Between 25%-50%	Less than 25%	Over 50%	Between 25%-50%	Less than 25%
2019	6	98,942.90	-	-	3	1	1	1	-	-	-	-	-	-
2018	9	384,510.39	-	1	5	-	1	2	-	-	5	2	1	1
2017	11	135,676.30	-	-	4	2	1	4	-	1	2	5	2	1

<u>*Notes:*</u>
1. *The information is as on the date of this Draft Red Herring Prospectus.*
2. *The information for each of the financial years is based on issues listed during such financial year.*

Track record of past issues handled by the BRLMs

For details regarding the track record of the BRLMs, as specified under Circular reference CIR/MIRSD/1/2012 dated January 10, 2012 issued by the SEBI, see the websites of the BRLMs mentioned below.

BRLMs	Website
JM Financial Limited	www.jmfl.com
Credit Suisse Securities (India) Private Limited	www.credit-suisse.com
Goldman Sachs (India) Securities Private Limited	www.goldmansachs.com
HDFC Bank Limited	www.hdfcbank.com
Kotak Mahindra Capital Company Limited	www.investmentbank.kotak.com

Caution – Disclaimer from our Company, our Directors, the Selling Shareholders and the BRLMs

Our Company, our Directors, the Selling Shareholders and the BRLMs accept no responsibility for statements made otherwise than in this Draft Red Herring Prospectus or in the advertisements or any other material issued by or at our instance and anyone placing reliance on any other source of information, including our website, www.metropolisindia.com, or any website of any of our Subsidiaries or members of the Promoter Group, Promoters, Group Companies or any affiliate of our Company or the Selling Shareholders, would be doing so at their own risk. Each Selling Shareholder, severally and not jointly, accepts responsibility for and confirms only statements made or undertaken expressly by such Selling Shareholder in this Draft Red Herring Prospectus solely in relation to itself as a Selling Shareholder and its respective portion of the Offered Shares.

The BRLMs accept no responsibility for statements made in this Draft Red Herring Prospectus, save to the limited extent as provided in the Offer Agreement entered into among the BRLMs, the Selling Shareholders and our Company, and the Underwriting Agreement to be entered into among the Underwriters, the Selling Shareholders and our Company.

All information shall be made available by our Company, the Selling Shareholders and the BRLMs to the Bidders and public at large and no selective or additional information would be made available by our Company or the Selling Shareholders or the BRLMs for a section of the investors in any manner whatsoever, including at road show presentations, in research or sales reports, at Bidding Centres or elsewhere.

None among our Company, the Selling Shareholders or any member of the Syndicate shall be liable to the Bidders for any failure in uploading the Bids, due to faults in any software or hardware system, or otherwise.

Each of the BRLMs and their respective associates and affiliates, in its capacity as principal or agent, is and may in the future be involved in a wide range of commercial banking and investment banking activities globally (including investment advisory, asset management, research, securities issuance, trading (customer and proprietary) and brokerage). Certain of the BRLMs and/or their respective associates and affiliates has engaged, and may in the future engage, in transactions with, and has performed, and may in the future perform, services for, our Company, the Selling Shareholders and their respective group companies, affiliates or associates or any third parties in the ordinary course of their commercial banking and investment banking activities, for which they have received, and may in the future receive, compensation. In addition, in the ordinary course of their commercial banking and investment banking activities, the BRLMs, and their respective associates and affiliates may at any time hold long or short positions, enter into asset swaps, credit derivatives or other derivative transactions relating to the Equity Shares, and may trade or otherwise effect transactions, for their own account or the accounts of their customers, in debt or equity securities (or related derivative instruments) or senior loans of our Company, the Selling Shareholders and/or any of their respective group companies, affiliates or associates or any third parties. As used herein, the term 'affiliate' means any person or entity that controls or is controlled by or is under common control with another person or entity.

Bidders will be required to confirm, and will be deemed to have represented to our Company, the Selling Shareholders, the Underwriters and their respective directors, officers, agents, affiliates and representatives that they are eligible under all applicable laws, rules, regulations, guidelines and approvals to acquire the Equity Shares, and will not issue, sell, pledge or transfer the Equity Shares to any person who is not eligible under applicable laws, rules, regulations, guidelines and approvals to acquire the Equity Shares. Our Company, the Selling Shareholders, the Underwriters and their respective directors, officers, agents, affiliates and representatives accept no responsibility or liability for advising any investor on whether such investor is eligible to acquire Equity Shares.

Disclaimer in respect of jurisdiction

This Offer is being made in India to persons resident in India who are competent to contract under the Indian Contract Act, 1872, as amended, including Indian nationals resident in India who are competent to contract under the Indian Contract Act, 1872, HUFs, companies, other corporate bodies and societies registered under the applicable laws in India and authorised to invest in equity shares, domestic Mutual Funds registered with SEBI, Indian financial institutions, commercial banks, regional rural banks, co-operative banks (subject to permission from the RBI), systemically important non-banking financial company, or trusts under the applicable trust law, and who are authorised under their respective constitutions to hold and invest in equity shares, public financial institutions as specified under Section 2(72) of the Companies Act, 2013, state industrial development corporations, permitted insurance companies registered with IRDAI, insurance funds set up and managed by the Department of Posts, India, provident funds, national investment funds, venture capital funds, AIFs, permitted insurance companies and pension funds and, to permitted non-residents including Eligible NRIs, FPIs registered with SEBI and QIBs provided they are eligible under all applicable laws and regulations to purchase the Equity Shares.

This Draft Red Herring Prospectus does not constitute an offer to sell or an invitation to subscribe to Equity Shares offered hereby, in any jurisdiction to any person to whom it is unlawful to make an offer or invitation in such jurisdiction. Any person into whose possession this Draft Red Herring Prospectus comes is required to inform himself or herself about, and to observe, any such restrictions. Any dispute arising out of this Offer will be subject to the jurisdiction of appropriate court(s) at Mumbai only.

No action has been or will be taken to permit a public offering in any jurisdiction where action would be required for that purpose, except that this Draft Red Herring Prospectus has been filed with SEBI for its observations. Accordingly, the Equity Shares represented hereby may not be offered or sold, directly or indirectly, and this Draft Red Herring Prospectus may not be distributed, in any jurisdiction, except in accordance with the legal requirements applicable in such jurisdiction. Neither the delivery of this Draft Red Herring Prospectus, nor any offer or sale hereunder, shall, under any circumstances, create any implication that there has been no change in our affairs or in the affairs of the Selling Shareholders from the date hereof or that the information contained herein is correct as of any time subsequent to this date.

Eligibility and Transfer Restrictions

The Equity Shares offered in the Offer have not been and will not be registered under the U.S. Securities Act or any state securities laws in the United States, and unless so registered may not be offered or sold within the United States, except pursuant to an exemption from, or in a transaction not subject to, the registration requirements of the U.S. Securities Act and applicable state securities laws. Accordingly, such Equity Shares are being offered and sold (i) outside of the United States in offshore transactions in reliance on Regulation S under the U.S. Securities Act and the applicable laws of the jurisdiction where those offers and sales occur; and (ii) to "qualified institutional buyers" (as defined in Rule 144A under the U.S. Securities Act), pursuant to the private placement exemption set out in Section 4(a) of the U.S. Securities Act.

Disclaimer Clause of BSE

As required, a copy of this Draft Red Herring Prospectus shall be submitted to BSE. The disclaimer clause as intimated by BSE to our Company post scrutiny of this Draft Red Herring Prospectus shall be included in the Red Herring Prospectus prior to their filing with the RoC.

Disclaimer Clause of NSE

As required, a copy of this Draft Red Herring Prospectus shall be submitted to NSE. The disclaimer clause as intimated by NSE to our Company post scrutiny of this Draft Red Herring Prospectus shall be included in the Red Herring Prospectus prior to the filing with the RoC.

Filing

A copy of this Draft Red Herring Prospectus has been filed with the SEBI at Securities and Exchange Board of India, Plot No. C 4-A, G Block, Bandra Kurla Complex, Bandra East, Mumbai 400 051, Maharashtra, India and simultaneously through the SEBI Intermediary Portal at https://sipotal.sebi.gov.in, in accordance with SEBI circular bearing reference SEBI/HO/CFD/DIL1/CIR/P/2018/011 dated January 19, 2018.

A copy of the Red Herring Prospectus, along with the documents required to be filed, will be delivered for registration to the RoC in accordance with Section 32 of the Companies Act, 2013, and a copy of the Prospectus required to be filed under Section 26 of the Companies Act, 2013 will be delivered for registration to the RoC situated at the address mentioned below.

Registrar of Companies, Maharashtra at Mumbai
100, Everest, Marine Drive
Mumbai 400 002
Maharashtra, India

Listing

The Equity Shares issued through the Red Herring Prospectus are proposed to be listed on BSE and NSE. Applications will be made to the Stock Exchanges for obtaining permission for listing and trading of the Equity Shares being offered and sold in the Offer and [●] is the Designated Stock Exchange, with which the Basis of Allotment will be finalised for the Offer.

If the permissions to deal in, and for an official quotation of the Equity Shares are not granted by any of the Stock Exchanges, our Company and the Selling Shareholders shall forthwith repay, all monies received from the applicants in pursuance of the Red Herring Prospectus in accordance with applicable law. Our Company shall ensure that all steps for the completion of the necessary formalities for listing and commencement of trading of Equity Shares at the Stock Exchanges are taken within six Working Days from the Bid/ Offer Closing Date or within such other period as may be prescribed. If our Company does not allot Equity Shares pursuant to the Offer within six Working Days from the Bid/ Offer Closing Date or within such timeline as prescribed by SEBI, it shall repay without interest all monies received from Bidders, failing which interest shall be due to be paid to the Bidders at the applicable rate of interest for the delayed period, in accordance with applicable law. For the avoidance of doubt, subject to applicable law, a Selling Shareholder shall not be responsible to pay interest for any delay, except to the extent such delay has been caused solely by such Selling Shareholder and to the extent of the Equity Shares being offered by such Selling Shareholder in the Offer for Sale.

The Selling Shareholders, severally and not jointly, undertake to provide such reasonable support and extend reasonable cooperation as may be requested by our Company and BRLMs, in relation to their respective portion of the Offered Shares to the extent such support and cooperation is required from such parties to facilitate the process of listing and commencement of trading of the Equity Shares on the Stock Exchanges within six working days from the Bid/ Offer Closing Date or such other period as may be prescribed.

Impersonation

Attention of the Bidders is specifically drawn to the provisions of sub-section (1) of Section 38 of the Companies Act, 2013, which is reproduced below:

"*Any person who:*

(a) makes or abets making of an application in a fictitious name to a company for acquiring, or subscribing for, its securities, or
(b) makes or abets making of multiple applications to a company in different names or in different combinations of his name or surname for acquiring or subscribing for its securities; or
(c) otherwise induces directly or indirectly a company to allot, or register any transfer of, securities to him, or to any other person in a fictitious name,

shall be liable for action under section 447."

The liability prescribed under Section 447 of the Companies Act 2013 for fraud involving an amount of at least ₹ 1.00 million or 1.00% of the turnover of the Company, whichever is lower, includes imprisonment for a term which shall not be less than six months extending up to 10 years (provided that where the fraud involves public interest, such term shall not be less than three years) and fine of an amount not less than the amount involved in the fraud, extending up to three times of such amount. In case the fraud involves (i) an amount which is less than

₹ 1.00 million or 1.00% of the turnover of the Company, whichever is lower; and (ii) does not involve public interest, then such fraud is punishable with an imprisonment for a term extending up to five years or a fine of an amount extending up to ₹ 2.00 million or with both.

Consents

Consents in writing of (a) the Selling Shareholders, our Directors, our Company Secretary and Compliance Officer, the legal counsels appointed for the Offer, lenders of Metz Advisory LLP, the bankers to our Company, the BRLMs and Registrar to the Offer, in their respective capacities, have been obtained; and (b) the Syndicate Members, Bankers to the Offer /Escrow Bank and Refund Bank(s) to act in their respective capacities, will be obtained and filed along with a copy of the Red Herring Prospectus with the RoC, as required under Sections 26 and 32 of the Companies Act, 2013. Further, such consents have not been withdrawn as on the date of this Draft Red Herring Prospectus.

Our Company has received written consent from the Statutory Auditors namely, B S R & Co. LLP, Chartered Accountants, to include their name in this Draft Red Herring Prospectus, in respect of the reports of the Statutory Auditors on the Restated Standalone Summary Statements and Restated Consolidated Summary Statements, each dated September 24, 2018 and the statement of tax benefits dated September 24, 2018, included in this Draft Red Herring Prospectus and such consent has not been withdrawn as on the date of this Draft Red Herring Prospectus.

Expert opinions

Except as stated below, our Company has not obtained any expert opinions:

Our Company has received written consent dated September 24, 2018 from the Statutory Auditors namely, B S R & Co. LLP, Chartered Accountants (Firm registration number: 101248W/W-100022), to include their name as an "expert" as defined under Section 2(38) of the Companies Act, 2013 to the extent and in their capacity as a statutory auditor, in respect of their examination reports on the Restated Standalone Summary Statements and Restated Consolidated Summary Statements, each dated September 24, 2018 and the statement of tax benefits dated September 24, 2018, included in this Draft Red Herring Prospectus. However, the term "expert" shall not be construed to mean an "expert" as defined under the U. S. Securities Act. The consent of the Statutory Auditors to be named as an expert in this Draft Red Herring Prospectus has not been withdrawn as on the date of this Draft Red Herring Prospectus.

Offer expenses

For details of the Offer related expenses, see "*Objects of the Offer*" on page 108.

Fees Payable to the Syndicate

The total fees payable to the Syndicate Members (including underwriting and selling commissions), and reimbursement of their out of pocket expenses, will be as stated in the Syndicate Agreement, a copy of which shall be available for inspection at our Registered Office, from 10.00 am to 5.00 p.m. on Working Days from the date of filing the Red Herring Prospectus until the Bid/Offer Closing Date.

Fees Payable to the Registrar to the Offer

The fees payable to the Registrar to the Offer, including fees for processing of Bid cum Application Forms, data entry, printing of Allotment Advice/CAN, refund order, preparation of refund data on magnetic tape and printing of bulk mailing register, will be as per the Registrar Agreement signed among our Company, the Selling Shareholders and the Registrar to the Offer, a copy of which shall be made available for inspection at our Registered Office from 10:00 am to 5:00 pm on working days from the date of the Red Herring Prospectus until the Bid/Offer closing date. The Registrar to the Offer shall be reimbursed for all out-of-pocket expenses including cost of stationery, postage, stamp duty and communication expenses. Adequate funds shall be provided to the Registrar to the Offer to enable it to send refund orders or Allotment Advice.

Public or rights issues by our Company during the last five years

Our Company has not made any public issue during the five years immediately preceding the date of this Red Herring Prospectus.

Commission payable to SCSBs, Registered Brokers, CRTAs and CDPs

For details of the commission payable to SCSBs, Registered Brokers, CRTAs and CDPs, see "*Objects of the Offer*" on page 108.

Commission or brokerage on previous issues

Since this is the initial public offering of the Equity Shares of our Company, no sum has been paid or has been payable as commission or brokerage for subscribing to or procuring or agreeing to procure public subscription for any of our Equity Shares, since the incorporation of our Company.

Previous issues otherwise than for cash

Except as disclosed in "*Capital Structure - Equity Shares issued for consideration other than cash*" on page 92, our Company has not issued any Equity Shares for consideration otherwise than for cash.

Capital issues in the preceding three years

Except as disclosed in "*Capital Structure - Equity Share capital history of our Company*" on page 90, our Company has not made any capital issues during the three years immediately preceding the date of this Draft Red Herring Prospectus.

Performance vis-à-vis objects – Public/rights issue of our Company and/or listed Group Companies of our Company and/or listed Subsidiaries and Associates of our Company

Our Company has not undertaken any public issue or rights since its incorporation. Further, none of our Subsidiaries or Group Companies are listed on any stock exchange in India or overseas. Accordingly, the requirement to disclose shortfall in terms of performance vis-a-vis objects for any of the previous issues does not apply.

Outstanding redeemable preference shares, debentures and bonds

As on the date of this Draft Red Herring Prospectus, our Company has not issued any redeemable preference shares, debentures and/or bonds which are outstanding.

Outstanding Preference Shares or convertible instruments issued by our Company

Our Company has not issued any convertible security which is outstanding as on the date of this Draft Red Herring Prospectus. Our Company has outstanding options under MESOS 2015. For details, see "*Capital Structure – Employee Stock Option Plan*" on page 98.

Partly paid-up shares

As on the date of this Draft Red Herring Prospectus, there are no partly paid-up Equity Shares.

Stock market data of the Equity Shares

This being the initial public offering of the Equity Shares of our Company, the Equity Shares are not listed on any stock exchange as on the date of this Draft Red Herring Prospectus, and accordingly, no stock market data is available for the Equity Shares.

Mechanism for redressal of investor grievances

The Registrar Agreement provides for retention of records with the Registrar to the Offer for a minimum period of three years from the date of listing and commencement of trading of the Equity Shares on the Stock Exchanges, in order to enable the investors to approach the Registrar to the Offer for redressal of their grievances.

Bidders may contact the BRLMs for any complaint pertaining to the Offer. All grievances, other than by Anchor Investors, may be addressed to the Registrar to the Offer, with a copy to the relevant Designated Intermediary, with whom the ASBA Form was submitted, quoting the full name of the sole or first Bidder, ASBA Form number, Bidders' DP ID, Client ID, PAN, address of the Bidder, number of Equity Shares applied for, date of ASBA Form, name and address of the relevant Designated Intermediary, where the Bid was submitted and ASBA Account number in which the amount equivalent to the Bid Amount was blocked. Further, the Bidder shall enclose the Acknowledgement Slip or provide the acknowledgement number received from the Designated Intermediaries in addition to the documents/information mentioned hereinabove.

All grievances of the Anchor Investors may be addressed to the Registrar to the Offer, giving full details such as the name of the sole or first Bidder, Bid cum Application Form number, Bidders DP' ID, Client ID, PAN, date of the Bid cum Application Form, address of the Bidder, number of the Equity Shares applied for, Bid amount paid on submission of the Bid cum Application Form and the name and address of the BRLMs where the Bid cum Application Form was submitted by the Anchor Investor. Bidders can contact the Compliance Officer or the Registrar to the Offer in case of any pre-Offer or post-Offer related problems such as non-receipt of letters of Allotment, non-credit of Allotted Equity Shares in the respective beneficiary account, non-receipt of refund intimations and non-receipt of funds by electronic mode.

Our Company, the Selling Shareholders, BRLMs and the Registrar accept no responsibility for errors, omissions, commission of any acts of the Designated Intermediaries, including any defaults in complying with its obligations under the SEBI ICDR Regulations.

Our Company has not received any investor complaint during the three years preceding the date of this Draft Red Herring Prospectus and there are no outstanding investor complaints against our Company as on the date of this Draft Red Herring Prospectus.

Disposal of investor grievances by our Company

We estimate that the average time required by our Company and/or the Registrar to the Offer for the redressal of routine investor grievances shall be seven Working Days from the date of receipt of the complaint. In case of non-routine complaints and complaints where external agencies are involved, our Company will seek to redress these complaints as expeditiously as possible.

Our Company has appointed Jayant Prakash, Head Legal and Company Secretary, as the Compliance Officer and he may be contacted in case of any pre-Offer or post-Offer related problems, at the address set forth hereunder.

Jayant Prakash
250 D Udyog Bhavan
Hind Cycle Marg, Worli
Mumbai 400 030
Telephone: (91 22) 6258 2810
Facsimile: Not available
E-mail: investor.relations@metropolisindia.com
Website: www.metropolisindia.com

The Selling Shareholders have authorised the Compliance Officer of our Company and the Registrar to the Offer to redress any complaints received from Bidders in respect of the Offer for Sale.

Further, our Board has constituted a Stakeholders' Relationship Committee comprising our Directors, Vivek Gambhir, Ameera Sushil Shah and Dr. Sushil Kanubhai Shah, which is responsible for redressal of grievances of the security holders of our Company. For more information, see "*Our Management - Committees of the Board - Stakeholders' Relationship Committee*" on page 190.

Disposal of investor grievances by listed companies under the same management

As on the date of this Draft Red Herring Prospectus, none of the companies under the same management as of our Company are listed on any stock exchange. Accordingly, the requirement to disclose details of investor grievances by listed companies under the same management as our Company, does not apply.

Changes in Auditors

Except as disclosed below there has been no change in the statutory auditors during the three years immediately preceding the date of this Draft Red Herring Prospectus:

Name of the Auditors	Date of change	Reason for change
B.S.R & Co. L. L. P, Chartered Accountants	December 8, 2016	Appointment
Walker Chandiok & Co., LLP	December 7, 2016	Resignation

Capitalisation of reserves or profits

Our Company has not capitalised its reserves or profits at any time during the last five years preceding the date of filing this Draft Red Herring Prospectus.

Revaluation of assets

Our Company has not revalued its assets at any time during the last five years preceding the date of filing this Draft Red Herring Prospectus.

SECTION VII – OFFER RELATED INFORMATION

OFFER STRUCTURE

Initial public offering of up to 15,269,684 Equity Shares for cash at a price of ₹ [●] per Equity Share aggregating up to ₹ [●] million, consisting of an Offer for Sale of up to 5,017,868 Equity Shares by Dr. Sushil Kanubhai Shah aggregating up to ₹ [●] million and up to 10,251,816 Equity Shares by CA Lotus Investments aggregating up to ₹ [●] million. The Offer includes a reservation of up to 300,000 Equity Shares aggregating up to ₹ [●] million, for subscription by Eligible Employees. The Offer and the Net Offer shall constitute [●]% and [●]%, respectively, of the post-Offer paid-up Equity Share capital of our Company.

The Offer is being made through the Book Building Process.

Particulars	**Eligible Employees**	**QIBs***	**Non-Institutional Investors**	**Retail Individual Investors**
Number of Equity Shares available for allocation**	Not more than 300,000 Equity Shares	At least 11,227,264 Equity Shares	Not more than 2,245,452 Equity Shares or Offer less allocation to QIBs and Retail Individual Investors	Not more than 1,496,968 Equity Shares or Offer less allocation to QIBs and Non-Institutional Investors
Percentage of Offer size available for allocation/ Allotment	The Employee Reservation Portion shall constitute up to 5% of the post-Offer paid-up Equity Share capital of our Company	At least 75% of the Net Offer will be available for allocation to QIBs. However, 5% of the QIB Portion, excluding the Anchor Investor Portion, will be available for allocation proportionately to Mutual Funds only. Mutual Funds participating in the 5% reservation portion will also be eligible for allocation in the remaining QIB Portion. The unsubscribed portion in the Mutual Fund portion will be will be added to the QIB Portion (excluding Anchor Investor Portion)	Not more than 15% of the Net Offer or Offer less allocation to QIBs and Retail Individual Investors	Not more than 10% of the Net Offer or the Offer less allocation to QIBs and Non-Institutional Investors
Basis of Allotment if respective category is oversubscribed	Proportionate; unless the Employee Reservation Portion is undersubscribed, the value of allocation to an Eligible Employee shall not exceed ₹ 200,000. In the event of undersubscription in the Employee Reservation Portion, the unsubscribed portion may be allocated, on a proportionate basis, to Eligible Employees who have Bid for value exceeding ₹ 200,000 up to ₹ 500,000 each.	Proportionate as follows (excluding the Anchor Investor Portion): (a) 224,546 Equity Shares will be available for allocation on a proportionate basis to Mutual Funds only; and (b) 4,490,906 Equity Shares will be available for allocation on a proportionate basis to all other QIBs including Mutual Funds receiving allocation as per (a)	Proportionate	Allotment to each Retail Individual Investor shall not be less than the minimum Bid Lot, subject to availability of Equity Shares in the Retail Portion and the remaining available Equity Shares, if any, shall be allotted on a proportionate basis. For more information, see "*Offer Procedure – Part B – Allotment Procedure and Basis of Allotment*" on page 586.

Particulars	Eligible Employees	QIBs*	Non-Institutional Investors	Retail Individual Investors
		above Up to 6,736,358 Equity Shares may be allocated on a discretionary basis to Anchor Investors.		
Mode of Bidding	Through ASBA process only (except Anchor Investors)			
Minimum Bid	[●] Equity Shares and in multiples of [●] Equity Shares thereafter	Such number of Equity Shares in multiples of [●] Equity Shares so that the Bid Amount exceeds ₹ 200,000 and in multiples of [●] Equity Shares thereafter	Such number of Equity Shares in multiples of [●] Equity Shares so that the Bid Amount exceeds ₹ 200,000 and in multiples of [●] Equity Shares thereafter	[●] Equity Shares and in multiples of [●] Equity Shares thereafter
Maximum Bid	Such number of Equity Shares and in multiples of [●] Equity Shares so that the maximum Bid Amount by each Eligible Employee in this portion does not exceed ₹ 500,000.	Such number of Equity Shares in multiples of [●] Equity Shares so that the Bid does not exceed the Offer size, subject to applicable limits	Such number of Equity Shares in multiples of [●] Equity Shares so that the Bid does not exceed the Offer size, subject to applicable limits	Such number of Equity Shares in multiples of [●] Equity Shares so that the Bid Amount does not exceed ₹ 200,000
Mode of Allotment	Compulsorily in dematerialised form			
Bid Lot	[●] Equity Shares and in multiples of [●] Equity Shares thereafter			
Allotment Lot	[●] Equity Shares and in multiples of one Equity Share thereafter			
Trading Lot	One Equity Share			
Who can Apply***	Eligible Employees such that the Bid Amount does not exceed ₹ 500,000	Public financial institutions specified in Section 2(72) of the Companies Act, FPIs (other than category III FPIs), scheduled commercial banks, mutual funds registered with the SEBI, VCFs, AIFs, state industrial development corporations, insurance companies registered with IRDAI, provident funds with a minimum corpus of ₹ 250 million, pension funds with a minimum corpus of ₹ 250 million in accordance with applicable law, the National Investment Fund set up by the Government of India, insurance funds set up and managed by the army, navy, or air force of the Union of India, insurance funds set up and managed by the Department of Posts,	Resident Indian individuals, HUFs (in the name of Karta), companies, corporate bodies, Eligible NRIs, societies and trusts and Category III FPIs registered with SEBI.	Resident Indian individuals, HUFs (in the name of the Karta) and Eligible NRIs.

Particulars	Eligible Employees	QIBs*	Non-Institutional Investors	Retail Individual Investors
		India and systemically important non-banking financial companies.		
Terms of Payment****	*In case of Anchor Investors:* Full Bid Amount shall be payable by the Anchor Investors at the time of submission of their Bids *In case of all other Bidders*: Full Bid Amount shall be blocked by the SCSBs in the bank account of the Bidders that is specified in the ASBA Form at the time of the submission of the Bid cum Application Form			

** Our Company and the Selling Shareholders may, in consultation with the BRLMs, allocate up to 60% of the QIB Portion to Anchor Investors, on a discretionary basis, subject to there being (i) a maximum of two Anchor Investors, where allocation in the Anchor Investor Portion is up to ₹ 100 million, (ii) minimum of two and maximum of 15 Anchor Investors, where the allocation under the Anchor Investor Portion is more than ₹100 million but up to ₹2,500 million under the Anchor Investor Portion, subject to a minimum Allotment of ₹50 million per Anchor Investor, and (iii) in case of allocation above ₹2,500 million under the Anchor Investor Portion, a minimum of five investors and a maximum of 15 Anchor Investors for allocation up to ₹2,500 million, and an additional 10 Anchor Investors for every additional ₹2,500 million or part thereof will be permitted, subject to minimum allotment of ₹50 million per Anchor Investor. An Anchor Investor will make a minimum Bid of such number of Equity Shares, that the Bid Amount is at least ₹100 million. One-third of the Anchor Investor Portion will be reserved for domestic Mutual Funds, subject to valid Bids being received at or above the price at which allocation is being made to other Anchor Investors.*

*** The Offer is being made through the Book Building Process, in compliance with Regulation 26(2) of the SEBI ICDR Regulations, wherein at least 75% of the Net Offer shall be allocated on a proportionate basis to QIBs provided that our Company and the Selling Shareholders, in consultation with the BRLMs, may allocate up to 60% of the QIB Portion to Anchor Investors, on a discretionary basis, of which one-third shall be reserved for domestic Mutual Funds, subject to valid Bids being received from domestic Mutual Funds at or above the Anchor Investor Allocation Price. In the event of undersubscription, or non-allocation in the Anchor Investor Portion, the balance Equity Shares shall be added to the QIB Portion. Further, 5% of the QIB Portion (excluding the Anchor Investor Portion) shall be available for allocation on a proportionate basis to Mutual Funds only. The remainder of the QIB Portion shall be available for allocation on a proportionate basis to QIBs, subject to valid Bids being received from them at or above the Offer Price. If at least 75% of the Net Offer cannot be Allotted to QIBs, the entire application money shall be refunded forthwith. Further, not more than 15% of the Net Offer will be available for allocation on a proportionate basis to Non-Institutional Investors and not more than 10% of the Net Offer will be available for allocation to Retail Individual Investors, in accordance with the SEBI ICDR Regulations, subject to valid Bids being received at or above the Offer Price. Under-subscription, if any, in any category, except the QIB Portion, would be met with spill-over from any other category or categories, as applicable, on a proportionate basis, at the discretion of our Company, in consultation with the BRLMs and the Designated Stock Exchange, subject to applicable laws. Further, up to 300,000 Equity Shares, aggregating to ₹ [●] million will be available for allocation on a proportionate basis to Eligible Employees, subject to valid Bids being received at or above the Offer Price. Unless the Employee Reservation Portion is undersubscribed, the value of allocation to an Eligible Employee shall not exceed ₹ 200,000. In the event of undersubscription in the Employee Reservation Portion, the unsubscribed portion may be allocated, on a proportionate basis, to Eligible Employees for value exceeding ₹ 200,000 up to ₹ 500,000. Any unsubscribed portion remaining in the Employee Reservation Portion shall be added to the Net Offer to the public.*

**** In case of joint Bids, the Bid cum Application Form should contain only the name of the first Bidder whose name should also appear as the first holder of the depository account held in joint names. The signature of only the first Bidder would be required in the Bid cum Application Form and such first Bidder would be deemed to have signed on behalf of the joint holders.*

***** Full Bid Amount shall be payable by the Anchor Investors at the time of submission of the Bid cum Application Form, provided that any difference between the price at which allocation is made to the Anchor Investors and the Anchor Investor Offer Price, shall be payable by the Anchor Investor Pay-in Date as mentioned in the CAN.*

Bidders will be required to confirm and will be deemed to have represented to our Company, the Selling Shareholders, the Underwriters, their respective directors, officers, agents, affiliates and representatives that they are eligible under applicable law, rules, regulations, guidelines and approvals to acquire the Equity Shares.

TERMS OF THE OFFER

The Equity Shares offered and Allotted in the Offer will be subject to the provisions of the Companies Act, the SEBI ICDR Regulations, the SEBI Listing Regulations, the SCRA, the SCRR, the Memorandum of Association, the Articles of Association, the terms of the Red Herring Prospectus and the Prospectus, the abridged prospectus, the Bid cum Application Form, the Revision Form, any other terms and conditions as may be incorporated in the CAN, Allotment Advice and other documents and certificates that may be executed in respect of the Offer. The Equity Shares will also be subject to all applicable laws, guidelines, rules, notifications and regulations relating to issue and offer for sale and listing and trading of securities, issued from time to time, by the SEBI, GoI, Stock Exchanges, the RoC, the RBI and/or other authorities to the extent applicable or such other conditions as maybe prescribed by such governmental, statutory and/or regulatory authority while granting approval for the Offer.

For details in relation to Offer expenses, see "*Objects of the Offer*" and "*Other Regulatory and Statutory Disclosures*" on pages 108 and 525, respectively.

Ranking of Equity Shares

The Equity Shares being offered and transferred in the Offer will be subject to the provisions of the Companies Act, the Memorandum of Association and the Articles of Association and will rank *pari passu* with the existing Equity Shares, including in respect of dividends and other corporate benefits, if any, declared by our Company after the date of Allotment in accordance with Companies Act and Articles of Association. For more information, see "*Main Provisions of the Articles of Association*" on page 598.

Mode of Payment of Dividend

Our Company will pay dividends, if declared, to our Shareholders, as per the provisions of the Companies Act, the SEBI Listing Regulations, our Memorandum of Association and the Articles of Association, and any guidelines or directives that may be issued by the GoI in this respect. Any dividends declared by our Company, after the date of Allotment, will be payable to the Allottees for the entire year, in accordance with applicable law. For more information, see "*Dividend Policy*" and "*Main Provisions of our Articles of Association*" on pages 202 and 598, respectively.

Face Value and Price Band

The face value of each Equity Share is ₹ 2. At any given point of time there will be only one denomination for the Equity Shares. The Floor Price of Equity Shares is ₹ [●] per Equity Share and the Cap Price is ₹ [●] per Equity Share.

The Price Band and the minimum Bid Lot size will be decided by our Company and the Selling Shareholders in consultation with the BRLMs and each shall be published at least five Working Days prior to the Bid/Offer Opening Date, in all editions of [●] (a widely circulated English national daily newspaper), all editions of [●] (a widely circulated Hindi national daily newspaper) and [●] edition of [●] (a widely circulated Marathi newspaper, Marathi being the regional language of Maharashtra where our Registered Office is located), and shall be made available to the Stock Exchanges for the purpose of uploading on their websites. The Price Band, along with the relevant financial ratios calculated at the Floor Price and at the Cap Price shall be pre-filled in the Bid-cum-Application Forms available at the website of the Stock Exchanges.

Rights of the Shareholder

Subject to applicable laws, rules, regulations and guidelines and our Articles of Association, the Shareholders will have the following rights:

- to receive dividend, if declared;
- to attend general meetings and exercise voting powers, unless prohibited by law;
- to vote on a poll either in person or by proxy and e-voting;
- to receive offers for rights shares and be allotted bonus shares, if announced;
- to receive any surplus on liquidation subject to any statutory and preferential claims being satisfied;

- of free transferability of their Equity Shares, subject to applicable law; and
- such other rights as may be available to a shareholder of a listed public company under the Companies Act, 2013, the terms of the SEBI Listing Regulations and our Memorandum of Association and Articles of Association.

For a detailed description of the main provisions of our Articles of Association relating to voting rights, dividend, forfeiture, lien, transfer, transmission, consolidation and splitting, see "*Main Provisions of the Articles of Association*" on page 598.

Compliance with disclosure and accounting norms

Our Company shall comply with all applicable disclosure and accounting norms as specified by SEBI from time to time.

Market Lot and Trading Lot

In terms of Section 29 of the Companies Act, 2013, the Equity Shares will be Allotted only in dematerialised form.

As per the SEBI ICDR Regulations, the trading of our Equity Shares will only be in dematerialised form.

In this context, two agreements have been signed among our Company, the respective Depositories and the Registrar to the Offer:

- Tripartite Agreement dated October 6, 2016 among NSDL, our Company and the Registrar to the Offer; and
- Tripartite Agreement dated September 11, 2018 among CDSL, our Company and Registrar to the Offer

Since trading of our Equity Shares is in dematerialised form, the tradable lot is one Equity Share. Allotment in the Offer shall be only in dematerialised form in multiples of one Equity Share. For the method of Basis of Allotment, see "*Offer Procedure*" on page 551.

Joint Holders

Subject to the provisions of our Articles of Association, where two or more persons are registered as the holders of any Equity Shares, they will be deemed to hold such Equity Shares as joint tenants with benefits of survivorship.

Jurisdiction

Exclusive jurisdiction for the purpose of the Offer is with the competent courts/authorities in Mumbai.

Period of operation of subscription list

See "*– Bid/Offer Period*" on page 549.

Nomination facility to investors

In accordance with Section 72 of the Companies Act, 2013, read with the Companies (Share Capital and Debentures) Rules, 2014, as amended, the sole or first Bidder, with other joint Bidders, may nominate any one person in whom, in the event of the death of sole Bidder or in case of joint Bidders, death of all the Bidders, as the case may be, the Equity Shares Allotted, if any, will vest, to the exclusion of all other person, unless the nomination is varied or cancelled in the prescribed manner. A nominee entitled to the Equity Shares by reason of the death of the original holder(s), will, in accordance with Section 72 of the Companies Act, 2013, be entitled to the same benefits to which he or she will be entitled if he or she were the registered holder of the Equity Shares. Where the nominee is a minor, the holder(s) may make a nomination to appoint, in the prescribed manner, any person to become entitled to Equity Share(s) in the event of the holder's death during minority. A nomination shall stand rescinded upon a sale or transfer of Equity Shares by the holder of such Equity Shares. A nomination may be cancelled or varied by nominating any other person in place of the present nominee, by the holder of the Equity Shares who has made the nomination, by giving a notice of such cancellation or variation to our Company in the prescribed form. A fresh nomination can be made only on the prescribed form, which is available on request at our Registered Office or with the CRTA of our Company.

Further, any person who becomes a nominee by virtue of Section 72 of the Companies Act, 2013, as amended, will, on the production of such evidence as may be required by our Board, elect either:

- to register himself or herself as holder of Equity Shares; or
- to make such transfer of the Equity Shares, as the deceased holder could have made.

Further, our Board may at any time give notice requiring any nominee to choose either to be registered himself or herself or to transfer the Equity Shares, and if the notice is not complied with within a period of 90 days, our Board may thereafter withhold payment of all dividend, bonuses or other monies payable in respect of the Equity Shares, until the requirements of the notice have been complied with.

Since the Allotment of Equity Shares in the Offer will be made only in dematerialised form, there is no need to make a separate nomination with our Company. Nominations registered with the respective Depository Participant of the Bidder will prevail. If Bidders want to change their nomination, they are advised to inform their respective Depository Participant.

Minimum Subscription

As the Offer is entirely through the Offer for Sale, the requirement of 90% minimum subscription under the SEBI ICDR Regulations is not applicable to the Offer. In the event our Company does not receive the minimum subscription in the Offer as specified under Rule 19(2)(b) of the SCRR, including through devolvement to the Underwriters, as applicable, or in accordance with Regulation 26(2) of the SEBI ICDR Regulations, within sixty (60) days from the date of Bid/Offer Closing Date, our Company and the Selling Shareholders shall forthwith refund the entire subscription amount received. In case of delay, if any, in refund within such timeline as prescribed under applicable laws, our Company and the respective Selling Shareholders shall be liable to pay interest on the application money at a rate as per applicable law, which is presently 15% per annum for the period of delay. However, subject to applicable law, the respective Selling Shareholders shall not be liable to reimburse any expenses towards refund or any interest thereon in respect to Allotment of their respective proportion of the Offered Shares or otherwise, unless the failure or default or delay, as the case may be, is solely on account of such Selling Shareholder.

Further, in accordance with Regulation 26(4) of the SEBI ICDR Regulations, our Company and the Selling Shareholders shall ensure that the number of prospective allottees to whom the Equity Shares will be Allotted will be not less than 1,000.

Arrangement for disposal of odd lots

Since our Equity Shares will be traded in dematerialised form only and the market lot for our Equity Shares will be one Equity Share, no arrangements for disposal of odd lots are required.

Restriction on transfer and transmission of shares

Except for lock-in of pre-Offer equity shareholding, Minimum Promoters' Contribution and lock-in of shares Allotted to Anchor Investor, as detailed in *"Capital Structure*" on page 90, and as provided in our Articles as detailed in "*Main Provisions of Articles of Association*" on page 598, there are no restrictions on transfers and transmission of Equity Shares and or/on their consolidation/splitting.

Option to receive Equity Shares in dematerialised form

Allotment of Equity Shares to successful Bidders will only be in the dematerialised form. Bidders will not have the option of Allotment of the Equity Shares in physical form. The Equity Shares on Allotment will be traded only in the dematerialised segment of the Stock Exchanges.

Withdrawal of the Offer

Our Company and the Selling Shareholders, in consultation with the BRLMs, reserve the right not to proceed with the Offer after the Bid/Offer Opening Date but before the Allotment. If our Company and the Selling Shareholders withdraw the Offer, our Company will issue a public notice within two days from the Bid/Offer Closing Date or such time as may be prescribed by SEBI, providing reasons for not proceeding with the Offer. The BRLMs, through the Registrar to the Offer, will instruct the SCSBs to unblock the ASBA Accounts within one Working Day from the day of receipt of such instruction. The notice of withdrawal will be issued in the same newspapers where the pre-Offer advertisements have appeared, and the Stock Exchanges will also be informed promptly. If the Offer is withdrawn after the Designated Date, amounts that have been credited to the Public Offer Account shall be transferred to the Refund Account.

Notwithstanding the foregoing, this Offer is also subject to obtaining (i) the final listing and trading approvals of the Stock Exchanges, which our Company shall apply for after Allotment, and (ii) the final RoC approval of the Prospectus after it is filed with the RoC. If our Company and the Selling Shareholders, in consultation with the BRLMs, withdraw the Offer after the Bid/Offer Closing Date and thereafter determine that it will proceed with a public offering of Equity Shares, a fresh draft red herring prospectus will be filed and/or submitted with SEBI and the Stock Exchanges.

Bid/Offer Period

BID/OFFER OPENS ON*	[●]
BID/OFFER CLOSES ON**	[●]

** Our Company and the Selling Shareholders, in consultation with the BRLMs may consider participation by Anchor Investors. The Anchor Investor Bidding Date shall be one Working Day prior to the Bid/Offer Opening Date.*
*** Our Company and the Selling Shareholders may, in consultation with the BRLMs, decide to close the Bid/Offer Period for QIBs one Working Day prior to the Bid/Offer Closing Date.*

An indicative timetable in respect of the Offer is set out below:

FINALISATION OF BASIS OF ALLOTMENT WITH THE DESIGNATED STOCK EXCHANGE	On or about [●]
INITIATION OF REFUNDS FOR ANCHOR INVESTORS/UNBLOCKING OF FUNDS	On or about [●]
CREDIT OF EQUITY SHARES TO DEPOSITORY ACCOUNTS OF ALLOTTEES	On or about [●]
COMMENCEMENT OF TRADING OF THE EQUITY SHARES ON THE STOCK EXCHANGES	On or about [●]

The above timetable is indicative in nature and does not constitute any obligation or liability on our Company, the Selling Shareholders, or the BRLMs.

While our Company will use best efforts to ensure that listing and trading of our Equity Shares on the Stock Exchanges commences within six Working Days of the Bid/Offer Closing Date, or such other period as may be prescribed by SEBI with such reasonable support and co-operation of Selling Shareholders, as may be required in respect of their respective Offered Shares, the timetable may be subject to change for various reasons, including extension of Bid/Offer Period by our Company due to revision of the Price Band, any delays in receipt of final listing and trading approvals from the Stock Exchanges, delay in receipt of final certificates from SCSBs, etc. The commencement of trading of the Equity Shares will be entirely at the discretion of the Stock Exchanges in accordance with applicable law.

The Selling Shareholders, severally and not jointly, confirm that they shall extend complete cooperation as may be required by our Company and the BRLMs for the completion of the necessary formalities for listing and commencement of trading of the Equity Shares at the Stock Exchanges within six Working Days from the Bid/Offer Closing Date or such other period as may be prescribed by SEBI.

Notwithstanding the foregoing, the Offer is also subject to obtaining (i) the final listing and trading approvals of the Stock Exchanges, which our Company will apply only after Allotment and within six Working Days of the Bid/Offer Closing Date; and (ii) the final RoC approval of the Prospectus after it is filed with the RoC

Except in relation to Anchor Investors, Bids and any revision in Bids will be accepted only between 10.00 a.m. and 5.00 p.m. (Indian Standard Time) during the Bid/Offer Period at the Bidding Centres, except that on the Bid/Offer Closing Date (which for QIBs may be a day prior to the Bid/Offer Closing Date), Bids will be accepted only between 10.00 a.m. and 3.00 p.m. (Indian Standard Time) and uploaded until (i) 4.00 p.m. (Indian Standard Time) for Bids by QIBs and Non-Institutional Investors; and (ii) 5.00 p.m. (Indian Standard Time) or such extended time as permitted by the Stock Exchanges in case of Bids by Retail Individual Investors and Eligible Employees. On the Bid/Offer Closing Date, extension of time may be granted by the Stock Exchanges only for uploading Bids received from Retail Individual Investors and Eligible Employees after taking into account the total number of Bids received up to closure of timings for acceptance of Bid cum Application Forms as stated herein and reported by the BRLMs to the Stock Exchanges. Due to limitation of time available for uploading Bids on the Bid/Offer Closing Date, Bidders are advised to submit Bids one day prior to the Bid/Offer Closing Date and, in any case, no later than 3.00 p.m. (Indian Standard Time) on the Bid/Offer Closing Date. If a large number of Bids are received on the Bid/Offer Closing Date, as is typically experienced in public issues, which may lead to some Bids not being uploaded due to lack of sufficient time to upload, such Bids that cannot be uploaded on the electronic bidding system will not be considered for allocation in the Offer. It is clarified that Bids not uploaded on the electronic bidding system or in respect of which the full Bid Amount is not blocked by the SCSBs would not be accepted. Our Company, the Selling Shareholders and the members of Syndicate will not be responsible for any failure in uploading Bids due to faults in any hardware/software system or otherwise. Bids will be accepted only on Working Days. Bidders may please note that as per letter no. List/smd/sm2006 dated July 3, 2006 and letter no. NSE/IPO/25101-6 dated July 6, 2006, issued by the BSE and NSE respectively, Bids and any revisions in Bids shall not be accepted on Saturdays and public holidays as declared by the Stock Exchanges.

Our Company and the Selling Shareholders, in consultation with the BRLMs, reserve the right to revise the Price Band during the Bid/Offer Period, in accordance with the SEBI ICDR Regulations, provided that the Cap Price will be less than or equal to 120% of the Floor Price and the Floor Price will not be less than the face value of the Equity Shares. Subject to compliance with the foregoing, the Floor Price may move up or down to the extent of 20% of the Floor Price and the Cap Price may be revised accordingly. The Floor Price shall not be less than the face value of Equity Shares.

In case of any revision in the Price Band, the Bid/Offer Period will be extended for at least three additional Working Days after such revision of the Price Band subject to the total Bid/Offer Period not exceeding 10 Working Days. Any revision in the Price Band and the revised Bid/Offer Period, if applicable, will be widely disseminated by notification to the Stock Exchanges by issuing a press release and by indicating the change on the websites of the BRLMs and terminals of the Syndicate members. However, in case of revision in the Price Band, the Bid Lot shall remain the same.

In case of discrepancy in data entered in the electronic book vis-à-vis data contained in the Bid cum Application Form for a particular Bidder, the details as per the Bid file received from the Stock Exchanges may be taken as the final data for the purpose of Allotment.

OFFER PROCEDURE

All Bidders should review the General Information Document for Investing in Public Issues prepared and issued in accordance with the circular (CIR/CFD/DIL/12/2013) dated October 23, 2013 notified by SEBI and updated pursuant to among others the circular (CIR/CFD/POLICYCELL/11/2015) dated November 10, 2015 as amended and modified by the circular (CIR/CFD/DIL/1/2016) dated January 1, 2016 and the circular (SEBI/HO/CFD/DIL/CIR/P/2016/26) dated January 21, 2016 notified by SEBI ("General Information Document") included below under sub-section titled " – Part B - General Information Document", which highlights the key rules, processes and procedures applicable to public issues in general in accordance with the provisions of the Companies Act, the SCRA, the SCRR and the SEBI ICDR Regulations. The General Information Document has been updated to reflect amendments to the SEBI ICDR Regulations and provisions of the Companies Act, 2013, to the extent applicable to a public issue and any other enactments and regulations. The General Information Document is also available on the websites of the Stock Exchanges and the BRLMs. Please refer to the relevant provisions of the General Information Document which are applicable to the Offer. All Designated Intermediaries in relation to the Offer should ensure compliance with the SEBI circular (CIR/CFD/POLICYCELL/11/2015) dated November 10, 2015, as amended and modified by the SEBI circular (SEBI/HO/CFD/DIL/CIR/P/2016/26) dated January 21, 2016, in relation to clarifications on streamlining the process of public issue of equity shares and convertibles.

Our Company, the Selling Shareholders and the members of the Syndicate do not accept any responsibility for the completeness and accuracy of the information stated in this section and the General Information Document section and are not liable for any amendment, modification or change in the applicable law which may occur after the date of the Red Herring Prospectus. Bidders are advised to make their independent investigations and ensure that their Bids are submitted in accordance with applicable laws and do not exceed the investment limits or maximum number of Equity Shares that can be held by them under applicable law or as specified in the Red Herring Prospectus and the Prospectus.

PART A

Book Building Procedure

In terms of Rule 19(2)(b) of the SCRR read with Regulation 41 of the SEBI ICDR Regulations, the Offer is being made for at least 10% of the post-Offer paid up Equity Share capital of our Company. Further, the Offer is being made through the Book Building Process, in compliance with Regulation 26(2) of the SEBI ICDR Regulations, wherein at least 75% of the Net Offer shall be allocated on a proportionate basis to QIBs provided that our Company and the Selling Shareholders, in consultation with the BRLMs, may allocate up to 60% of the QIB Portion to Anchor Investors, on a discretionary basis, of which one-third shall be reserved for domestic Mutual Funds, subject to valid Bids being received from domestic Mutual Funds at or above the Anchor Investor Allocation Price. In the event of undersubscription, or non-allocation in the Anchor Investor Portion, the balance Equity Shares shall be added to the QIB Portion. Further, 5% of the QIB Portion (excluding the Anchor Investor Portion) shall be available for allocation on a proportionate basis to Mutual Funds only. The remainder of the QIB Portion shall be available for allocation on a proportionate basis to QIBs, subject to valid Bids being received from them at or above the Offer Price. If at least 75% of the Net Offer cannot be Allotted to QIBs, the entire application money shall be refunded forthwith. Further, not more than 15% of the Net Offer will be available for allocation on a proportionate basis to Non-Institutional Investors and not more than 10% of the Net Offer will be available for allocation to Retail Individual Investors, in accordance with the SEBI ICDR Regulations, subject to valid Bids being received at or above the Offer Price. Further, up to 300,000 Equity Shares, aggregating up to ₹ [●] million shall be made available for allocation on a proportionate basis only to Eligible Employees Bidding in the Employee Reservation Portion, subject to valid Bids being received at or over the Offer Price. All Bidders (except Anchor Investors) shall mandatorily participate in this Offer only through the ASBA process. Anchor Investors are not permitted to participate in the Anchor Investor Portion through the ASBA process.

Subject to valid Bids being received at or above the Offer Price, undersubscription, if any, in any category except the QIB Portion, would be allowed to be met with spill over from any other category or combination of categories at the discretion of our Company and the Selling Shareholders, in consultation with the BRLMs and the Designated Stock Exchange. However, undersubscription, if any, in the QIB Portion will not be allowed to be met with spill-over from other categories or a combination of other categories. Any unsubscribed Equity Shares in the Employee Reservation Portion shall be added to the Net Offer.

Bidders should note that the Equity Shares will be Allotted to all successful Bidders only in dematerialised form. The Bid cum Application Forms which do not have the details of the Bidders' depository account,

including DP ID, Client ID and PAN, shall be treated as incomplete and will be rejected. Bidders will not have the option of being Allotted Equity Shares in physical form.

Bid cum Application Form

Copies of the ASBA Forms and the abridged prospectus will be available with the Designated Intermediaries at relevant Bidding Centres and at our Registered Office. The ASBA Forms will also be available for download on the websites of NSE (www.nseindia.com) and BSE (www.bseindia.com) at least one day prior to the Bid/Offer Opening Date. The Bid cum Application Forms for Eligible Employees Bidding in the Employee Reservation Portion will be available only at our Registered Office and Corporate Office.

For Anchor Investors, the Bid cum Application Forms will be available at the offices of the BRLMs.

Bidders (other than Anchor Investors) must compulsorily use the ASBA process to participate in the Offer. Anchor Investors are not permitted to participate in this Offer through the ASBA process.

Bidders (other than Anchor Investors) must provide bank account details and authorisation by the ASBA bank account holder to block funds in their respective ASBA Accounts in the relevant space provided in the Bid cum Application Form and the Bid cum Application Form that does not contain such detail are liable to be rejected.

Further, such Bidders (other than Anchor Investors) shall ensure that the Bids are submitted at the Bidding Centres only on Bid cum Application Forms bearing the stamp of a Designated Intermediary (except in case of electronic Bid-cum-Application Forms) and Bid cum Application Forms not bearing such specified stamp may be liable for rejection. Bidders must ensure that the ASBA Account has sufficient credit balance such that an amount equivalent to the full Bid Amount can be blocked by the SCSB at the time of submitting the Bid.

The prescribed colour of the Bid cum Application Forms for various categories is as follows:

Category	Colour of Bid cum Application Form*
Resident Indians including resident QIBs, Non-Institutional Investors, Retail Individual Investors and Eligible NRIs applying on a non-repatriation basis^	White
Non-Residents including FPIs and Eligible NRIs, FVCIs and registered bilateral and multilateral development financial institutions applying on a repatriation basis^	Blue
Anchor Investors**	White
Eligible Employees Bidding in the Employee Reservation Portion***	Pink

** Excluding electronic Bid cum Application Forms*

***Bid cum Application Forms for Anchor Investors will be made available at the office of the BRLMs.*

^*Electronic Bid cum Application forms will also be available for download on the website of NSE (www.nseindia.com) and BSE (*www.bseindia.com*).*

**** The Bid cum Application Forms for Eligible Employees will be available only at our Registered Office and Corporate Office*.

Designated Intermediaries (other than SCSBs) shall submit/deliver the Bid cum Application Form to the respective SCSB, where the Bidder has a bank account and shall not submit it to any non-SCSB bank or any Escrow Bank.

Who can Bid?

In addition to the category of Bidders set forth under the section "*General Information Document for Investing in Public Issues – Category of Investors Eligible to Participate in an Issue*" on page 567, any other persons eligible to Bid in the Offer under the applicable laws, rules, regulations, guidelines, and policies .

Participation by associates and affiliates of the BRLMs and the Syndicate Members, Promoters, Promoter Group and persons related to Promoter/Promoter Group/BRLMs

The BRLMs and the Syndicate Members shall not be allowed to purchase the Equity Shares in any manner, except towards fulfilling their underwriting obligations. However, the respective associates and affiliates of the BRLMs and the Syndicate Members may purchase Equity Shares in the Offer, either in the QIB Portion or in the Non-Institutional Portion as may be applicable to such Bidders, and such Bid subscription may be on their own account or on behalf of their clients. All categories of investors, including respective associates or affiliates of the BRLMs and Syndicate Members, shall be treated equally for the purpose of allocation to be made on a proportionate basis.

Neither the BRLMs nor and any persons related to the BRLMs (except Mutual Funds sponsored by entities related to the BRLMs) cannot apply in the Offer under the Anchor Investor Portion.

The Promoter and members of the Promoter Group will not participate in the Offer except to the extent of the Offered Shares.

Bids by Mutual Funds

With respect to Bids by Mutual Funds, a certified copy of their SEBI registration certificate must be lodged with the Bid cum Application Form. Failing this, our Company reserves the right to reject any Bid without assigning any reason therefore. Bids made by asset management companies or custodians of Mutual Funds shall specifically state names of the concerned schemes for which such Bids are made.

In case of a Mutual Fund, a separate Bid may be made in respect of each scheme of a Mutual Fund registered with the SEBI and such Bids in respect of more than one scheme of a Mutual Fund will not be treated as multiple Bids, provided that such Bids clearly indicate the scheme for which the Bid is submitted.

No Mutual Fund scheme shall invest more than 10% of its net asset value in equity shares or equity related instruments of any single company provided that the limit of 10% shall not be applicable for investments in case of index funds or sector or industry specific scheme. No Mutual Fund under all its schemes should own more than 10% of any company's paid-up share capital carrying voting rights.

Bids by Eligible NRIs

Eligible NRIs may obtain copies of Bid cum Application Form from the BRLMs, Syndicate Members and sub-syndicate members at select locations as specified in the Bid cum Application Form. Eligible NRI Bidders bidding on a repatriation basis by using the Non-Resident Forms should authorise their SCSB to block their Non-Resident External ("**NRE**") accounts or Foreign Currency Non-Resident ("**FCNR**") Accounts, and eligible NRI Bidders bidding on a non-repatriation basis by using Resident Forms should authorise their SCSB to block their Non-Resident Ordinary ("**NRO**") accounts for the full Bid Amount, at the time of the submission of the Bid cum Application Form.

Eligible NRIs Bidding on non-repatriation basis are advised to use the Bid cum Application Form for residents (white in colour).

Eligible NRIs Bidding on a repatriation basis are advised to use the Bid cum Application Form meant for Non-Residents (blue in colour).

Bids by FPIs

In terms of the SEBI FPI Regulations, the issue of equity shares to a single FPI or an investor group (which means the same set of ultimate beneficial owner(s) investing through multiple entities) must be below 10% of the post-issue equity share capital of a company. Further, in terms of FEMA Regulations, the total holding by each FPI shall be below 10% of the total paid-up equity share capital of a company and the total holdings of all FPIs put together shall not exceed 24% of the paid-up equity share capital of a company. In terms of FEMA, for calculating the aggregate holding of FPIs in a company, holding of all registered FPIs shall be included.

Additionally, the aggregate foreign portfolio investment up to 24% of the paid-up capital on a fully diluted basis or the sectoral/statutory cap, whichever is lower, does not require Government approval or compliance of sectoral conditions as the case may be, if such investment does not result in transfer of ownership and control of the resident Indian company from resident Indian citizens or transfer of ownership or control to persons resident outside India. Other investments by a person resident outside India will be subject to conditions of Government approval and compliance of sectoral conditions as laid down in these regulations.

In accordance with the FEMA Regulations, participation by FPIs is restricted under Schedule 2 of the FEMA Regulations, in accordance with applicable law, subject to limit of the individual holding of an FPI below 10% of the post-Offer paid-up capital of our Company and the aggregate limit for FPI investment not exceeding 24% of the post-Offer paid-up capital of our Company. The aggregate limit of 24% may be increased up to the sectoral cap by way of a resolution passed by the board of directors followed by a special

resolution passed by the shareholders of a company. The aggregate limit for FPI investment of 24% has been increased to 49% by way of a resolution passed by our Board in its meeting held on September 24, 2018 followed by a special resolution passed by the Shareholders in the general meeting held on September 24, 2018. For details of restrictions on investment by FPIs, see "*Restrictions on Foreign Ownership of Indian Securities*" on page 597.

Further, pursuant to the Master Directions on Foreign Investments in India issued by the RBI date January 4, 2018, as amended on April 6, 2018, the investments made by a SEBI registered FPI in a listed Indian company will be reclassified as FDI if the total shareholding increases to more than 10% of the total paid-up equity share capital on a fully diluted basis or 10% or more of the paid up value of each series of debentures or preference shares or warrants.

FPIs are permitted to participate in the Offer subject to compliance with conditions and restrictions which may be specified by the Government from time to time. The FPIs who wish to participate in the Offer are advised to use the Bid cum Application Form for non-residents. Subject to compliance with all applicable Indian laws, rules, regulations, guidelines and approvals in terms of Regulation 22 of the SEBI FPI Regulations, an FPI, other than Category III foreign portfolio investor and unregulated broad based funds, which are classified as Category II foreign portfolio investor by virtue of their investment manager being appropriately regulated, may issue, subscribe to or otherwise deal in offshore derivative instruments (as defined under the SEBI FPI Regulations as any instrument, by whatever name called, which is issued overseas by an FPI against securities held by it that are listed or proposed to be listed on any recognised stock exchange in India, as its underlying) directly or indirectly, only in the event (i) such offshore derivative instruments are issued only to persons who are regulated by an appropriate regulatory authority; (ii) such offshore derivative instruments are issued after compliance with 'know your client' norms; and (iii) such offshore derivative instruments shall not be issued to or transferred to persons who are resident Indians or NRIs and to entities beneficially owned by resident Indians or NRIs. An FPI is also required to ensure, *inter alia*, that no further issue or transfer of any offshore derivative instrument is made by or on behalf of it to any persons that are not regulated by an appropriate foreign regulatory authority.

An FPI issuing offshore derivative instruments is also required to ensure that any transfer of offshore derivative instruments issued by or on its behalf, is carried out subject to inter alia the following conditions:

(a) such offshore derivative instruments are transferred only to persons in accordance with Regulation 22(1) of the SEBI FPI Regulations; and

(b) prior consent of the FPI is obtained for such transfer, except when the persons to whom the offshore derivative instruments are to be transferred to are pre-approved by the FPI.

All non-resident investors should note that refunds (in case of Anchor Investors), dividends and other distributions, if any, will be payable in Indian Rupees only and net of bank charges and commission.

Bids by SEBI registered VCFs, AIFs and FVCIs

The SEBI FVCI Regulations and the SEBI AIF Regulations, *inter-alia*, prescribe the respective investment restrictions on the FVCIs, VCFs and AIFs registered with SEBI. Accordingly, the holding by any individual VCF or FVCI registered with SEBI, in any company should not exceed 25% of the corpus of the VCF. Further, VCFs can invest only up to 33.33% of the investible funds in various prescribed instruments, including in public offerings.

Category I and II AIFs cannot invest more than 25% of the corpus in one investee company. A category III AIF cannot invest more than 10% of the corpus in one investee company. A VCF registered as a category I AIF, as defined in the SEBI AIF Regulations, cannot invest more than one-third of its investible funds by way of subscription to an initial public offering of a venture capital undertaking. Additionally, the VCFs which have not re-registered as an AIF under the SEBI AIF Regulations shall continue to be regulated by the SEBI VCF Regulations until the existing fund or scheme managed by the fund is wound up and such fund shall not launch any new scheme after the notification of the SEBI AIF Regulations.

All non-resident investors should note that refunds (in case of Anchor Investors), dividends and other distributions, if any, will be payable in Indian Rupees only and net of bank charges and commission. Neither our Company, nor the Selling Shareholders nor the BRLM will be responsible for loss, if any, incurred by the Bidder on account of conversion of foreign currency.

Bids by limited liability partnerships

In case of Bids made by limited liability partnerships registered under the Limited Liability Partnership Act, 2008, a certified copy of certificate of registration issued under the Limited Liability Partnership Act, 2008, must be attached to the Bid cum Application Form. Failing this, our Company reserves the right to reject any Bid without assigning any reason thereof.

Bids by banking companies

In case of Bids made by banking companies registered with RBI, certified copies of: (i) the certificate of registration issued by RBI, and (ii) the approval of such banking company's investment committee are required to be attached to the Bid cum Application Form, failing which our Company reserves the right to reject any Bid without assigning any reason.

The investment limit for banking companies in non-financial services companies as per the Banking Regulation Act, 1949 as amended ("**Banking Regulation Act**"), and the Reserve Bank of India (Financial Services provided by Banks) Directions, 2016, is 10% of the paid-up share capital of the investee company not being its subsidiary engaged in non-financial services or 10% of the banks' own paid-up share capital and reserves, whichever is less. Further, the aggregate investment by a banking company in subsidiaries and other entities engaged in financial and non-financial services company cannot exceed 20% of the bank's paid-up share capital and reserves. A banking company may hold up to 30% of the paid-up share capital of the investee company with the prior approval of the RBI provided that the investee company is engaged in non-financial activities in which banking companies are permitted to engage under Section 6(1) of the Banking Regulation Act. A banking company would require a prior approval of RBI to make investment in a non-financial services company in excess of 10% of such investee company's paid up share capital as stated in the Reserve Bank of India (Financial Services provided by Banks) Directions, 2016. Further, the aggregate investment by a banking company in subsidiaries and other entities engaged in financial and non-financial services company cannot exceed 20% of the investee company's paid-up share capital and reserves.

Bids by SCSBs

SCSBs participating in the Offer are required to comply with the terms of the circulars dated September 13, 2012 and January 2, 2013 issued by the SEBI. Such SCSBs are required to ensure that for making applications on their own account using ASBA, they should have a separate account in their own name with any other SEBI registered SCSBs. Further, such account shall be used solely for the purpose of making application in public issues and clear demarcated funds should be available in such account for such applications.

Bids by systemically important non-banking financial companies

In case of Bids made by systemically important non-banking financial companies, a certified copy of the certificate of registration issued by the RBI, a certified copy of its last audited financial statements on a standalone basis and a net worth certificate from its statutory auditor(s), must be attached to the Bid cum Application Form. Failing this, our Company reserves the right to reject any Bid, without assigning any reason thereof. Systemically Important Non-Banking Financial Companies participating in the Offer shall comply with all applicable regulations, guidelines and circulars issued by RBI from time to time.

Bids by insurance companies

In case of Bids made by insurance companies registered with the IRDAI, a certified copy of certificate of registration issued by IRDAI must be attached to the Bid cum Application Form. Failing this, our Company reserves the right to reject any Bid without assigning any reason thereof.

The exposure norms for insurers is prescribed in Regulation 9 of the Insurance Regulatory and Development Authority of India (Investment) Regulations, 2016 ("**IRDAI Investment Regulations**") are set forth below:

(a) equity shares of a company: the lower of 10%* of the investee company's outstanding equity shares (face value) or 10% of the respective fund in case of a life insurer/investment assets in case of a general insurer or a reinsurer;

(b) the entire group of the investee company: not more than 15% of the respective fund in case of a life insurer or 15% of investment assets in case of a general insurer or a reinsurer or 15% of the investment assets in all companies belonging to the group, whichever is lower; and

(c) the industry sector in which the investee company operates: not more than 15% of the respective fund of a life insurer or general insurance or 15% of the investment assets, whichever is lower.

The maximum exposure limit, in the case of an investment in equity shares, cannot exceed the lower of an amount of 10% of the investment assets of a life insurer or general insurer and the amount calculated under points (i), (ii) or (iii) above, as the case may be.

**The above limit of 10% shall stand substituted as 15% of outstanding equity shares (face value) for insurance companies with investment assets of ₹ 2,500,000 million or more and 12% of outstanding equity shares (face value) for insurers with investment assets of ₹ 500,000 million or more but less than ₹ 2,500,000 million.*

Insurer companies participating in this Offer shall comply with all applicable regulations, guidelines and circulars issued by the IRDAI from time to time to time including the IRDAI Investment Regulations.

Bids under Power of Attorney

In case of Bids made pursuant to a power of attorney by limited companies, corporate bodies, registered societies, eligible FPIs, AIFs, Mutual Funds, insurance companies, insurance funds set up by the army, navy or air force of the Union of India, insurance funds set up by the Department of Posts, India or the National Investment Fund and provident funds with minimum corpus of ₹ 250 million and pension funds with a minimum corpus of ₹ 250 million, in each case, subject to applicable law and in accordance with their respective constitutional documents a certified copy of the power of attorney or the relevant resolution or authority, as the case may be, along with a certified copy of the memorandum of association and articles of association and/or bye laws as applicable must be lodged along with the Bid cum Application Form. Failing this, our Company reserves the right to accept or reject any Bid in whole or in part, in either case, without assigning any reason thereof.

Our Company in consultation with the BRLMs, in its absolute discretion, reserves the right to relax the above condition of simultaneous lodging of the power of attorney along with the Bid cum Application Form, subject to such terms and conditions that our Company, in consultation with the BRLMs, may deem fit, without assigning any reasons thereof.

Bids by Anchor Investors

For details in relation to Bids by Anchor Investors, see "*Offer Procedure – Part B – General Information Document for Investing in Public Issues*" on page 564.

Bids by provident funds/pension funds

In case of Bids made by provident funds/pension funds, subject to applicable laws, with minimum corpus of ₹ 250 million, a certified copy of certificate from a chartered accountant certifying the corpus of the provident fund/pension fund must be attached to the Bid cum Application Form. Failing this, our Company reserves the right to reject any Bid, without assigning any reason therefor.

Bids by Eligible Employees

The Bid must be for a minimum of [●] Equity Shares and in multiples of [●] Equity Shares thereafter so as to ensure that the Bid Amount payable by the Eligible Employee does not exceed ₹ 500,000. The maximum Bid Amount under the Employee Reservation Portion by an Eligible Employee shall not exceed ₹ 500,000. However, the initial Allotment to an Eligible Employee in the Employee Reservation Portion shall not exceed ₹ 200,000. Only in the event of an under-subscription in the Employee Reservation Portion post the initial allotment, such unsubscribed portion may be Allotted on a proportionate basis to Eligible Employees Bidding in the Employee Reservation Portion, for a value in excess of ₹ 200,000, subject to the total Allotment to an Eligible Employee not exceeding ₹ 500,000. Eligible Employees under the Employee Reservation Portion may Bid at Cut-off Price.

Bids under Employee Reservation Portion by Eligible Employees shall be:

1. The Bidder should be an Eligible Employee as defined above. In case of joint bids, the first Bidder shall be an Eligible Employee.
2. Made only in the prescribed Bid cum Application Form or Revision Form (*i.e.* pink colour form).
3. The Bid must be for a minimum of [●] Equity Shares and in multiples of [●] Equity Shares thereafter. The maximum Bid in this category by an Eligible Employee cannot exceed ₹ 500,000. Eligible Employees should while filling the "SCSB/ Payment Details" block in the Bid cum Application Form, mention the Bid Amount.
4. Eligible Employees should mention their employee number at the relevant place in the Bid cum Application Form.
5. Bid by Eligible Employees (subject to Bid Amount being up to ₹ 500,000) in the Employee Reservation Portion and in the Net Offer shall not be treated as multiple Bids.
6. If the aggregate demand in this category is less than or equal to [●] Equity Shares at or above the Offer Price, full allocation shall be made to the Eligible Employees to the extent of their demand.
7. The maximum Bid Amount under the Employee Reservation Portion by an Eligible Employee shall not exceed ₹ 500,000. However, the initial Allotment to an Eligible Employee in the Employee Reservation Portion shall not exceed ₹ 200,000.
8. An Eligible Employee Bidding in the Employee Reservation Portion for up to ₹500,000, can also Bid in the Net Offer and such Bids will not be treated as multiple Bids. Our Company reserves the right to reject, in its absolute discretion, all or any multiple Bids in any or all portions. For further details, see "*– Part B – General Information Document for Investing in Public Issues – Multiple Bids*" on page 572.
9. Under-subscription, if any, in any portion, (including the Employee Reservation Portion), except in the QIB Portion, would be allowed to be met with spill-over from any other portion or a combination of portions at the discretion of our Company and the Selling Shareholders, in consultation with the BRLMs and the Designated Stock Exchange.

Only in the event of an under-subscription in the Employee Reservation Portion post the initial allotment, such unsubscribed portion may be Allotted on a proportionate basis to Eligible Employees Bidding in the Employee Reservation Portion, for a value in excess of ₹ 200,000, subject to the total Allotment to an Eligible Employee not exceeding ₹ 500,000. If the aggregate demand in this category is greater than [●] Equity Shares at or above the Offer Price, the allocation shall be made on a proportionate basis. For the method of proportionate basis of allocation, see "*Offer Procedure - Allotment Procedure and Basis of Allotment*" on page 586.

The Equity Shares offered in the Offer have not been and will not be registered under the U.S. Securities Act or any state securities laws in the United States, and unless so registered may not be offered or sold within the United States, except pursuant to an exemption from, or in a transaction not subject to, the registration requirements of the U.S. Securities Act and applicable state securities laws. Accordingly, such Equity Shares are being offered and sold (i) outside of the United States in offshore transactions in reliance on Regulation S under the U.S. Securities Act and the applicable laws of the jurisdiction where those offers and sales occur; and (ii) to "qualified institutional buyers" (as defined in Rule 144A under the U.S. Securities Act), pursuant to the private placement exemption set out in Section 4(a) of the U.S. Securities Act.

The Equity Shares have not been and will not be registered, listed or otherwise qualified in any other jurisdiction outside India and may not be offered or sold, and Bids may not be made by persons in any such jurisdiction, except in compliance with the applicable laws of such jurisdiction.

The above information is given for the benefit of the Bidders. Our Company, the Selling Shareholders and the members of Syndicate are not liable for any amendments or modification or changes in applicable laws or regulations, which may occur after the date of this Draft Red Herring Prospectus. Bidders are advised to make their independent investigations and ensure that Bid from them does not exceed the applicable investment limits or maximum number of the Equity Shares that can be held by them under applicable laws or regulation or as specified in this Draft Red Herring Prospectus.

In accordance with existing regulations issued by the RBI, OCBs cannot participate in the Offer**.**

Pre-Offer Advertisement

Subject to Section 30 of the Companies Act, 2013, our Company will, after registering the Red Herring Prospectus with the RoC, publish a pre-Offer advertisement, in the form prescribed by the SEBI ICDR Regulations, in [●] edition of [●] (a widely circulated English national daily newspaper), [●] edition of [●] (a widely circulated Hindi national daily newspaper) and [●] edition of [●] (a widely circulated Marathi newspaper, Marathi also being the regional language of Maharashtra where our Registered Office is located). Our Company shall, in the pre-Offer advertisement state the Bid/Offer Opening Date, the Bid/Offer Closing Date and the QIB Bid/Offer Closing Date. This advertisement, subject to the provisions of Section 30 of the Companies Act, 2013, shall be in the format prescribed in Part A of Schedule XIII of the SEBI ICDR Regulations.

Signing of Underwriting Agreement and filing of Prospectus with the RoC

Our Company and the Selling Shareholders will enter into an Underwriting Agreement with the Underwriters on or immediately after the finalisation of the Offer Price. After signing the Underwriting Agreement, our Company will file the Prospectus with the RoC, in accordance with applicable law. The Prospectus will contain details of the Offer Price, Anchor Investor Offer Price, Offer size and underwriting arrangements and will be complete in all material respects.

GENERAL INSTRUCTIONS

Please note that QIBs and Non-Institutional Investors are not permitted to withdraw their Bid(s) or lower the size of their Bid(s) (in terms of quantity of Equity Shares or the Bid Amount) at any stage. Retail Individual Investors can revise their Bid(s) during the Bid/Offer Period and withdraw their Bid(s) until Bid/Offer Closing Date. Anchor Investors are not allowed to withdraw their Bids after the Anchor Investor Bidding Date.

***Do's*:**

1. Check if you are eligible to apply as per the terms of the Red Herring Prospectus and under applicable law, rules, regulations, guidelines and approvals;

2. Ensure that you have Bid within the Price Band;

3. Read all the instructions carefully and complete the Bid cum Application Form;

4. Ensure that the details about the PAN, DP ID and Client ID are correct and the Bidders depository account is active, as Allotment of the Equity Shares will be in the dematerialised form only;

5. Ensure that your Bid cum Application Form bearing the stamp of a Designated Intermediary is submitted to the Designated Intermediary at the Bidding Centre within the prescribed time;

6. If the first applicant is not the ASBA Account holder, ensure that the Bid cum Application Form is signed by the ASBA Account holder;

7. Ensure that you have mentioned the correct ASBA Account number in the Bid cum Application Form;

8. All Bidders (other than Anchor Investors) should submit their Bids through the ASBA process only;

9. Ensure that the signature of the First Bidder in case of joint Bids, is included in the Bid cum Application Forms;

10. Ensure that the name(s) given in the Bid cum Application Form is/are exactly the same as the name(s) in which the beneficiary account is held with the Depository Participant. In case of joint Bids, the Bid cum Application Form should contain only the name of the First Bidder whose name should also appear as the first holder of the beneficiary account held in joint names;

11. Ensure that you request for and receive a stamped acknowledgement of the Bid cum Application Form for all your Bid options from the concerned Designated Intermediary;

12. Ensure that you have funds equal to the Bid Amount in the ASBA Account maintained with the SCSB before

submitting the Bid cum Application Form under the ASBA process to any of the Designated Intermediaries;

13. Ensure that you submit revised Bids to the same Designated Intermediary, through whom the original Bid was placed and obtain a revised acknowledgment;

14. With respect to Bids by SCSBs, ensure that you have a separate account in your own name with any other SCSB having clear demarcated funds for applying under the ASBA process and that such separate account (with any other SCSB) is used as the ASBA Account with respect to your Bid;

15. Except for Bids (i) on behalf of the Central or State Governments and the officials appointed by the courts, who, in terms of a SEBI circular dated June 30, 2008, may be exempt from specifying their PAN for transacting in the securities market and (ii) Bids by persons resident in the state of Sikkim, who, in terms of a SEBI circular dated July 20, 2006, may be exempted from specifying their PAN for transacting in the securities market. The exemption for the Central or the State Government and officials appointed by the courts and for investors residing in the State of Sikkim is subject to (a) the Demographic Details received from the respective depositories confirming the exemption granted to the beneficiary owner by a suitable description in the PAN field and the beneficiary account remaining in "active status"; and (b) in the case of residents of Sikkim, the address as per the Demographic Details evidencing the same. All other applications in which PAN is not mentioned will be rejected;

16. Ensure that Anchor Investors submit their Anchor Investor Application Form only to the BRLMs;

17. Ensure that the Demographic Details are updated, true and correct in all respects;

18. Ensure that thumb impressions and signatures other than in the languages specified in the Eighth Schedule to the Constitution of India are attested by a Magistrate or a Notary Public or a Special Executive Magistrate under official seal;

19. Ensure that the correct investor category and the investor status is indicated in the Bid cum Application Form;

20. Ensure that in case of Bids under power of attorney or by limited companies, corporates, trust etc., relevant documents, including a copy of the power of attorney, are submitted;

21. Ensure that Bids submitted by any person outside India should be in compliance with applicable foreign and Indian laws;

22. Ensure that the depository account is active, the correct DP ID, Client ID and the PAN are mentioned in their Bid cum Application Form and that the name of the Bidder, the DP ID, Client ID and the PAN entered into the online IPO system of the Stock Exchanges by the relevant Designated Intermediary, as applicable, matches with the name, DP ID, Client ID and PAN available in the Depository database;

23. Ensure that where the Bid cum Application Form is submitted in joint names, the beneficiary account is also held in the same joint names and such names are in the same sequence in which they appear in the Bid cum Application Form;

24. Ensure that while Bidding through a Designated Intermediary, the Bid cum Application Form (other than for Anchor Investors) is submitted to a Designated Intermediary in a Bidding Centre and that the SCSB where the ASBA Account, as specified in the ASBA Form, is maintained has named at least one branch at that location for the Designated Intermediary to deposit ASBA Forms (a list of such branches is available on the website of SEBI at www.sebi.gov.in) or such other websites as updated from time to time;

25. Ensure that you have correctly signed the authorisation/undertaking box in the Bid cum Application Form or have otherwise provided an authorisation to the SCSB via the electronic mode, for blocking funds in the ASBA Account equivalent to the Bid Amount mentioned in the Bid cum Application Form at the time of submission of the Bid; and

26. Bids by Eligible NRIs and HUFs for a Bid Amount of less than ₹ 200,000 would be considered under the Retail Portion, and Bids for a Bid Amount exceeding ₹ 200,000 would be considered under the Non-Institutional Portion, for the purposes of allocation in the Offer.

Don’ts:

1. Do not Bid for lower than the minimum Bid size;
2. Do not Bid/revise Bid Amount to less than the Floor Price or higher than the Cap Price;
3. Do not Bid on another Bid cum Application Form or the Anchor Investor Application Form, as the case maybe, after you have submitted a Bid to a Designated Intermediary;
4. Do not pay the Bid Amount in cash, by money order, cheques or demand drafts or by postal order or by stock invest;
5. Do not send Bid cum Application Forms by post; instead submit the same to the Designated Intermediary only;
6. Anchor Investors should not Bid through the ASBA process;
7. Do not submit the Bid cum Application Forms to any non-SCSB bank or our Company;
8. Do not Bid on a physical ASBA Form that does not have the stamp of a Designated Intermediary;
9. Do not Bid at Cut-off Price in case of Bids by QIBs and Non-Institutional Investors;
10. Do not fill up the Bid cum Application Form such that the Equity Shares Bid for exceeds the Offer size and/or investment limit or maximum number of the Equity Shares that can be held under the applicable laws or regulations or maximum amount permissible under the applicable regulations or under the terms of the Red Herring Prospectus;
11. If you are a Non-Institutional Investor or a Retail Individual Investor, do not submit your Bid after 3.00 pm on the Bid/Offer Closing Date;
12. If you are a QIB, do not submit your Bid after 3.00 p.m. on the QIB Bid/ Offer Closing Date;
13. Do not instruct your respective banks to release the funds blocked in the ASBA Account under the ASBA process;
14. Do not Bid for a Bid Amount exceeding ₹ 200,000 for Bids by Retail Individual Investors and ₹ 500,000 for Bids by Eligible Employees Bidding in the Employee Reservation Portion;
15. Do not submit the General Index Register (GIR) number instead of the PAN;
16. Do not submit incorrect details of the DP ID, Client ID and PAN or provide details for a beneficiary account which is suspended or for which details cannot be verified by the Registrar to the Offer;
17. Do not submit the Bid without ensuring that funds equivalent to the entire Bid Amount are available for blocking in the relevant ASBA Account;
18. Do not submit more than five Bid cum Application Forms per ASBA Account;
19. Do not submit Bids to a Designated Intermediary at a location other than Specified Locations;
20. Do not withdraw your Bid or lower the size of your Bid (in terms of quantity of the Equity Shares or the Bid Amount) at any stage, if you are a QIB or a Non-Institutional Investor;
21. Do not submit Bids on plain paper or on incomplete or illegible Bid cum Application Forms or on Bid cum Application Forms in a colour prescribed for another category of Bidder;
22. Do not submit a Bid in case you are not eligible to acquire Equity Shares under applicable law or your relevant constitutional documents or otherwise;
23. Do not Bid on another Bid cum Application Form and the Anchor Investor Application Form, as the case may be, after you have submitted a Bid to any of the Designated Intermediaries;
24. Do not Bid if you are not competent to contract under the Indian Contract Act, 1872 (other than minors having valid depository accounts as per Demographic Details provided by the depository); and
25. Do not Bid if you are an OCB.

The Bid cum Application Form is liable to be rejected if any of the above instructions or any other condition mentioned in this Draft Red Herring Prospectus, as applicable, is not complied with.

Grounds for Technical Rejections

In addition to the grounds for rejection of Bids on technical grounds as provided in "*General Information Document for Investing in Public Issues – Offer Procedure in Book Built Offer– Rejection and Responsibility for Upload of Bids – Grounds for Technical Rejections*" on page 583, Bidders are requested to note that Bids may be rejected on the following additional technical grounds:

1. Bid submitted without instruction to the SCSB to block the entire Bid Amount;
2. Bids which do not contain details of the Bid Amount and the bank account details in the ASBA Form;
3. Bids submitted on a plain paper;
4. Bids by HUFs not mentioned correctly as provided in *General Information Document for Investing in Public Issues – Category of Investors Eligible to Participate in an Issue*" on page 567;
5. ASBA Form submitted to a Designated Intermediary does not bear the stamp of the Designated Intermediary;
6. Bids submitted without the signature of the First Bidder or sole Bidder;
7. The ASBA Form not being signed by the account holders, if the account holder is different from the Bidder;
8. Bids by persons for whom PAN details have not been verified and whose beneficiary accounts are "suspended for credit" in terms of SEBI circular (reference number: CIR/MRD/DP/ 22 /2010) dated July 29, 2010;
9. GIR number furnished instead of PAN;
10. Bids by Retail Individual Investors with Bid Amount for a value of more than ₹ 200,000;
11. Bids by persons who are not eligible to acquire Equity Shares in terms of all applicable laws, rules, regulations, guidelines and approvals;
12. Bids accompanied by stock invest, money order, postal order or cash; and
13. Bids by OCB.

Payment into Escrow Account

Anchor Investors are not permitted to Bid in the Offer through the ASBA process. Instead, Anchor Investors should transfer the Bid Amount (through direct credit, RTGS or NEFT) to the Escrow Accounts. The payment instruments for payment into the Escrow Accounts should be drawn in favour of:

(i) In case of resident Anchor Investors: "[●]"

(ii) In case of non-resident Anchor Investors: "[●]"

Depository Arrangements

The Allotment of the Equity Shares in the Offer shall be only in a dematerialised form, (i.e., not in the form of physical certificates but be fungible and be represented by the statement issued through the electronic mode). In this context, tripartite agreements had been signed among our Company, the respective Depositories and the Registrar to the Offer:

- Tripartite Agreement dated October 6, 2016 among NSDL, our Company and the Registrar to the Offer.
- Tripartite Agreement dated September 11, 2018 among CDSL, our Company and Registrar to the Offer.

Undertakings by our Company

Our Company undertakes the following:

(i) that the complaints received in respect of the Offer shall be attended to by our Company expeditiously and satisfactorily;

(ii) that if the Allotment is not made within the prescribed time period under applicable law, the entire subscription amount received will be refunded/unblocked within the time prescribed under applicable law, failing which interest will be due to be paid to the Bidders at the rate prescribed under applicable law for the delayed period;

(iii) that all steps will be taken for completion of the necessary formalities for listing and commencement of trading at all the Stock Exchanges where the Equity Shares are proposed to be listed within six Working Days of the Bid/Offer Closing Date;

(iv) that funds required for making refunds to unsuccessful applicants as per the mode(s) disclosed shall be made available to the Registrar to the Offer by our Company;

(v) where refunds (to the extent applicable) are made through electronic transfer of funds, a suitable communication shall be sent to the applicant within the time prescribed under applicable law, giving details of the bank where refunds shall be credited along with amount and expected date of electronic credit of refund;

(vi) that if our Company does not proceed with the Offer after the Bid/Offer Closing Date but prior to Allotment, the reason thereof shall be given as a public notice within two days of the Bid/Offer Closing Date. The public notice shall be issued in the same newspapers where the pre-Offer advertisements were published. The Stock Exchanges on which the Equity Shares are proposed to be listed shall also be informed promptly;

(vii) that if our Company and the Selling Shareholders, in consultation with the BRLMs, withdraw the Offer after the Bid/Offer Closing Date, our Company shall be required to file a fresh draft offer document with the SEBI, in the event our Company subsequently decides to proceed with the Offer thereafter;

(viii) that our Company shall comply with such disclosure and accounting norms as may be specified by SEBI from time to time;

(ix) that the intimation of credit of securities/refund orders to Eligible NRIs shall be dispatched within specified time;

(x) that adequate arrangements shall be made to collect all Bid cum Application Forms submitted by Bidders and Anchor Investor Application Form from Anchor Investors; and

(xi) that other than the Equity Shares which may be issued pursuant to exercise of options under the MESOS 2015, no further issue of Equity Shares shall be made until the Equity Shares offered through the Red Herring Prospectus are listed or until the Bid monies are refunded/unblocked in the ASBA Accounts on account of non-listing, under-subscription etc.

Undertakings by each Selling Shareholder

Each Selling Shareholder, severally and not jointly, undertakes the following in respect of itself as a Selling Shareholder and its respective portion of the Offered Shares:

(i) that the Offered Shares are free and clear of any pre-emptive rights, liens, mortgages, charges, pledges or encumbrances and are eligible for Offer for Sale in accordance with Regulation 26(6) of the SEBI ICDR Regulations and shall continue to be in dematerialised form at the time of transfer;

(ii) that it is the legal and beneficial owner of and has full title to its respective portion of the Offered Shares;

(iii) that it shall provide all support and cooperation as may be reasonably requested by our Company and the BRLMs to the extent such support on cooperation is in relation to its Offered Shares and in relation to the completion of the Allotment and dispatch of the Allotment Advice and CAN, if required, and refund orders (as applicable) to the requisite extent of its respective portion of the Offered Shares;

(iv) that each Selling Shareholder specifically confirms that it shall not have any recourse to the proceeds of the Offer, until final listing and trading approvals have been received from the Stock Exchanges;

(v) that it shall not offer any incentive, whether direct or indirect, in any manner, whether in cash or kind or services or otherwise to any Bidder for making a Bid in the Offer, and shall not make any payment, direct or indirect, in the nature of discounts, commission, allowance or otherwise to any person who makes a Bid in the Offer, except as permitted under applicable law;

(vi) that it shall not offer, lend, pledge, create lien, charge, encumber, sell, contract to sell or otherwise transfer or dispose of, directly or indirectly, any of the Equity Shares offered in the Offer for sale;

(vii) that it will provide such assistance as may be required by our Company and the BRLMs acting reasonably, in redressal of such investor grievances that pertain to the Equity Shares being offered pursuant to the Offer and statements specifically made or confirmed by it in relation to itself as a Selling Shareholder; and

(viii) that it shall transfer its portion of the Offered Shares to an escrow demat account in accordance with the share escrow agreement to be executed between the parties to such share escrow agreement.

The Selling Shareholders have authorised the Compliance Officer of our Company and the Registrar to the Offer to redress any complaints received from Bidders in respect of their respective portion of Offered Shares.

Utilisation of Offer Proceeds

Our Company and the Selling Shareholders, severally and not jointly, specifically confirm and declare that all monies received from the Offer shall be transferred to separate bank account other than the bank account referred to in sub-section (3) of Section 40 of the Companies Act, 2013.

PART B

General Information Document for Investing in Public Issues

This General Information Document highlights the key rules, processes and procedures applicable to public issues in accordance with the provisions of the Companies Act, the SCRA, the SCRR and SEBI ICDR Regulations. Bidders/Applicants should not construe the contents of this General Information Document as legal advice and should consult their own legal counsel and other advisors in relation to the legal matters concerning the Issue. For taking an investment decision, the Bidders/Applicants should rely on their own examination of the Issuer and the Issue and should carefully read the Red Herring Prospectus/Prospectus before investing in the Issue.

SECTION 1: PURPOSE OF THE GENERAL INFORMATION DOCUMENT (GID)

This document is applicable to the public issues undertaken through the Book-Building Process as well as to the Fixed Price Offers. The purpose of the "General Information Document for Investing in Public Issues" is to provide general guidance to potential Bidders/Applicants in IPOs and FPOs, and on the processes and procedures governing IPOs and FPOs, undertaken in accordance with the provisions of the SEBI ICDR Regulations.

Bidders/Applicants should note that investment in equity and equity related securities involves risk and Bidder/Applicant should not invest any funds in the Issue unless they can afford to take the risk of losing their investment. The specific terms relating to securities and/or for subscribing to securities in an Issue and the relevant information about the Issuer undertaking the Issue are set out in the Red Herring Prospectus ("**RHP**")/Prospectus filed by the Issuer with the Registrar of Companies. Bidders/Applicants should carefully read the entire RHP/Prospectus and the Bid cum Application Form/Application Form and the Abridged Prospectus of the Issuer in which they are proposing to invest through the Issue. In case of any difference in interpretation or conflict and/or overlap between the disclosure included in this document and the RHP/Prospectus, the disclosures in the RHP/Prospectus shall prevail. The RHP/Prospectus of the Issuer is available on the websites of stock exchanges, on the website(s) of the **BRLM(s)** to the Issue and on the website of Securities and Exchange Board of India ("**SEBI**") at www.sebi.gov.in.

For the definitions of capitalised terms and abbreviations used herein Bidders/Applicants may refer to the section "Glossary and Abbreviations".

SECTION 2: BRIEF INTRODUCTION TO IPOs/FPOs

2.1 Initial public offer (IPO)

An IPO means an offer of specified securities by an unlisted Issuer to the public for subscription and may include an Offer for Sale of specified securities to the public by any existing holder of such securities in an unlisted Issuer.

For undertaking an IPO, an Issuer is *inter-alia* required to comply with the eligibility requirements of in terms of either Regulation 26(1) or Regulation 26(2) of the SEBI ICDR Regulations. For details of compliance with the eligibility requirements by the Issuer Bidders/Applicants may refer to the RHP/Prospectus.

2.2 Further public offer (FPO)

An FPO means an offer of specified securities by a listed Issuer to the public for subscription and may include Offer for Sale of specified securities to the public by any existing holder of such securities in a listed Issuer.

For undertaking an FPO, the Issuer is *inter-alia* required to comply with the eligibility requirements in terms of Regulation 26/27 of SEBI ICDR Regulations. For details of compliance with the eligibility requirements by the Issuer Bidders/Applicants may refer to the RHP/Prospectus.

2.3 Other Eligibility Requirements:

In addition to the eligibility requirements specified in paragraphs 2.1 and 2.2, an Issuer proposing to undertake an IPO or an FPO is required to comply with various other requirements as specified in the SEBI ICDR Regulations, the Companies Act, 2013 (to the extent notified and in effect), the Companies Act 1956 (to the extent applicable), the SCRR, industry-specific regulations, if any, and other applicable laws for the time being in force.

For details in relation to the above Bidders/Applicants may refer to the RHP/Prospectus.

2.4 Types of Public Issues – Fixed Price Issues and Book Built Issues

In accordance with the provisions of the SEBI ICDR Regulations, an Issuer can either determine the Issue Price through the Book Building Process ("**Book Built Issue**") or undertake a Fixed Price Issue ("**Fixed Price Issue**"). An Issuer may mention Floor Price or Price Band in the RHP (in case of a Book Built Issue) and a Price or Price Band in the Draft Prospectus (in case of a fixed price Issue) and determine the price at a later date before registering the Prospectus with the Registrar of Companies.

The cap on the Price Band should be less than or equal to 120% of the Floor Price. The Issuer shall announce the Price or the Floor Price or the Price Band through advertisement in all newspapers in which the pre-Issue advertisement was given at least five Working Days before the Bid/Issue Opening Date, in case of an IPO and at least one Working Day before the Bid/Issue Opening Date, in case of an FPO.

The Floor Price or the Issue price cannot be lesser than the face value of the securities.

Bidders/Applicants should refer to the RHP/Prospectus or Issue advertisements to check whether the Issue is a Book Built Issue or a Fixed Price Issue.

2.5 ISSUE PERIOD

The Issue may be kept open for a minimum of three Working Days (for all category of Bidders/Applicants) and not more than ten Working Days. Bidders/Applicants are advised to refer to the Bid cum Application Form and Abridged Prospectus or RHP/Prospectus for details of the Bid/Issue Period. Details of Bid/Issue Period are also available on the website of the Stock Exchange(s).

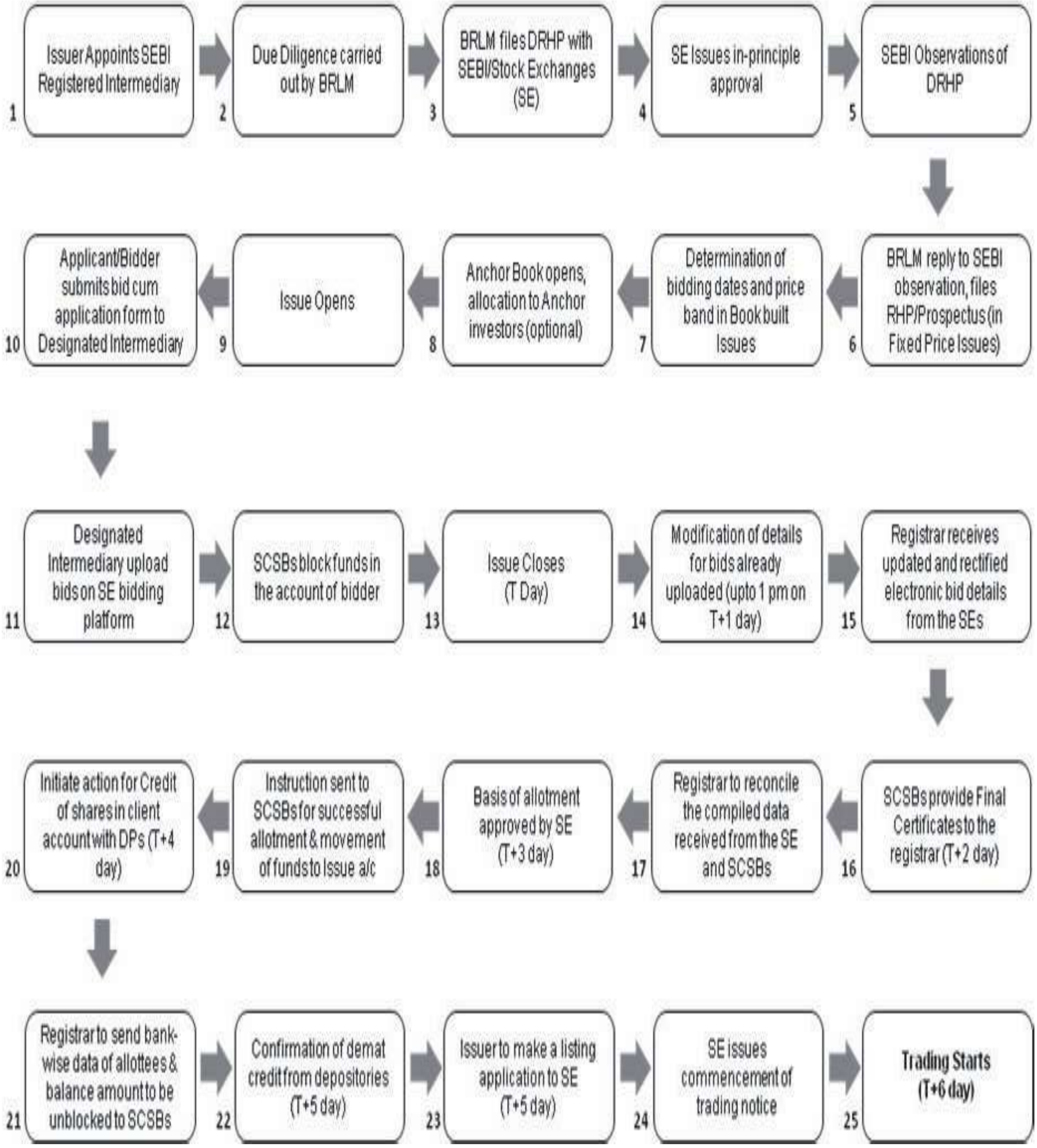
In case of a Book Built Issue, the Issuer may close the Bid/Issue Period for QIBs one Working Day prior to the Bid/Issue Closing Date if disclosures to that effect are made in the RHP. In case of revision of the Floor Price or Price Band in Book Built Issues the Bid/Issue Period may be extended by at least three Working Days, subject to the total Bid/Issue Period not exceeding 10 Working Days. For details of any revision of the Floor Price or Price Band, Bidders/Applicants may check the announcements made by the Issuer on the websites of the Stock Exchanges and the BRLM(s), and the advertisement in the newspaper(s) issued in this regard.

2.6 FLOWCHART OF TIMELINES

A flow chart of process flow in Fixed Price and Book Built Issues is as follows. Bidders/Applicants may note that this is not applicable for Fast Track FPOs.:

- In case of Issue other than Book Build Issue (Fixed Price Issue) the process at the following of the below mentioned steps shall be read as:

  (i) Step 7: Determination of Issue Date and Price;
  (ii) Step 10: Applicant submits Bid cum Application Form with any of the Designated Intermediaries;


1 Issuer Appoints SEBI Registered Intermediary
2 Due Diligence carried out by BRLM
3 BRLM files DRHP with SEBI/Stock Exchanges (SE)
4 SE Issues in-principle approval
5 SEBI Observations of DRHP
6 BRLM reply to SEBI observation, files RHP/Prospectus (in Fixed Price Issues)
7 Determination of bidding dates and price band in Book built Issues
8 Anchor Book opens, allocation to Anchor investors (optional)
9 Issue Opens
10 Applicant/Bidder submits bid cum application form to Designated Intermediary
11 Designated Intermediary upload bids on SE bidding platform
12 SCSBs block funds in the account of bidder
13 Issue Closes (T Day)
14 Modification of details for bids already uploaded (upto 1 pm on T+1 day)
15 Registrar receives updated and rectified electronic bid details from the SEs
16 SCSBs provide Final Certificates to the registrar (T+2 day)
17 Registrar to reconcile the compiled data received from the SE and SCSBs
18 Basis of allotment approved by SE (T+3 day)
19 Instruction sent to SCSBs for successful allotment & movement of funds to Issue a/c
20 Initiate action for Credit of shares in client account with DPs (T+4 day)
21 Registrar to send bank-wise data of allottees & balance amount to be unblocked to SCSBs
22 Confirmation of demat credit from depositories (T+5 day)
23 Issuer to make a listing application to SE (T+5 day)
24 SE issues commencement of trading notice
25 Trading Starts (T+6 day)

SECTION 3: CATEGORY OF INVESTORS ELIGIBLE TO PARTICIPATE IN AN ISSUE

Each Bidder/Applicant should check whether it is eligible to apply under applicable law. Furthermore, certain categories of Bidders/Applicants, such as NRIs, FPIs and FVCIs may not be allowed to Bid/Apply in the Issue or to hold Equity Shares, in excess of certain limits specified under applicable law. Bidders/Applicants are requested to refer to the RHP/Prospectus for more details.

Subject to the above, an illustrative list of Bidders/Applicants is as follows:

- Indian nationals resident in India who are competent to contract under the Indian Contract Act, 1872, in single or joint names (not more than three);
- Bids/Applications belonging to an account for the benefit of a minor (under guardianship);
- Hindu Undivided Families or HUFs, in the individual name of the *Karta*. The Bidder/Applicant should specify that the Bid is being made in the name of the HUF in the Bid cum Application Form/Application Form as follows: “Name of sole or first Bidder/Applicant: XYZ Hindu Undivided Family applying through XYZ, where XYZ is the name of the *Karta*”. Bids/Applications by HUFs may be considered at par with Bids/Applications from individuals;
- Companies, corporate bodies and societies registered under applicable law in India and authorised to hold and invest in equity shares;
- QIBs;
- NRIs on a repatriation basis or on a non-repatriation basis subject to applicable law;
- Indian Financial Institutions, regional rural banks, co-operative banks (subject to RBI regulations and the SEBI ICDR Regulations and other laws, as applicable);
- FPIs other than Category III foreign portfolio investors Bidding under the QIBs category;
- FPIs which are Category III foreign portfolio investors, Bidding under the NIIs category;
- Trusts/societies registered under the Societies Registration Act, 1860, or under any other law relating to trusts/societies and who are authorised under their respective constitutions to hold and invest in equity shares;
- National Investment Fund set up by resolution no. F. No. 2/3/2005-DD-II dated November 23, 2005 of the GoI published in the Gazette of India;
- Limited liability partnerships registered under the Limited Liability Partnership Act, 2008;
- Any other person eligible to Bid/Apply in the Issue, under the laws, rules, regulations, guidelines and policies applicable to them and under Indian laws; and
- As per the existing regulations, OCBs are not allowed to participate in an Issue.

SECTION 4: APPLYING IN THE ISSUE

Book Built Issue: Bidders should only use the specified Bid cum Application Form bearing stamp of a Designated Intermediary as available or downloaded from the websites of the Stock Exchanges.

Bid cum Application Forms are available with the Designated Intermediaries at the Bidding Centres and at the registered office of the Issuer. Electronic Bid cum Application Forms will be available on the websites of the Stock Exchanges at least one day prior to the Bid/Issue Opening Date. For further details regarding availability of Bid cum Application Forms, Bidders may refer to the RHP/Prospectus. For Anchor Investors, Bid cum Application Forms shall be available at the offices of the BRLM.

Fixed Price Issue: Applicants should only use the specified Bid cum Application Form bearing the stamp of the Designated Intermediary as available or downloaded from the websites of the Stock Exchanges. Application Forms are available with the Designated Branches of the SCSBs and at the registered office of the Issuer. For further details regarding availability of Application Forms, Applicants may refer to the Prospectus.

Bidders/Applicants should ensure that they apply in the appropriate category. The prescribed colour of the Bid cum Application Form for various categories of Bidders/Applicants is as follows:

Category	Colour of the Bid cum Application Form
Resident Indian, Eligible NRIs applying on a non-repatriation basis	White
NRIs, FVCIs and FPIs on a repatriation basis	Blue
Anchor Investors (where applicable) & Bidders/Applicants Bidding/applying in the reserved category	As specified by the Issuer

Securities issued in an IPO can only be in dematerialised form in accordance with Section 29 of the Companies Act, 2013. Bidders/Applicants will not have the option of getting the Allotment of specified securities in physical form. However, they may get the specified securities rematerialised subsequent to Allotment.

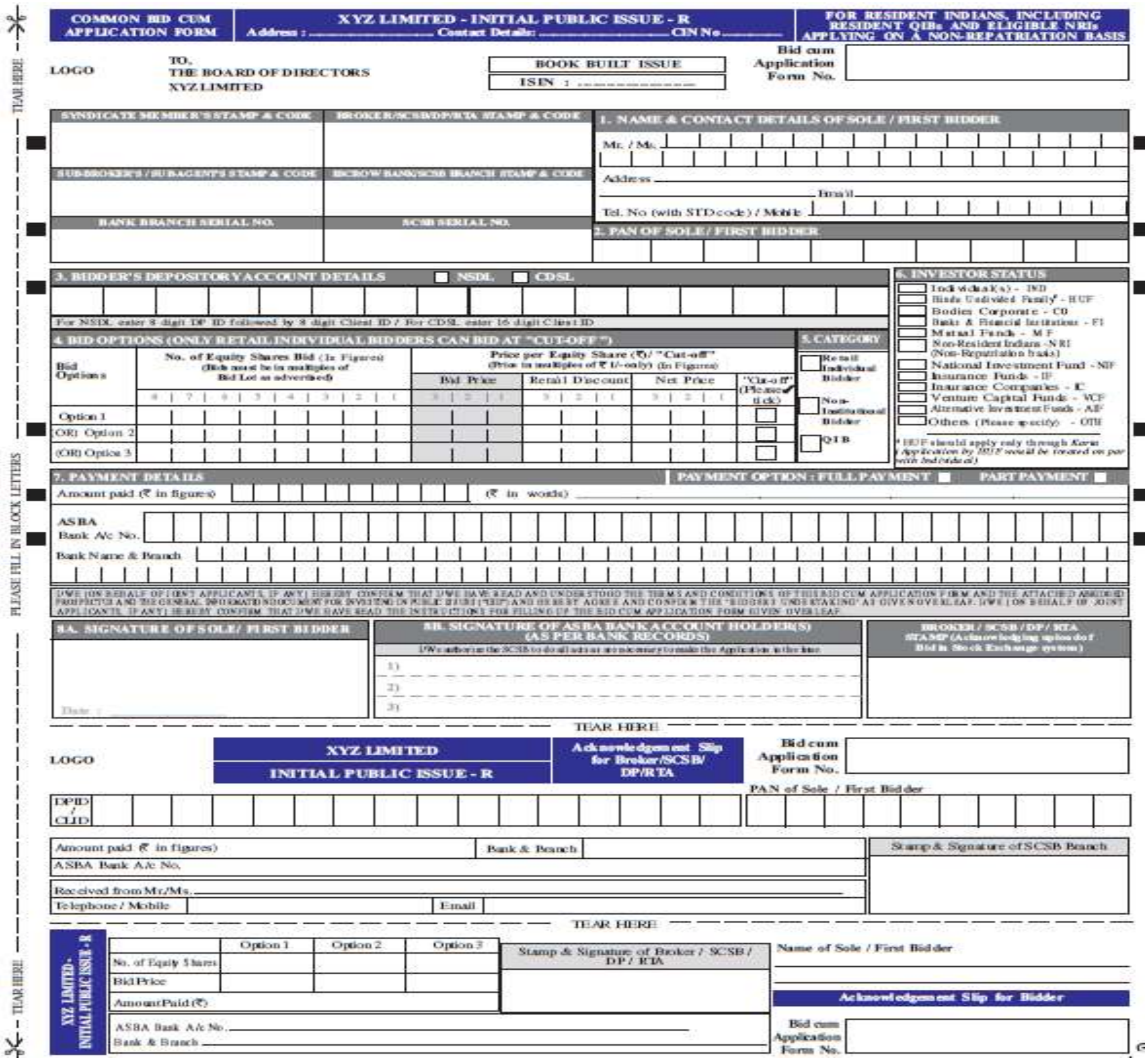
4.1 INSTRUCTIONS FOR FILLING THE BID CUM APPLICATION FORM/APPLICATION FORM

Bidders/Applicants may note that forms not filled completely or correctly as per instructions provided in this GID, the RHP and the Bid cum Application Form/Application Form are liable to be rejected.

Instructions to fill each field of the Bid cum Application Form can be found on the reverse side of the Bid cum Application Form. Specific instructions for filling various fields of the Resident Bid cum Application Form and Non-Resident Bid cum Application Form and samples are provided below.

The samples of the Bid cum Application Form for resident Bidders and the Bid cum Application Form for non-resident Bidders are reproduced below:

Application Form – For Residents


COMMON BID CUM APPLICATION FORM

XYZ LIMITED - INITIAL PUBLIC ISSUE - R

FOR RESIDENT INDIANS, INCLUDING RESIDENT QIBs AND ELIGIBLE NRIs APPLYING ON A NON-REPATRIATION BASIS

LOGO

TO, THE BOARD OF DIRECTORS XYZ LIMITED

BOOK BUILT ISSUE

ISIN :

Bid cum Application Form No.

SYNDICATE MEMBER'S STAMP & CODE

BROKER/SCSB/DP/RTA STAMP & CODE

1. NAME & CONTACT DETAILS OF SOLE / FIRST BIDDER

Mr. / Ms.

Address

Email

Tel. No (with STD code) / Mobile

SUB-BROKER'S / SUB AGENT'S STAMP & CODE

ESCROW BANK/SCSB BRANCH STAMP & CODE

BANK BRANCH SERIAL NO.

SCSB SERIAL NO.

2. PAN OF SOLE / FIRST BIDDER

3. BIDDER'S DEPOSITORY ACCOUNT DETAILS NSDL CDSL

For NSDL enter 8 digit DP ID followed by 8 digit Client ID / For CDSL enter 16 digit Client ID

4. BID OPTIONS (ONLY RETAIL INDIVIDUAL BIDDERS CAN BID AT "CUT-OFF")

Bid Options

No. of Equity Shares Bid (In Figures) (Bids must be in multiples of Bid Lot as advertised)

Price per Equity Share (₹) / "Cut-off" (Price in multiples of ₹ 1/- only) (In Figures)

Bid Price | Retail Discount | Net Price | "Cut-off" (Please ✓ tick)

Option 1

(OR) Option 2

(OR) Option 3

5. CATEGORY

Retail Individual Bidder

Non-Institutional Bidder

QIB

6. INVESTOR STATUS

Individual(s) - IND

Hindu Undivided Family* - HUF

Bodies Corporate - CO

Banks & Financial Institutions - FI

Mutual Funds - MF

Non-Resident Indians - NRI (Non-Repatriation basis)

National Investment Fund - NIF

Insurance Funds - IF

Insurance Companies - IC

Venture Capital Funds - VCF

Alternative Investment Funds - AIF

Others (Please specify) - OTH

* HUF should apply only through Karta (Application by HUF would be treated on par with individual)

7. PAYMENT DETAILS

PAYMENT OPTION : FULL PAYMENT PART PAYMENT

Amount paid (₹ in figures)

(₹ in words)

ASBA Bank A/c No.

Bank Name & Branch

8A. SIGNATURE OF SOLE / FIRST BIDDER

Date :

8B. SIGNATURE OF ASBA BANK ACCOUNT HOLDER(S) (AS PER BANK RECORDS)

I/We authorize the SCSB to do all acts as are necessary to make the Application in the Issue

1)

2)

3)

BROKER / SCSB / DP / RTA STAMP (Acknowledging upload of Bid in Stock Exchange system)

TEAR HERE

LOGO

XYZ LIMITED

INITIAL PUBLIC ISSUE - R

Acknowledgement Slip for Broker/SCSB/DP/RTA

Bid cum Application Form No.

PAN of Sole / First Bidder

DPID / CLID

Amount paid (₹ in figures)

Bank & Branch

Stamp & Signature of SCSB Branch

ASBA Bank A/c No.

Received from Mr./Ms.

Telephone / Mobile

Email

TEAR HERE

XYZ LIMITED - INITIAL PUBLIC ISSUE - R

	Option 1	Option 2	Option 3
No. of Equity Shares			
Bid Price			
Amount Paid (₹)			

ASBA Bank A/c No.

Bank & Branch

Stamp & Signature of Broker / SCSB / DP / RTA

Name of Sole / First Bidder

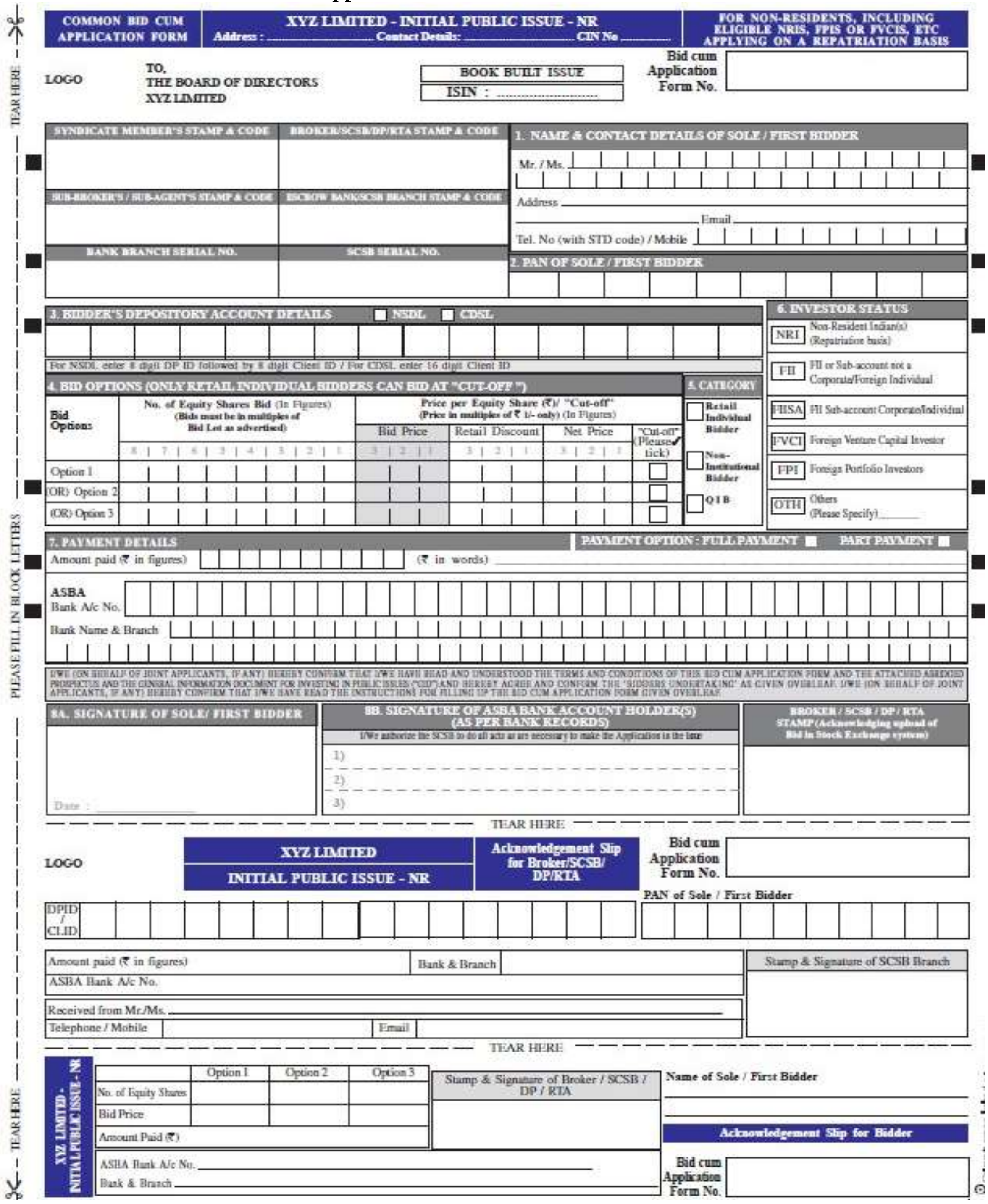
Acknowledgement Slip for Bidder

Bid cum Application Form No.

TEAR HERE

PLEASE FILL IN BLOCK LETTERS

Application Form – For Non – Residents



COMMON BID CUM APPLICATION FORM

XYZ LIMITED - INITIAL PUBLIC ISSUE - NR

Address : .... Contact Details: .... CIN No ....

FOR NON-RESIDENTS, INCLUDING ELIGIBLE NRIS, FPIS OR FVCIS, ETC APPLYING ON A REPATRIATION BASIS

LOGO

TO,
THE BOARD OF DIRECTORS
XYZ LIMITED

BOOK BUILT ISSUE

ISIN : ....

Bid cum Application Form No.

SYNDICATE MEMBER'S STAMP & CODE

BROKER/SCSB/DP/RTA STAMP & CODE

SUB-BROKER'S / SUB-AGENT'S STAMP & CODE

ESCROW BANK/SCSB BRANCH STAMP & CODE

BANK BRANCH SERIAL NO.

SCSB SERIAL NO.

1. NAME & CONTACT DETAILS OF SOLE / FIRST BIDDER

Mr. / Ms.

Address

Email

Tel. No (with STD code) / Mobile

2. PAN OF SOLE / FIRST BIDDER

3. BIDDER'S DEPOSITORY ACCOUNT DETAILS ☐ NSDL ☐ CDSL

For NSDL enter 8 digit DP ID followed by 8 digit Client ID / For CDSL enter 16 digit Client ID

6. INVESTOR STATUS

NRI Non-Resident Indian(s) (Repatriation basis)

FII FII or Sub-account not a Corporate/Foreign Individual

FIISA FII Sub-account Corporate/Individual

FVCI Foreign Venture Capital Investor

FPI Foreign Portfolio Investors

OTH Others (Please Specify)

4. BID OPTIONS (ONLY RETAIL INDIVIDUAL BIDDERS CAN BID AT "CUT-OFF")

5. CATEGORY

Bid Options	No. of Equity Shares Bid (In Figures) (Bids must be in multiples of Bid Lot as advertised)	Price per Equity Share (₹)/ "Cut-off" (Price in multiples of ₹ 1/- only) (In Figures) Bid Price	Retail Discount	Net Price	"Cut-off" (Please ✓ tick)
	8 7 6 5 4 3 2 1	3 2 1	3 2 1	3 2 1	
Option 1					☐
(OR) Option 2					☐
(OR) Option 3					☐

☐ Retail Individual Bidder

☐ Non-Institutional Bidder

☐ QIB

7. PAYMENT DETAILS

PAYMENT OPTION : FULL PAYMENT ☐ PART PAYMENT ☐

Amount paid (₹ in figures) (₹ in words)

ASBA Bank A/c No.

Bank Name & Branch

I/WE (ON BEHALF OF JOINT APPLICANTS, IF ANY) HEREBY CONFIRM THAT I/WE HAVE READ AND UNDERSTOOD THE TERMS AND CONDITIONS OF THIS BID CUM APPLICATION FORM AND THE ATTACHED ABRIDGED PROSPECTUS AND THE GENERAL INFORMATION DOCUMENT FOR INVESTING IN PUBLIC ISSUES ("GID") AND HEREBY AGREE AND CONFIRM THE 'BIDDERS UNDERTAKING' AS GIVEN OVERLEAF. I/WE (ON BEHALF OF JOINT APPLICANTS, IF ANY) HEREBY CONFIRM THAT I/WE HAVE READ THE INSTRUCTIONS FOR FILLING UP THE BID CUM APPLICATION FORM GIVEN OVERLEAF.

8A. SIGNATURE OF SOLE/ FIRST BIDDER

Date :

8B. SIGNATURE OF ASBA BANK ACCOUNT HOLDER(S) (AS PER BANK RECORDS)

I/We authorize the SCSB to do all acts as are necessary to make the Application in the Issue

1)
2)
3)

BROKER / SCSB / DP / RTA STAMP (Acknowledging upload of Bid in Stock Exchange system)

TEAR HERE

LOGO

XYZ LIMITED

INITIAL PUBLIC ISSUE - NR

Acknowledgement Slip for Broker/SCSB/ DP/RTA

Bid cum Application Form No.

PAN of Sole / First Bidder

DPID / CLID

Amount paid (₹ in figures)

Bank & Branch

Stamp & Signature of SCSB Branch

ASBA Bank A/c No.

Received from Mr./Ms.

Telephone / Mobile

Email

TEAR HERE

XYZ LIMITED - INITIAL PUBLIC ISSUE - NR

	Option 1	Option 2	Option 3
No. of Equity Shares			
Bid Price			
Amount Paid (₹)			

Stamp & Signature of Broker / SCSB / DP / RTA

Name of Sole / First Bidder

Acknowledgement Slip for Bidder

ASBA Bank A/c No.

Bank & Branch

Bid cum Application Form No.

TEAR HERE

PLEASE FILL IN BLOCK LETTERS

TEAR HERE

4.1.1 **FIELD NUMBER 1: NAME AND CONTACT DETAILS OF THE SOLE/FIRST BIDDER/APPLICANT**

(a) Bidders/Applicants should ensure that the name provided in this field is exactly the same as the name in which the Depository Account is held.

(b) **Mandatory Fields**: Bidders/Applicants should note that the name and address fields are compulsory, and e-mail and/or telephone number/mobile number fields are optional. Bidders/Applicants should note that the contact details mentioned in the Bid-cum Application Form/Application Form may be used to dispatch communications (including letters notifying the unblocking of the bank accounts of Bidders (other than Anchor Investors) in case the communication sent to the address available with the Depositories are returned undelivered or are not available. The contact details provided in the Bid cum Application Form may be used by the Issuer, Designated Intermediaries and the Registrar to the Issue only for correspondence(s) related to an Issue and for no other purposes.

(c) **Joint Bids/Applications**: In the case of Joint Bids/Applications, the Bids/Applications should be made in the name of the Bidder/Applicant whose name appears first in the Depository account. The name so entered should be the same as it appears in the Depository records. The signature of only such first Bidder/Applicant would be required in the Bid cum Application Form/Application Form and such first Bidder/Applicant would be deemed to have signed on behalf of the joint holders. All communications may be addressed to such Bidder/Applicant and may be dispatched to his or her address as per the Demographic Details received from the Depositories.

(d) **Impersonation**: Attention of the Bidders/Applicants is specifically drawn to the provisions of sub-section (1) of Section 38 of the Companies Act, 2013 which is reproduced below:

"*Any person who:*

(a) makes or abets making of an application in a fictitious name to a company for acquiring, or subscribing for, its securities; or

(b) makes or abets making of multiple applications to a company in different names or in different combinations of his name or surname for acquiring or subscribing for its securities; or

(c) otherwise induces directly or indirectly a company to allot, or register any transfer of, securities to him, or to any other person in a fictitious name,

***shall be liable for action under Section 447.*"**

The liability prescribed under Section 447 of the Companies Act 2013 for fraud involving an amount of at least ₹ 1.00 million or 1.00% of the turnover of the Company, whichever is lower, includes imprisonment for a term which shall not be less than six months extending up to 10 years (provided that where the fraud involves public interest, such term shall not be less than three years) and fine of an amount not less than the amount involved in the fraud, extending up to three times of such amount. In case the fraud involves (i) an amount which is less than ₹ 1.00 million or 1.00% of the turnover of the Company, whichever is lower; and (ii) does not involve public interest, then such fraud is punishable with an imprisonment for a term extending up to five years or a fine of an amount extending up to ₹ 2.00 million or with both.

(e) **Nomination Facility to Bidder/Applicant:** Nomination facility is available in accordance with the provisions of Section 72 of the Companies Act, 2013. In case of Allotment of the Equity Shares in dematerialised form, there is no need to make a separate nomination as the nomination registered with the Depository may prevail. For changing nominations, the Bidders/Applicants should inform their respective DP.

4.1.2 **FIELD NUMBER 2: PAN OF SOLE/FIRST BIDDER/APPLICANT**

(a) PAN (of the sole/first Bidder/Applicant) provided in the Bid cum Application Form/Application Form should be exactly the same as the PAN of the person(s) in whose name the relevant beneficiary account is held as per the Depositories' records.

(b) PAN is the sole identification number for participants transacting in the securities market irrespective of the amount of transaction except for Bids/Applications on behalf of the Central or State Government, Bids/Applications by officials appointed by the courts and Bids/Applications by Bidders/Applicants residing in Sikkim ("**PAN Exempted Bidders/Applicants**"). Consequently, all Bidders/Applicants, other than the PAN Exempted Bidders/Applicants, are required to disclose their PAN in the Bid cum Application Form/Application Form, irrespective of the Bid/Application Amount. A Bid cum Application Form/Application Form without PAN, except in case of Exempted Bidders/Applicants, is liable to be rejected. Bids/Applications by the Bidders/Applicants whose PAN is not available as per the Demographic Details available in their Depository records, are liable to be rejected.

(c) The exemption for the PAN Exempted Bidders/Applicants is subject to (a) the Demographic Details received from the respective Depositories confirming the exemption granted to the beneficiary owner by a suitable description in the PAN field and the beneficiary account remaining in "active status"; and (b) in the case of residents of Sikkim, the address as per the Demographic Details evidencing the same.

(d) Bid cum Application Forms/Application Forms which provide the General Index Register Number instead of PAN may be rejected.

(e) Bids/Applications by Bidders whose demat accounts have been 'suspended for credit' are liable to be rejected pursuant to the circular issued by SEBI on July 29, 2010, bearing number CIR/MRD/DP/22/2010. Such accounts are classified as "Inactive demat accounts" and Demographic Details are not provided by depositories.

4.1.3 **FIELD NUMBER 3: BIDDERS/APPLICANTS DEPOSITORY ACCOUNT DETAILS**

(a) Bidders/Applicants should ensure that DP ID and the Client ID are correctly filled in the Bid cum Application Form/Application Form. The DP ID and Client ID provided in the Bid cum Application Form/Application Form should match with the DP ID and Client ID available in the Depository database, **<u>otherwise, the Bid cum Application Form/Application Form is liable to be rejected.</u>**

(b) Bidders/Applicants should ensure that the beneficiary account provided in the Bid cum Application Form/Application Form is active.

(c) Bidders/Applicants should note that on the basis of the PAN, DP ID and Client ID as provided in the Bid cum Application Form/Application Form, the Bidder/Applicant may be deemed to have authorised the Depositories to provide to the Registrar to the Issue, any requested Demographic Details of the Bidder/Applicant as available on the records of the depositories. These Demographic Details may be used, among other things, for any correspondence(s) related to an Issue.

(d) Bidders/Applicants are, advised to update any changes to their Demographic Details as available in the records of the Depository Participant to ensure accuracy of records. Any delay resulting from failure to update the Demographic Details would be at the Bidders/Applicants' sole risk.

4.1.4 **FIELD NUMBER 4: BID OPTIONS**

(a) Price or Floor Price or Price Band, minimum Bid Lot and Discount (if applicable) may be disclosed in the Prospectus/RHP by the Issuer. The Issuer is required to announce the Floor Price or Price Band, minimum Bid Lot and Discount (if applicable) by way of an advertisement in at least one English, one Hindi and one regional newspaper, with wide circulation, at least five Working Days before Bid/Issue Opening Date in case of an IPO, and at least one Working Day before Bid/Issue Opening Date in case of an FPO.

(b) The Bidders may Bid at or above Floor Price or within the Price Band for IPOs/FPOs undertaken through the Book Building Process. In the case of Alternate Book Building Process for an FPO, the Bidders may Bid at Floor Price or any price above the Floor Price (For further details bidders may refer to (Section 5.6 (e))

(c) **Cut-Off Price:** Retail Individual Investors or Employees or Retail Individual Shareholders can Bid at the Cut-off Price indicating their agreement to Bid for and purchase the Equity Shares at the Issue Price as determined at the end of the Book Building Process. Bidding at the Cut-off Price is prohibited for QIBs and NIIs and such Bids from QIBs and NIIs may be rejected.

(d) **Minimum Application Value and Bid Lot**: The Issuer in consultation with the BRLM may decide the minimum number of Equity Shares for each Bid to ensure that the minimum application value is within the range of ₹ 10,000 to ₹ 15,000. The minimum Bid Lot is accordingly determined by an Issuer on basis of such minimum application value.

(e) **Allotment:** The Allotment of specified securities to each RII shall not be less than the minimum Bid Lot, subject to availability of shares in the RII category, and the remaining available shares, if any, shall be Allotted on a proportionate basis. For details of the Bid Lot, Bidders may to the RHP/Prospectus or the advertisement regarding the Price Band published by the Issuer.

4.1.4.1 **Maximum and Minimum Bid Size**

(a) The Bidder may Bid for the desired number of Equity Shares at a specific price. Bids by Retail Individual Investors, Employees and Retail Individual Shareholders must be for such number of shares so as to ensure that the Bid Amount less Discount (as applicable), payable by the Bidder does not exceed ₹ 200,000.

In case the Bid Amount exceeds ₹ 200,000 due to revision of the Bid or any other reason, the Bid may be considered for allocation under the Non-Institutional Portion, with it not being eligible for Discount then such Bid may be rejected if it is at the Cut-off Price.

(b) For NRIs, a Bid Amount of up to ₹ 200,000 may be considered under the Retail Portion for the purposes of allocation and a Bid Amount exceeding ₹ 200,000 may be considered under the Non-Institutional Portion for the purposes of allocation.

(c) Bids by QIBs and NIIs must be for such minimum number of shares such that the Bid Amount exceeds ₹ 200,000 and in multiples of such number of Equity Shares thereafter, as may be disclosed in the Bid cum Application Form and the RHP/Prospectus, or as advertised by the Issuer, as the case may be. Non-Institutional Investors and QIBs are not allowed to Bid at 'Cut-off Price'.

(d) RII may revise or withdraw their bids until Bid/Issue Closing Date. QIBs and NII's cannot withdraw or lower their Bids (in terms of quantity of Equity Shares or the Bid Amount) at any stage after bidding and are required to pay the Bid Amount upon submission of the Bid.

(e) In case the Bid Amount reduces to ₹ 200,000 or less due to a revision of the Price Band, Bids by the Non-Institutional Investors who are eligible for allocation in the Retail Portion would be considered for allocation under the Retail Portion.

(f) For Anchor Investors, if applicable, the Bid Amount shall be least ₹ 10 crores. One-third of the Anchor Investor Portion shall be reserved for domestic Mutual Funds, subject to valid Bids being received from domestic Mutual Funds at or above the price at which allocation is being done to other Anchor Investors. Bids by various schemes of a Mutual Fund shall be aggregated to determine the Bid Amount. A Bid cannot be submitted for more than 60% of the QIB Portion under the Anchor Investor Portion. Anchor Investors cannot withdraw their Bids or lower the size of their Bids (in terms of quantity of Equity Shares or the Bid Amount) at any stage after the Anchor Investor Bid/Issue Period and are required to pay the Bid Amount at the time of submission of the Bid. In case the Anchor Investor Issue Price is lower than the Issue Price, the balance amount shall be payable as per the pay-in-date mentioned in the revised CAN. In case the Issue Price is lower than the Anchor Investor Issue Price, the amount in excess of the Issue Price paid by the Anchor Investors shall not be refunded to them.

(g) A Bid cannot be submitted for more than the Issue size.

(h) The maximum Bid by any Bidder including QIB Bidder should not exceed the investment limits prescribed for them under the applicable laws.

(i) The price and quantity options submitted by the Bidder in the Bid cum Application Form may be treated as optional bids from the Bidder and may not be cumulated. After determination of the Issue Price, the number of Equity Shares Bid for by a Bidder at or above the Issue Price may be considered for Allotment and the rest of the Bid(s), irrespective of the Bid Amount may automatically become invalid. This is not applicable in case of FPOs undertaken through Alternate Book Building Process (For details of Bidders may refer to (Section 5.6 (e)).

4.1.4.2 **Multiple Bids**

(a) Bidder should submit only one Bid cum Application Form. Bidder shall have the option to make a maximum of Bids at three different price levels in the Bid cum Application Form and such options are not considered as multiple Bids.

Submission of a second Bid cum Application Form to either the same or to another Designated Intermediary and duplicate copies of Bid cum Application Forms bearing the same application number shall be treated as multiple Bids and are liable to be rejected.

(b) Bidders are requested to note the following procedures may be followed by the Registrar to the Issue to detect multiple Bids:

(i) All Bids may be checked for common PAN as per the records of the Depository. For Bidders other than Mutual Funds, Bids bearing the same PAN may be treated as multiple Bids by a Bidder and may be rejected.

(ii) For Bids from Mutual Funds, submitted under the same PAN, as well as Bids on behalf of the PAN Exempted Bidders, the Bid cum Application Forms may be checked for common DP ID and Client ID. Such Bids which have the same DP ID and Client ID may be treated as multiple Bids and are liable to be rejected.

(iii) The following Bids may not be treated as multiple Bids:

1. Bids by Reserved Categories Bidding in their respective Reservation Portion as well as bids made by them in the Net Issue portion in public category.

2. Separate Bids by Mutual Funds in respect of more than one scheme of the Mutual Fund provided that the Bids clearly indicate the scheme for which the Bid has been made.

3. Bids by Mutual Funds, submitted with the same PAN but with different beneficiary account numbers, Client IDs and DP IDs.

4. Bids by Anchor Investors under the Anchor Investor Portion and the QIB Portion.

4.1.5 **FIELD NUMBER 5: CATEGORY OF BIDDERS**

(a) The categories of Bidders identified as per the SEBI ICDR Regulations for the purpose of Bidding, allocation and allotment in the Issue are RIIs, NIIs and QIBs.

(b) Up to 60% of the QIB Portion can be allocated by the Issuer, on a discretionary basis subject to the criteria of minimum and maximum number of Anchor Investors based on allocation size, to the Anchor Investors, in accordance with SEBI ICDR Regulations, with one-third of the Anchor Investor Portion reserved for domestic Mutual Funds subject to valid Bids being received at or above the Issue Price. For details regarding allocation to Anchor Investors, Bidders may refer to the RHP/Prospectus.

(c) An Issuer can make reservation for certain categories of Bidders/Applicants as permitted under the SEBI ICDR Regulations. For details of any reservations made in the Issue, Bidders/Applicants may refer to the RHP/Prospectus.

(d) The SEBI ICDR Regulations specify the allocation or Allotment that may be made to various categories of Bidders in an Issue depending upon compliance with the eligibility conditions. Details pertaining to allocation are disclosed on reverse side of the Revision Form. For Issue specific details in relation to allocation Bidder/Applicant may refer to the RHP/Prospectus.

4.1.6 **FIELD NUMBER 6: INVESTOR STATUS**

(a) Each Bidder/Applicant should check whether it is eligible to apply under applicable law and ensure that any prospective Allotment to it in the Issue is in compliance with the investment restrictions under applicable law.

(b) Certain categories of Bidders/Applicants, such as NRIs, FPIs and FVCIs may not be allowed to Bid/Apply in the Issue or hold Equity Shares exceeding certain limits specified under applicable law. Bidders/Applicants are requested to refer to the RHP/Prospectus for more details.

(c) Bidders/Applicants should check whether they are eligible to apply on non-repatriation basis or repatriation basis and should accordingly provide the investor status. Details regarding investor status are different in the Resident Bid cum Application Form and Non-Resident Bid cum Application Form.

(d) Bidders/Applicants should ensure that their investor status is updated in the Depository records.

4.1.7 **FIELD NUMBER 7: PAYMENT DETAILS**

(a) The full Bid Amount (net of any Discount, as applicable) shall be blocked based on the authorisation provided in the Bid cum Application Form. If the Discount is applicable in the Issue, the RIIs should indicate the full Bid Amount in the Bid cum Application Form and the payment shall be blocked for the Bid Amount net of Discount. Only in cases where the RHP/Prospectus indicates that part payment may be made, such an option can be exercised by the Bidder. In case of Bidders specifying more than one Bid Option in the Bid cum Application Form, the total Bid Amount may be calculated for the highest of three options at net price, i.e. Bid price less Discount offered, if any.

(b) RIIs who Bid at Cut-off price shall be blocked on the Cap Price.

(c) All Bidders (except Anchor Investors) can participate in the Issue only through the ASBA mechanism.

(d) Bid Amount cannot be paid in cash, cheque, demand draft, through money order or through postal order.

4.1.7.1. **Instructions for Anchor Investors:**

(a) Anchor Investors may submit their Bids with a Book Running Lead Manager.

(b) Payments should be made either by RTGS or NEFT.

(c) The Anchor Escrow Bank(s) shall maintain the monies in the Anchor Escrow Account for and on behalf of the Anchor Investors until the Designated Date.

4.1.7.2. **Payment instructions for Bidders (other than Anchor Investors)**

(a) Bidders may submit the Bid cum Application Form either

(i) in electronic mode through the internet banking facility offered by an SCSB authorising blocking of funds that are available in the ASBA account specified in the Bid cum Application Form, or

(ii) in physical mode to any Designated Intermediary.

(b) Bidders must specify the Bank Account number in the Bid cum Application Form. The Bid cum Application Form submitted by a Bidder and which is accompanied by cash, demand draft, cheque, money order, postal order or any mode of payment other than blocked amounts in the ASBA Account maintained with an SCSB, may not be accepted.

(c) Bidders should ensure that the Bid cum Application Form is also signed by the ASBA Account holder(s) if the Bidder is not the ASBA Account holder;

(d) Bidders shall note that for the purpose of blocking funds under ASBA facility clearly demarcated funds shall be available in the account.

(e) From one ASBA Account, a maximum of five Bids cum Application Forms can be submitted.

(f) Bidders should submit the Bid cum Application Form only at the Bidding Centres, i.e. to the respective member of the Syndicate at the Specified Locations, the SCSBs, the Registered Broker at the Broker Centres, the CRTA at the Designated RTA Locations or CDP at the Designated CDP Locations.

(g) **Bidders bidding through Designated Intermediaries** other than a SCSB, should note that ASBA Forms submitted to such Designated Intermediary may not be accepted, if the SCSB where the ASBA Account, as specified in the Bid cum Application Form, is maintained has not named at least one branch at that location for such Designated Intermediary, to deposit ASBA Forms.

(h) **Bidders bidding directly through the SCSBs** should ensure that the Bid cum Application Form is submitted to a Designated Branch of a SCSB where the ASBA Account is maintained.

(i) Upon receipt of the Bid cum Application Form, the Designated Branch of the SCSB may verify if sufficient funds equal to the Bid Amount are available in the ASBA Account, as mentioned in the Bid cum Application Form.

(j) If sufficient funds are available in the ASBA Account, the SCSB may block an amount equivalent to the Bid Amount mentioned in the Bid cum Application Form and for application directly submitted to SCSB by investor, may enter each Bid option into the electronic bidding system as a separate Bid.

(k) If sufficient funds are not available in the ASBA Account, the Designated Branch of the SCSB may not upload such Bids on the Stock Exchange platform and such bids are liable to be rejected.

(l) Upon submission of a completed Bid cum Application Form each Bidder may be deemed to have agreed to block the entire Bid Amount and authorised the Designated Branch of the SCSB to block the Bid Amount specified in the Bid cum Application Form in the ASBA Account maintained with the SCSBs.

(m) The Bid Amount may remain blocked in the aforesaid ASBA Account until finalisation of the Basis of Allotment and consequent transfer of the Bid Amount against the Allotted Equity Shares to the Public Issue Account, or until withdrawal or failure of the Issue, or until withdrawal or rejection of the Bid, as the case may be.

(n) SCSBs bidding in the Issue must apply through an Account maintained with any other SCSB; else their Bids are liable to be rejected.

4.1.7.1.1 **Unblocking of ASBA Account**

(a) Once the Basis of Allotment is approved by the Designated Stock Exchange, the Registrar to the Issue may provide the following details to the controlling branches of each SCSB, along with instructions to unblock the relevant bank accounts and for successful applications transfer the requisite money to the Public Issue Account designated for this purpose, within the specified timelines: (i) the number of Equity Shares to be Allotted against each Bid, (ii) the amount to be transferred from the relevant bank account to the Public Issue Account, for each Bid, (iii) the date by which funds referred to in (ii) above may be transferred to the Public Issue Account, (iv) the amount to be unblocked, if any in case of partial allotments and (v) details of rejected ASBA Bids, if any, along with reasons for rejection and details of withdrawn or unsuccessful Bids, if any, to enable the SCSBs to unblock the respective bank accounts.

(b) On the basis of instructions from the Registrar to the Issue, the SCSBs may transfer the requisite amount against each successful Bidder to the Public Issue Account and may unblock the excess amount, if any, in the ASBA Account.

(c) In the event of withdrawal or rejection of the Bid cum Application Form and for unsuccessful Bids, the Registrar to the Issue may give instructions to the SCSB to unblock the Bid Amount in the relevant ASBA Account within six Working Days of the Bid/Issue Closing Date.

4.1.7.2 **Discount** (if applicable)

(a) The Discount is stated in absolute rupee terms.

(b) Bidders applying under RII category, Retail Individual Shareholder and employees are only eligible for discount. For Discounts offered in the Issue, Bidders may refer to the RHP/Prospectus.

(c) The Bidders entitled to the applicable Discount in the Issue may block for an amount i.e. the Bid Amount less Discount (if applicable).

Bidder (other than employees) may note that in case the net amount blocked (post Discount) is more than two lakh Rupees, the Bidding system automatically considers such applications for allocation under Non-Institutional Portion. These applications are neither eligible for Discount nor fall under RII category.

4.1.8 FIELD NUMBER 8: SIGNATURES AND OTHER AUTHORISATIONS

(a) Only the First Bidder/Applicant is required to sign the Bid cum Application Form/Application Form. Bidders/Applicants should ensure that signatures are in one of the languages specified in the Eighth Schedule to the Constitution of India.

(b) If the ASBA Account is held by a person or persons other than the Bidder/Applicant, then the Signature of the ASBA Account holder(s) is also required.

(c) The signature has to be correctly affixed in the authorisation/undertaking box in the Bid cum Application Form/Application Form, or an authorisation has to be provided to the SCSB via the electronic mode, for blocking funds in the ASBA Account equivalent to the Bid Amount mentioned in the Bid cum Application Form/Application Form.

(d) Bidders/Applicants must note that Bid cum Application Form/Application Form without signature of Bidder/Applicant and/or ASBA Account holder is liable to be rejected.

4.1.9 ACKNOWLEDGEMENT AND FUTURE COMMUNICATION

(a) Bidders should ensure that they receive the Acknowledgment slip or the acknowledgement number duly signed and stamped by a Designated Intermediary, as applicable, for submission of the Bid cum Application Form.

(b) All communications in connection with Bids/Applications made in the Issue should be addressed as under:

(i) In case of queries related to Allotment, non-receipt of Allotment Advice, credit of Allotted Equity Shares, unblocking of funds, the Bidders/Applicants should contact the Registrar to the Issue.

(ii) In case of Bids submitted to the Designated Branches of the SCSBs, the Bidders/Applicants should contact the relevant Designated Branch of the SCSB.

(iii) In case of queries relating to uploading of Syndicate ASBA Bids, the Bidders/Applicants should contact the relevant Syndicate Member.

(iv) In case of queries relating to uploading of Bids by a Designated Intermediary, the Bidders/Applicants should contact the relevant Designated Intermediary.

(v) Bidder/Applicant may contact the Company Secretary and Compliance Officer or BRLM(s) in case of any other complaints in relation to the Issue.

(c) The following details (as applicable) should be quoted while making any queries –

(i) full name of the sole or First Bidder/Applicant, Bid cum Application Form number, Applicants'/Bidders' DP ID, Client ID, PAN, number of Equity Shares applied for, amount paid on application.
(ii) name and address of the Designated Intermediary, where the Bid was submitted or

(iii) Bids, ASBA Account number in which the amount equivalent to the Bid Amount was blocked.

For further details, Bidder/Applicant may refer to the RHP/Prospectus and the Bid cum Application Form.

4.2 INSTRUCTIONS FOR FILING THE REVISION FORM

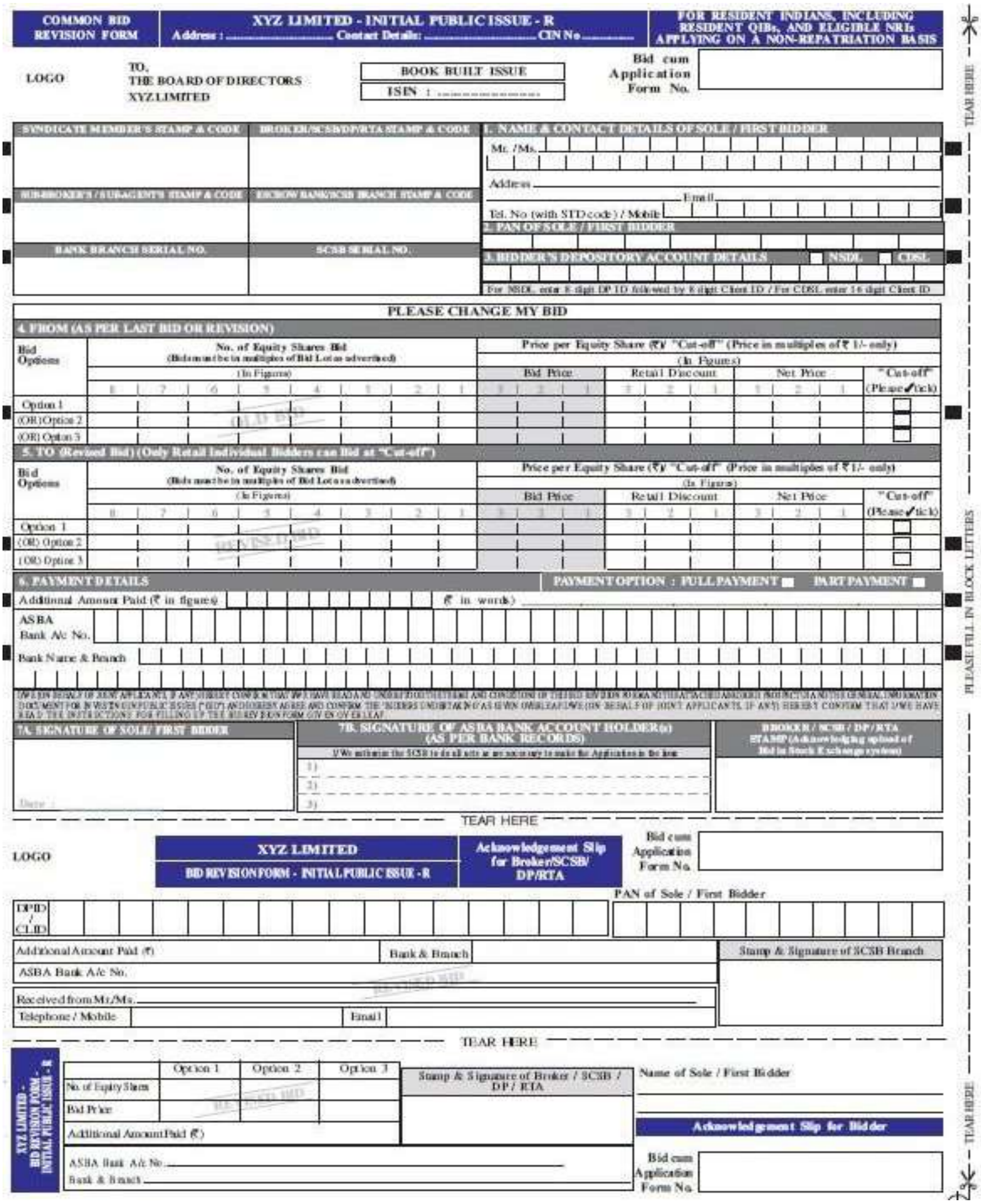
(a) During the Bid/Issue Period, any Bidder/Applicant (other than QIBs and NIIs, who can only revise their bid upwards) who has registered his or her interest in the Equity Shares at a particular price level is free to revise his or her Bid within the Price Band using the Revision Form, which is a part of the Bid cum Application Form.

(b) RII may revise their Bids or withdraw their bids until Bid/Issue Closing date.

(c) Revisions can be made in both the desired number of Equity Shares and the Bid Amount by using the Revision Form.

(d) The Bidder/Applicant can make this revision any number of times during the Bid/Issue Period. However, for any revision(s) in the Bid, the Bidders/Applicants will have to use the services of the same Designated Intermediary through which such Bidder/Applicant had placed the original Bid. Bidders/Applicants are advised to retain copies of the blank Revision Form and the Bid(s) must be made only in such Revision Form or copies thereof.

A sample revision form is reproduced below:


COMMON BID REVISION FORM

XYZ LIMITED - INITIAL PUBLIC ISSUE - R

Address : .... Contact Details: .... CIN No ....

FOR RESIDENT INDIANS, INCLUDING RESIDENT QIBs, AND ELIGIBLE NRIs APPLYING ON A NON-REPATRIATION BASIS

LOGO

TO,
THE BOARD OF DIRECTORS
XYZ LIMITED

BOOK BUILT ISSUE

ISIN : ....

Bid cum Application Form No.

SYNDICATE MEMBER'S STAMP & CODE | BROKER/SCSB/DP/RTA STAMP & CODE

SUB-BROKER'S / SUB-AGENT'S STAMP & CODE | ESCROW BANK/SCSB BRANCH STAMP & CODE

BANK BRANCH SERIAL NO. | SCSB SERIAL NO.

1. NAME & CONTACT DETAILS OF SOLE / FIRST BIDDER

Mr. / Ms.

Address

Email

Tel. No (with STD code) / Mobile

2. PAN OF SOLE / FIRST BIDDER

3. BIDDER'S DEPOSITORY ACCOUNT DETAILS NSDL CDSL

For NSDL enter 8 digit DP ID followed by 8 digit Client ID / For CDSL enter 16 digit Client ID

PLEASE CHANGE MY BID

4. FROM (AS PER LAST BID OR REVISION)

Bid Options	No. of Equity Shares Bid (Bids must be in multiples of Bid Lot as advertised) (In Figures)	Bid Price	Retail Discount	Net Price	"Cut-off" (Please ✓ tick)
	8 7 6 5 4 3 2 1	3 2 1	3 2 1	3 2 1	
Option 1					
(OR) Option 2					
(OR) Option 3					

Price per Equity Share (₹) / "Cut-off" (Price in multiples of ₹ 1/- only) (In Figures)

OLD BID

5. TO (Revised Bid) (Only Retail Individual Bidders can Bid at "Cut-off")

Bid Options	No. of Equity Shares Bid (Bids must be in multiples of Bid Lot as advertised) (In Figures)	Bid Price	Retail Discount	Net Price	"Cut-off" (Please ✓ tick)
	8 7 6 5 4 3 2 1	3 2 1	3 2 1	3 2 1	
Option 1					
(OR) Option 2					
(OR) Option 3					

Price per Equity Share (₹) / "Cut-off" (Price in multiples of ₹ 1/- only) (In Figures)

REVISED BID

6. PAYMENT DETAILS

PAYMENT OPTION : FULL PAYMENT PART PAYMENT

Additional Amount Paid (₹ in figures) (₹ in words)

ASBA Bank A/c No.

Bank Name & Branch

7A. SIGNATURE OF SOLE/ FIRST BIDDER

Date :

7B. SIGNATURE OF ASBA BANK ACCOUNT HOLDER(s) (AS PER BANK RECORDS)

I/We authorize the SCSB to do all acts as are necessary to make the Application in the Issue

1)
2)
3)

BROKER / SCSB / DP / RTA STAMP (Acknowledging upload of Bid in Stock Exchange system)

TEAR HERE

LOGO

XYZ LIMITED

BID REVISION FORM - INITIAL PUBLIC ISSUE - R

Acknowledgement Slip for Broker/SCSB/ DP/RTA

Bid cum Application Form No.

DPID / CLID

PAN of Sole / First Bidder

Additional Amount Paid (₹)

Bank & Branch

Stamp & Signature of SCSB Branch

ASBA Bank A/c No.

Received from Mr./Ms.

Telephone / Mobile

Email

TEAR HERE

XYZ LIMITED - BID REVISION FORM - INITIAL PUBLIC ISSUE - R

	Option 1	Option 2	Option 3
No. of Equity Shares			
Bid Price			

Additional Amount Paid (₹)

ASBA Bank A/c No.

Bank & Branch

Stamp & Signature of Broker / SCSB / DP / RTA

Name of Sole / First Bidder

Acknowledgement Slip for Bidder

Bid cum Application Form No.

TEAR HERE

PLEASE FILL IN BLOCK LETTERS

Instructions to fill each field of the Revision Form can be found on the reverse side of the Revision Form. Other than instructions already highlighted at paragraph 4.1 above, point wise instructions regarding filling up various fields of the Revision Form are provided below:

4.2.1 **FIELDS 1, 2 AND 3: NAME AND CONTACT DETAILS OF SOLE/FIRST BIDDER/APPLICANT, PAN OF SOLE/FIRST BIDDER/APPLICANT & DEPOSITORY ACCOUNT DETAILS OF THE BIDDER/APPLICANT**

Bidders/Applicants should refer to instructions contained in paragraphs 4.1.1, 4.1.2 and 4.1.3.

4.2.2 **FIELD 4 & 5: BID OPTIONS REVISION 'FROM' AND 'TO'**

(a) Apart from mentioning the revised options in the Revision Form, the Bidder/Applicant must also mention the details of all the bid options given in his or her Bid cum Application Form or earlier Revision Form. For example, if a Bidder/Applicant has Bid for three options in the Bid cum Application Form and such Bidder/Applicant is changing only one of the options in the Revision Form, the Bidder/Applicant must still fill the details of the other two options that are not being revised, in the Revision Form. The Designated Intermediaries may not accept incomplete or inaccurate Revision Forms.

(b) In case of revision, Bid options should be provided by Bidders/Applicants in the same order as provided in the Bid cum Application Form.

(c) In case of revision of Bids by RIIs and Retail Individual Shareholders, such Bidders/Applicants should ensure that the Bid Amount, subsequent to revision, does not exceed ₹ 200,000. In case the Bid Amount exceeds ₹ 200,000 due to revision of the Bid or for any other reason, the Bid may be considered, subject to eligibility, for allocation under the Non-Institutional Portion, not being eligible for Discount (if applicable) and such Bid may be rejected if it is at the Cut-off Price. The Cut-off Price option is given only to the RIIs and Retail Individual Shareholders indicating their agreement to Bid for and purchase the Equity Shares at the Issue Price as determined at the end of the Book Building Process. The maximum Bid Amount under the Employee Reservation Portion by an Eligible Employee shall not exceed ₹ 500,000. However, Allotment to an Eligible Employee in the Employee Reservation Portion may exceed ₹ 200,000 (which will be less Employee Discount) only in the event of an undersubscription in the Employee Reservation Portion and such unsubscribed portion may be Allotted on a proportionate basis to Eligible Employees Bidding in the Employee Reservation Portion, for a value in excess of ₹ 200,000, subject to the total Allotment to an Eligible Employee not exceeding ₹ 500,000 (which will be less Employee Discount).

(d) In case the total amount (i.e., original Bid Amount plus additional payment) exceeds ₹ 200,000, the Bid will be considered for allocation under the Non-Institutional Portion in terms of the RHP/Prospectus. If, however, the RII does not either revise the Bid or make additional payment and the Issue Price is higher than the cap of the Price Band prior to revision, the number of Equity Shares Bid for shall be adjusted downwards for the purpose of allocation, such that no additional payment would be required from the RII and the RII is deemed to have approved such revised Bid at Cut-off Price.

(e) In case of a downward revision in the Price Band, RIIs, who have bid at the Cut-off Price could either revise their Bid or the excess amount paid at the time of Bidding will be unblocked.

4.2.3 **FIELD 6: PAYMENT DETAILS**

(a) All Bidders/Applicants are required to authorise blocking of the full Bid Amount (less Discount (if applicable) at the time of submitting the Bid Revision Form. In case of Bidders/Applicants specifying more than one Bid Option in the Bid cum Application Form, the total Bid Amount may be calculated for the highest of three options at net price, i.e. Bid price less discount offered, if any.

(b) Bidder/Applicant, Bidder/Applicant may Issue instructions to block the revised amount based on cap of the revised Price Band (adjusted for the Discount (if applicable) in the ASBA Account, to the same Designated Intermediary through whom such Bidder/Applicant had placed the original Bid to enable the relevant SCSB to block the additional Bid Amount, if any.

(c) In case the total amount (i.e., original Bid Amount less discount (if applicable) plus additional payment) exceeds ₹ 200,000, the Bid may be considered for allocation under the Non-Institutional Portion in terms of the RHP/Prospectus. If, however, the Bidder/Applicant does not either revise the Bid or make additional payment and the Issue Price is higher than the cap of the Price Band prior to revision, the number of Equity Shares Bid for may be adjusted downwards for the purpose of Allotment, such that no additional amount is required for blocking Bidder/Applicant and the Bidder/Applicant is deemed to have approved such revised Bid at the Cut-off Price.

(d) In case of a downward revision in the Price Band, RIIs, Employees and Retail Individual Shareholders, who have bid at the Cut-off Price, could either revise their Bid or the excess amount paid at the time of Bidding may be unblocked.

4.2.4 **FIELDS 7: SIGNATURES AND ACKNOWLEDGEMENTS**

Bidders/Applicants may refer to instructions contained at paragraphs 4.1.8 and 4.1.9 for this purpose.

4.3 INSTRUCTIONS FOR FILING APPLICATION FORM IN ISSUES MADE OTHER THAN THROUGH THE BOOK BUILDING PROCESS (FIXED PRICE ISSUE)

4.3.1 **FIELDS 1, 2, 3 NAME AND CONTACT DETAILS OF SOLE/FIRST BIDDER/APPLICANT, PAN OF SOLE/FIRST BIDDER/APPLICANT & DEPOSITORY ACCOUNT DETAILS OF THE BIDDER/APPLICANT**

Applicants should refer to instructions contained in paragraphs 4.1.1, 4.1.2 and 4.1.3.

4.3.2 **FIELD 4: PRICE, APPLICATION QUANTITY & AMOUNT**

(a) The Issuer may mention Price or Price Band in the draft Prospectus. However, a prospectus registered with RoC contains one price or coupon rate (as applicable).

(b) **Minimum Application Value and Bid Lot**: The Issuer in consultation with the Lead Manager to the Issue (LM) may decide the minimum number of Equity Shares for each Bid to ensure that the minimum application value is within the range of ₹ 10,000 to ₹ 15,000. The minimum Lot size is accordingly determined by an Issuer on basis of such minimum application value.

(c) Applications by RIIs**,** Employees and Retail Individual Shareholders, must be for such number of shares so as to ensure that the application amount payable does not exceed ₹ 200,000.

(d) Applications by other investors must be for such minimum number of shares such that the application amount exceeds ₹ 200,000 and in multiples of such number of Equity Shares thereafter, as may be disclosed in the application form and the Prospectus, or as advertised by the Issuer, as the case may be.

(e) An application cannot be submitted for more than the Issue size.

(f) The maximum application by any Applicant should not exceed the investment limits prescribed for them under the applicable laws.

(g) **Multiple Applications:** An Applicant should submit only one Application Form. Submission of a second Application Form to either the same or other SCSB and duplicate copies of Application Forms bearing the same application number shall be treated as multiple applications and are liable to be rejected.

(h) Applicants are requested to note the following procedures may be followed by the Registrar to the Issue to detect multiple applications:

   (i) All applications may be checked for common PAN as per the records of the Depository. For Applicants other than Mutual Funds, Bids bearing the same PAN may be treated as multiple applications by a Bidder/Applicant and may be rejected.

(ii) For applications from Mutual Funds, submitted under the same PAN, as well as Bids on behalf of the PAN Exempted Applicants, the Application Forms may be checked for common DP ID and Client ID. In any such applications which have the same DP ID and Client ID, these may be treated as multiple applications and may be rejected.

(i) The following applications may not be treated as multiple Bids:

(i) Applications by Reserved Categories in their respective reservation portion as well as that made by them in the Issue portion in public category.

(ii) Separate applications by Mutual Funds in respect of more than one scheme of the Mutual Fund provided that the Applications clearly indicate the scheme for which the Bid has been made.

(iii) Applications by Mutual Funds submitted with the same PAN but with different beneficiary account numbers, Client IDs and DP IDs.

4.3.3 **FIELD NUMBER 5: CATEGORY OF APPLICANTS**

(a) The categories of applicants identified as per the SEBI ICDR Regulations for the purpose of Bidding, allocation and Allotment in the Issue are RIIs, individual applicants other than RII's and other investors (including corporate bodies or institutions, irrespective of the number of specified securities applied for).

(b) An Issuer can make reservation for certain categories of Applicants permitted under the SEBI ICDR Regulations. For details of any reservations made in the Issue, applicants may refer to the Prospectus.

(c) The SEBI ICDR Regulations specify the allocation or Allotment that may be made to various categories of applicants in an Issue depending upon compliance with the eligibility conditions. Details pertaining to allocation are disclosed on reverse side of the Revision Form. For Issue specific details in relation to allocation applicant may refer to the Prospectus.

4.3.4 **FIELD NUMBER 6: INVESTOR STATUS**

Applicants should refer to instructions contained in paragraphs 4.1.6.

4.3.5 **FIELD 7: PAYMENT DETAILS**

(a) All Applicants (other than Anchor Investors) are required to make use ASBA for applying in the Issue

(b) Application Amount cannot be paid in cash, cheques or demand drafts through money order or through postal order or through stock invest.

4.3.5.1 **Payment instructions for Applicants**

(a) Applicants may submit the Application Form in physical mode to the Designated Intermediaries.

(b) Applicants must specify only such Bank Account number maintained with the SCSB in the Application Form. The Application Form submitted by an ASBA Applicant and which is accompanied by cash, demand draft, money order, postal order or any mode of payment other than blocked amounts in the ASBA Account maintained with an SCSB, will not be accepted.

(c) Applicants should ensure that the Application Form is also signed by the ASBA Account holder(s) if the Applicant is not the ASBA Account holder;

(d) Applicants shall note that for the purpose of blocking funds under ASBA facility clearly demarcated funds shall be available in the account.

(e) From one ASBA Account, a maximum of five Bids cum Application Forms can be submitted.

(f) Applicants bidding directly through the SCSBs should ensure that the Application Form is submitted to a Designated Branch of a SCSB where the ASBA Account is maintained.

(g) Upon receipt of the Application Form, the Designated Branch of the SCSB may verify if sufficient funds equal to the Application Amount are available in the ASBA Account, as mentioned in the Application Form.

(h) If sufficient funds are available in the ASBA Account, the SCSB may block an amount equivalent to the Application Amount mentioned in the Application Form and may upload the details on the Stock Exchange Platform.

(i) If sufficient funds are not available in the ASBA Account, the Designated Branch of the SCSB may not upload such Applications on the Stock Exchange platform and such Applications are liable to be rejected.

(j) Upon submission of a completed Application Form each Applicant may be deemed to have agreed to block the entire Application Amount and authorised the Designated Branch of the SCSB to block the Application Amount specified in the Application Form in the ASBA Account maintained with the SCSBs.

(k) The Application Amount may remain blocked in the aforesaid ASBA Account until finalisation of the Basis of Allotment and consequent transfer of the Application Amount against the Allotted Equity Shares to the Public Issue Account, or until withdrawal or failure of the Issue, or until withdrawal or rejection of the Application, as the case may be.

(l) SCSBs applying in the Issue must apply through an ASBA Account maintained with any other SCSB; else their Applications are liable to be rejected.

4.3.5.2 **Unblocking of ASBA Account**

(a) Once the Basis of Allotment is approved by the Designated Stock Exchange, the Registrar to the Issue may provide the following details to the controlling branches of each SCSB, along with instructions to unblock the relevant bank accounts and for successful applications transfer the requisite money to the Public Issue Account designated for this purpose, within the specified timelines: (i) the number of Equity Shares to be Allotted against each Application, (ii) the amount to be transferred from the relevant bank account to the Public Issue Account, for each Application, (iii) the date by which funds referred to in (ii) above may be transferred to the Public Issue Account, and (iv) details of rejected Applications, if any, along with reasons for rejection and details of withdrawn or unsuccessful Applications, if any, to enable the SCSBs to unblock the respective bank accounts.

(b) On the basis of instructions from the Registrar to the Issue, the SCSBs may transfer the requisite amount against each successful Application to the Public Issue Account and may unblock the excess amount, if any, in the ASBA Account.

(c) In the event of withdrawal or rejection of the Application Form and for unsuccessful Applications, the Registrar to the Issue may give instructions to the SCSB to unblock the Application Amount in the relevant ASBA Account within six Working Days of the Issue Closing Date.

4.3.5.3 **Discount** (if applicable)

(a) The Discount is stated in absolute rupee terms.

(b) RIIs, Employees and Retail Individual Shareholders are only eligible for discount. For Discounts offered in the Issue, applicants may refer to the Prospectus.

(c) The Applicants entitled to the applicable Discount in the Issue may make payment for an amount i.e. the Application Amount less Discount (if applicable).

4.3.6 **FIELD NUMBER 8: SIGNATURES AND OTHER AUTHORISATIONS & ACKNOWLEDGEMENT AND FUTURE COMMUNICATION**

Applicants should refer to instructions contained in paragraphs 4.1.8 & 4.1.9.

4.4 SUBMISSION OF BID CUM APPLICATION FORM/REVISION FORM/APPLICATION FORM

4.4.1 **Bidders/Applicants may submit completed Bid-cum-application form/Revision Form in the following manner:**

Mode of Application	Submission of Bid cum Application Form
Anchor Investors Application Form	To the Book Running Lead Managers at the Specified Locations mentioned in the Bid cum Application Form
All Applications (other than Anchor Investors)	(a) To members of the Syndicate in the Specified Locations or Registered Brokers at the Broker Centres or the CRTAs at the Designated RTA Locations or the CDPs at the Designated CDP Locations; and (b) To the Designated Branches of the SCSBs where the ASBA Account is maintained

(a) Bidders/Applicants should submit the Revision Form to the same Designated Intermediary through which such Bidder/Applicant had placed the original Bid.

(b) Upon submission of the Bid-cum-Application Form, the Bidder/Applicant will be deemed to have authorised the Issuer to make the necessary changes in the RHP and the Bid cum Application Form as would be required for filing Prospectus with the Registrar of Companies (RoC) and as would be required by the RoC after such filing, without prior or subsequent notice of such changes to the relevant Bidder/Applicant.

(c) Upon determination of the Issue Price and filing of the Prospectus with the RoC, the Bid-cum-Application Form will be considered as the application form.

SECTION 5: ISSUE PROCEDURE IN BOOK BUILT ISSUE

Book Building, in the context of the Issue, refers to the process of collection of Bids within the Price Band or above the Floor Price and determining the Issue Price based on the Bids received as detailed in Schedule XI of SEBI ICDR Regulations. The Issue Price is finalised after the Bid/Issue Closing Date. Valid Bids received at or above the Issue Price are considered for allocation in the Issue, subject to applicable regulations and other terms and conditions.

5.1 SUBMISSION OF BIDS

(a) During the Bid/Issue Period, Bidders/Applicants may approach any of the Designated Intermediary to register their Bids. Anchor Investors who are interested in subscribing for the Equity Shares should approach the Book Running Lead Manager to register their Bid.

(b) In case of Bidders/Applicants (excluding NIIs and QIBs) bidding at Cut-off Price, the Bidders/Applicants may instruct the SCSBs to block Bid Amount based on the Cap Price less discount (if applicable).

(c) For Details of the timing on acceptance and upload of Bids in the Stock Exchanges Platform Bidders/Applicants are requested to refer to the RHP.

5.2 ELECTRONIC REGISTRATION OF BIDS

(a) The Designated Intermediary may register the Bids using the on-line facilities of the Stock Exchanges. The Designated Intermediaries can also set up facilities for off-line electronic registration of Bids, subject to the condition that they may subsequently upload the off-line data file into the on-line facilities for Book Building on a regular basis before the closure of the issue.

(b) On the Bid/Issue Closing Date, the Designated Intermediaries may upload the Bids till such time as may be permitted by the Stock Exchanges.

(c) Only Bids that are uploaded on the Stock Exchanges Platform are considered for allocation/Allotment. The Designated Intermediaries are given till 1:00 pm on the day following the Bid/Issue Closing Date to modify select fields uploaded in the Stock Exchange Platform during the

Bid/Issue Period after which the Stock Exchange(s) send the bid information to the Registrar to the Issue for further processing.

5.3 BUILD UP OF THE BOOK

(a) Bids received from various Bidders/Applicants through the Designated Intermediaries may be electronically uploaded on the Bidding Platform of the Stock Exchanges' on a regular basis. The book gets built up at various price levels. This information may be available with the BRLM at the end of the Bid/Issue Period.

(b) Based on the aggregate demand and price for Bids registered on the Stock Exchanges Platform, a graphical representation of consolidated demand and price as available on the websites of the Stock Exchanges may be made available at the Bidding Centres during the Bid/Issue Period.

5.4 WITHDRAWAL OF BIDS

(a) RIIs can withdraw their Bids until Bid/Issue Closing Date. In case a RII wishes to withdraw the Bid, the same can be done by submitting a request for the same to the concerned Designated Intermediary, who shall do the requisite, including unblocking of the funds by the SCSB in the ASBA Account.

(b) The Registrar to the Issue shall give instruction to the SCSB for unblocking the ASBA Account upon or after the finalisation of basis of Allotment. QIBs and NIIs can neither withdraw nor lower the size of their Bids at any stage.

5.5 REJECTION & RESPONSIBILITY FOR UPLOAD OF BIDS

(a) The Designated Intermediaries are individually responsible for the acts, mistakes or errors or omission in relation to

(i) the Bids accepted by the Designated Intermediary;

(ii) the Bids uploaded by the Designated Intermediary; and

(iii) the Bid cum application forms accepted but not uploaded by the Designated Intermediaries.

(b) The BRLM and their affiliate Syndicate Members, as the case may be, may reject Bids if all the information required is not provided and the Bid cum Application Form is incomplete in any respect.

(c) The SCSBs shall have no right to reject Bids, except in case of unavailability of adequate funds in the ASBA account or on technical grounds.

(d) In case of QIB Bidders, only the (i) SCSBs (for Bids other than the Bids by Anchor Investors); and (ii) BRLM and their affiliate Syndicate Members (only in the specified locations) have the right to reject bids. However, such rejection shall be made at the time of receiving the Bid and only after assigning a reason for such rejection in writing.

(e) All bids by QIBs, NIIs & RIIs Bids can be rejected on technical grounds listed herein.

5.5.1 GROUNDS FOR TECHNICAL REJECTIONS

Bid cum Application Forms/Application Form can be rejected on the below mentioned technical grounds either at the time of their submission to any of the Designated Intermediaries, or at the time of finalisation of the Basis of Allotment. Bidders/Applicants are advised to note that the Bids/Applications are liable to be rejected, inter-alia, on the following grounds, which have been detailed at various placed in this GID:

(a) Bid/Application by persons not competent to contract under the Indian Contract Act, 1872, as amended, (other than minors having valid Depository Account as per Demographic Details provided by Depositories);

(b) Bids/Applications of Bidders (other than Anchor Investors) accompanied by cash, draft, cheques, money order or any other mode of payment other than amounts blocked in the Bidders' ASBA Account maintained with an SCSB;

(c) Bids/Applications by OCBs;

(d) In case of partnership firms, Bid/Application for Equity Shares made in the name of the firm. However, a limited liability partnership can apply in its own name;

(e) In case of Bids/Applications under power of attorney or by limited companies, corporate, trust etc., relevant documents are not being submitted along with the Bid cum application form/Application Form;

(f) Bids/Applications by persons prohibited from buying, selling or dealing in the shares directly or indirectly by SEBI or any other regulatory authority;

(g) Bids/Applications by any person outside India if not in compliance with applicable foreign and Indian laws;

(h) Bids/Applications by persons in the United States;

(i) DP ID and Client ID not mentioned in the Bid cum Application Form/Application Form;

(j) PAN not mentioned in the Bid cum Application Form/Application Form except for Bids/Applications by or on behalf of the Central or State Government and officials appointed by the court and by the investors residing in the State of Sikkim, provided such claims have been verified by the Depository Participant;

(k) In case no corresponding record is available with the Depositories that matches the DP ID, the Client ID and the PAN;

(l) Bids/Applications for lower number of Equity Shares than the minimum specified for that category of investors;

(m) Bids/Applications at a price less than the Floor Price & Bids/Applications at a price more than the Cap Price;

(n) Bids/Applications at Cut-off Price by NIIs and QIBs;

(o) The amounts mentioned in the Bid cum Application Form/Application Form does not tally with the amount payable for the value of the Equity Shares Bid/Applied for;

(p) Bids/Applications for amounts greater than the maximum permissible amounts prescribed by the regulations;

(q) Submission of more than five Bid cum Application Forms/Application Form as per ASBA Account;

(r) Bids/Applications for number of Equity Shares which are not in multiples Equity Shares which are not in multiples as specified in the RHP;

(s) Multiple Bids/Applications as defined in this GID and the RHP/Prospectus;

(t) Bid cum Application Forms/Application Forms are not delivered by the Bidders/Applicants within the time prescribed as per the Bid cum Application Forms/Application Form, Bid/Issue Opening Date advertisement and as per the instructions in the RHP and the Bid cum Application Forms;

(u) Bank account mentioned in the Bid cum Application Form may not be an account maintained by SCSB. Inadequate funds in the bank account to block the Bid/Application Amount specified in the Bid cum Application Form/Application Form at the time of blocking such Bid/Application Amount in the bank account;

(v) In case of Anchor Investors, Bids/Applications where sufficient funds are not available in Escrow Accounts as per final certificate from the Anchor Escrow Bank;

(w) Where no confirmation is received from SCSB for blocking of funds;

(x) Bids/Applications by Bidders (other than Anchor Investors) not submitted through ASBA process;

(y) Bid cum Application Form submitted to Designated Intermediaries at locations other than the Bidding Centres or to the Anchor Escrow Bank (assuming that such bank is not a SCSB where the ASBA Account is maintained), to the issuer or the Registrar to the Issue;

(z) Bids/Applications not uploaded on the terminals of the Stock Exchanges;

(aa) Bids/Applications by SCSBs wherein a separate account in its own name held with any other SCSB is not mentioned as the ASBA Account in the Bid cum Application Form/Application Form.

5.6 BASIS OF ALLOCATION

(a) The SEBI ICDR Regulations specify the allocation or Allotment that may be made to various categories of Bidders/Applicants in an Issue depending on compliance with the eligibility conditions. Certain details pertaining to the percentage of Issue size available for allocation to each category is disclosed overleaf of the Bid cum Application Form and in the RHP/Prospectus. For details in relation to allocation, the Bidder/Applicant may refer to the RHP/Prospectus.

(b) Under-subscription in any category (except QIB Portion) is allowed to be met with spill-over from any other category or combination of categories at the discretion of the Issuer and in consultation with the BRLM and the Designated Stock Exchange and in accordance with the SEBI ICDR Regulations. Unsubscribed portion in QIB Portion is not available for subscription to other categories.

(c) In case of under subscription in the Net Issue, spill-over to the extent of such under-subscription may be permitted from the Reserved Portion to the Net Issue. For allocation in the event of an under-subscription applicable to the Issuer, Bidders/Applicants may refer to the RHP.

(d) **Illustration of the Book Building and Price Discovery Process**

Bidders should *note that this example is solely for illustrative purposes and is not specific to the Issue; it also excludes Bidding by Anchor Investors.*

Bidders can bid at any price within the price band. For instance, assume a price band of ₹ 20 to ₹ 24 per share, issue size of 3,000 equity shares and receipt of five bids from bidders, details of which are shown in the table below. The illustrative book given below shows the demand for the equity shares of the issuer at various prices and is collated from bids received from various investors.

Bid Quantity	Bid Amount (₹)	Cumulative Quantity	Subscription
500	24	500	16.67%
1,000	23	1,500	50.00%
1,500	22	3,000	100.00%
2,000	21	5,000	166.67%
2,500	20	7,500	250.00%

The price discovery is a function of demand at various prices. The highest price at which the Issuer is able to Issue the desired number of equity shares is the price at which the book cuts off, i.e., ₹ 22.00 in the above example. The issuer, in consultation with the book running lead managers, may finalise the Issue Price at or below such cut-off price, i.e., at or below ₹ 22.00. All bids at or above this Issue Price and cut-off bids are valid bids and are considered for allocation in the respective categories.

(e) **Alternate Method of Book Building**

In case of FPOs, Issuers may opt for an alternate method of Book Building in which only the Floor Price is specified for the purposes of Bidding (**"Alternate Book Building Process"**).

The Issuer may specify the Floor Price in the RHP or advertise the Floor Price at least one Working Day prior to the Bid/Issue Opening Date. QIBs may Bid at a price higher than the Floor Price and the Allotment to the QIBs is made on a price priority basis. The Bidder with the highest Bid Amount is allotted the number of Equity Shares Bid for and then the second highest Bidder is Allotted Equity Shares and this process continues until all the Equity Shares have been allotted. RIIs, NIIs and Employees are Allotted Equity Shares at the Floor Price and allotment to these categories of Bidders is made proportionately. If the number of Equity Shares Bid for at a price is more than available quantity then the Allotment may be done on a proportionate basis. Further, the Issuer may place a cap either in terms of number of specified securities or percentage of issued capital of the Issuer that may be Allotted to a single Bidder, decide whether a Bidder be allowed to revise the bid upwards or downwards in terms of price and/or quantity and also decide whether a Bidder be allowed single or multiple bids.

SECTION 6: ISSUE PROCEDURE IN FIXED PRICE ISSUE

Applicants may note that there is no Bid cum Application Form in a Fixed Price Issue. As the Issue Price is mentioned in the Fixed Price Issue therefore on filing of the Prospectus with the RoC, the Application so submitted is considered as the application form.

Applicants may only use the specified Application Form for the purpose of making an Application in terms of the Prospectus which may be submitted through the Designated Intermediary.

ASBA Applicants may submit an Application Form either in physical form to the Designated Intermediaries or in the electronic form to the SCSB or the Designated Branches of the SCSBs authorising blocking of funds that are available in the bank account specified in the Application Form only (**"ASBA Account"**). The Application Form is also made available on the websites of the Stock Exchanges at least one day prior to the Bid/Issue Opening Date.

In a fixed price Issue, allocation in the offer to the public category is made as follows: minimum fifty per cent to Retail Individual Investors; and remaining to (i) individual investors other than Retail Individual Investors; and (ii) other Applicants including corporate bodies or institutions, irrespective of the number of specified securities applied for. The unsubscribed portion in either of the categories specified above may be allocated to the Applicants in the other category.

For details of instructions in relation to the Application Form, Bidders/Applicants may refer to the relevant section of the GID.

SECTION 7: ALLOTMENT PROCEDURE AND BASIS OF ALLOTMENT

The Allotment of Equity Shares to Bidders/Applicants other than Retail Individual Investors and Anchor Investors may be on proportionate basis. For Basis of Allotment to Anchor Investors, Bidders/Applicants may refer to RHP/Prospectus. No Retail Individual Investor will be Allotted less than the minimum Bid Lot subject to availability of shares in Retail Individual Investor Category and the remaining available shares, if any will be Allotted on a proportionate basis. The Issuer is required to receive a minimum subscription of 90% of the Issue (excluding any Offer for Sale of specified securities). However, in case the Issue is in the nature of Offer for Sale only, then minimum subscription may not be applicable.

7.1 ALLOTMENT TO RIIs

Bids received from the RIIs at or above the Issue Price may be grouped together to determine the total demand under this category. If the aggregate demand in this category is less than or equal to the Retail Portion at or above the Issue Price, full Allotment may be made to the RIIs to the extent of the valid Bids. If the aggregate demand in this category is greater than the allocation to in the Retail Portion at or above the Issue Price, then the maximum number of RIIs who can be Allotted the minimum Bid Lot will be computed by dividing the total number of Equity Shares available for Allotment to RIIs by the minimum Bid Lot (**"Maximum RII Allottees"**). The Allotment to the RIIs will then be made in the following manner:

(a) In the event the number of RIIs who have submitted valid Bids in the Issue is equal to or less than Maximum RII Allottees, (i) all such RIIs shall be Allotted the minimum Bid Lot; and (ii) the balance available Equity Shares, if any, remaining in the Retail Portion shall be Allotted on a proportionate basis to the RIIs who have received Allotment as per (i) above for the balance demand of the Equity Shares Bid by them (i.e. who have Bid for more than the minimum Bid Lot).

(b) In the event the number of RIIs who have submitted valid Bids in the Issue is more than Maximum RII Allottees, the RIIs (in that category) who will then be Allotted minimum Bid Lot shall be determined on the basis of draw of lots.

7.2 ALLOTMENT TO NIIs

Bids received from NIIs at or above the Issue Price may be grouped together to determine the total demand under this category. The Allotment to all successful NIIs may be made at or above the Issue Price. If the aggregate demand in this category is less than or equal to the Non-Institutional Portion at or above the Issue Price, full Allotment may be made to NIIs to the extent of their demand. In case the aggregate demand in this category is greater than the Non-Institutional Portion at or above the Issue Price, Allotment may be made on a proportionate basis up to a minimum of the Non-Institutional Portion.

7.3 ALLOTMENT TO QIBs

For the Basis of Allotment to Anchor Investors, Bidders/Applicants may refer to the SEBI ICDR Regulations or RHP/Prospectus. Bids received from QIBs Bidding in the QIB Portion (net of Anchor Portion) at or above the Issue Price may be grouped together to determine the total demand under this category. The QIB Portion may be available for Allotment to QIBs who have Bid at a price that is equal to or greater than the Issue Price. Allotment may be undertaken in the following manner:

(a) In the first instance allocation to Mutual Funds for up to 5% of the QIB Portion may be determined as follows: (i) In the event that Bids by Mutual Fund exceeds 5% of the QIB Portion, allocation to Mutual Funds may be done on a proportionate basis for up to 5% of the QIB Portion; (ii) In the event that the aggregate demand from Mutual Funds is less than 5% of the QIB Portion then all Mutual Funds may get full allotment to the extent of valid Bids received above the Issue Price; and (iii) Equity Shares remaining unsubscribed, if any and not allocated to Mutual Funds may be available for allotment to all QIBs as set out at paragraph 7.4(b) below;

(b) In the second instance, allotment to all QIBs may be determined as follows: (i) In the event of oversubscription in the QIB Portion, all QIBs who have submitted Bids above the Issue Price may be Allotted Equity Shares on a proportionate basis for up to 95% of the QIB Portion; (ii) Mutual Funds, who have received allocation as per (a) above, for less than the number of Equity Shares Bid for by them, are eligible to receive Equity Shares on a proportionate basis along with other QIBs; and (iii) Under-subscription below 5% of the QIB Portion, if any, from Mutual Funds, may be included for allocation to the remaining QIBs on a proportionate basis.

7.4 ALLOTMENT TO ANCHOR INVESTOR (IF APPLICABLE)

(a) Allocation of Equity Shares to Anchor Investors at the Anchor Investor Issue Price will be at the discretion of the issuer subject to compliance with the following requirements:

(i) not more than 60% of the QIB Portion will be allocated to Anchor Investors;

(ii) one-third of the Anchor Investor Portion shall be reserved for domestic Mutual Funds, subject to valid Bids being received from domestic Mutual Funds at or above the price at which allocation is being done to other Anchor Investors; and

(iii) allocation to Anchor Investors shall be on a discretionary basis and subject to:

- a maximum number of two Anchor Investors for allocation up to ₹ 10 crores;
- a minimum number of two Anchor Investors and maximum number of 15 Anchor Investors for allocation of more than ₹ 10 crores and up to ₹ 250 crores subject to minimum allotment of ₹ 5 crores per such Anchor Investor; and
- a minimum number of five Anchor Investors and maximum number of 15 Anchor Investors for allocation of more than ₹ 250 crores and an additional 10 Anchor Investors for every additional ₹ 250 crores or part thereof, subject to minimum allotment of ₹ 5 crores per such Anchor Investor.

(b) A physical book is prepared by the Registrar on the basis of the Bid cum Application Forms received from Anchor Investors. Based on the physical book and at the discretion of the issuer in consultation with the BRLM, selected Anchor Investors will be sent a CAN and if required, a revised CAN.

(c) **In the event that the Issue Price is higher than the Anchor Investor Issue Price**: Anchor Investors will be sent a revised CAN within one day of the Pricing Date indicating the number of Equity Shares allocated to such Anchor Investor and the pay-in date for payment of the balance amount. Anchor Investors are then required to pay any additional amounts, being the difference between the Issue Price and the Anchor Investor Issue Price, as indicated in the revised CAN within the pay-in date referred to in the revised CAN. Thereafter, the Allotment Advice will be issued to such Anchor Investors.

(d) **In the event the Issue Price is lower than the Anchor Investor Issue Price:** Anchor Investors who have been Allotted Equity Shares will directly receive Allotment Advice.

7.5 BASIS OF ALLOTMENT FOR QIBs (OTHER THAN ANCHOR INVESTORS), NIIs AND RESERVED CATEGORY IN CASE OF OVER-SUBSCRIBED ISSUE

In the event of the Issue being over-subscribed, the Issuer may finalise the Basis of Allotment in consultation with the Designated Stock Exchange in accordance with the SEBI ICDR Regulations.

The allocation may be made in marketable lots, on a proportionate basis as explained below:

(a) Bidders may be categorised according to the number of Equity Shares applied for;

(b) The total number of Equity Shares to be Allotted to each category as a whole may be arrived at on a proportionate basis, which is the total number of Equity Shares applied for in that category (number of Bidders in the category multiplied by the number of Equity Shares applied for) multiplied by the inverse of the over-subscription ratio;

(c) The number of Equity Shares to be Allotted to the successful Bidders may be arrived at on a proportionate basis, which is total number of Equity Shares applied for by each Bidder in that category multiplied by the inverse of the over-subscription ratio;

(d) In all Bids where the proportionate Allotment is less than the minimum Bid Lot decided per Bidder, the Allotment may be made as follows: the successful Bidders out of the total Bidders for a category may be determined by a draw of lots in a manner such that the total number of Equity Shares Allotted in that category is equal to the number of Equity Shares calculated in accordance with (b) above; and each successful Bidder may be Allotted a minimum of such Equity Shares equal to the minimum Bid Lot finalised by the Issuer;

(e) If the proportionate Allotment to a Bidder is a number that is more than the minimum Bid Lot but is not a multiple of one (which is the marketable lot), the decimal may be rounded off to the higher whole number if that decimal is 0.5 or higher. If that number is lower than 0.5 it may be rounded off to the lower whole number. Allotment to all bidders in such categories may be arrived at after such rounding off; and

(f) If the Equity Shares allocated on a proportionate basis to any category are more than the Equity Shares Allotted to the Bidders in that category, the remaining Equity Shares available for allotment may be first adjusted against any other category, where the Allotted Equity Shares are not sufficient for proportionate Allotment to the successful Bidders in that category. The balance Equity Shares, if any, remaining after such adjustment may be added to the category comprising Bidders applying for minimum number of Equity Shares.

7.6 DESIGNATED DATE AND ALLOTMENT OF EQUITY SHARES

(i) **Designated Date:** On the Designated Date, the Anchor Escrow Bank shall transfer the funds represented by allocation of Equity Shares to Anchor Investors from the Anchor Escrow Accounts, as per the terms of the Cash Escrow Agreement, into the Public Issue Account with the Bankers to the Issue. The balance amount after transfer to the Public Issue Account shall be transferred to the Refund Account. Payments of refund to the Bidders applying in the Anchor Investor Portion shall be made from the Refund Account as per the terms of the Cash Escrow Agreement and the RHP. On the Designated Date, the Registrar to the Issue shall instruct the SCSBs to transfer funds represented by allocation of Equity Shares from ASBA Accounts into the Public Issue Account.

(ii) **Issuance of Allotment Advice:** Upon approval of the Basis of Allotment by the Designated Stock Exchange, the Registrar shall upload the same on its website. On the basis of the approved Basis of Allotment, the Issuer shall pass necessary corporate action to facilitate the Allotment and credit of Equity Shares. Bidders/Applicants **are advised to instruct their Depository Participant to accept the Equity Shares that may be allotted to them pursuant to the Issue.**

Pursuant to confirmation of such corporate actions, the Registrar will dispatch Allotment Advice to the Bidders/Applicants who have been Allotted Equity Shares in the Issue.

(iii) The dispatch of Allotment Advice shall be deemed a valid, binding and irrevocable contract.

(iv) Issuer will ensure that: (i) the Allotment of Equity Shares; and (ii) credit of shares to the successful Bidders/Applicants Depository Account will be completed within six Working Days of the Bid/Issue Closing Date. The Issuer also ensures the credit of shares to the successful Applicant's depository account is completed within five Working Days from the Bid/Issue Closing Date.

SECTION 8: INTEREST AND REFUNDS

8.1 COMPLETION OF FORMALITIES FOR LISTING & COMMENCEMENT OF TRADING

The Issuer may ensure that all steps for the completion of the necessary formalities for listing and commencement of trading at all the Stock Exchanges are taken within six Working Days of the Bid/Issue Closing Date. The Registrar to the Issue may give instructions for credit to Equity Shares the beneficiary account with DPs, and dispatch the Allotment Advice within six Working Days of the Bid/Issue Closing Date.

8.2 GROUNDS FOR REFUND

8.2.1 NON-RECEIPT OF LISTING PERMISSION

An Issuer makes an application to the Stock Exchange(s) for permission to deal in/list and for an official quotation of the Equity Shares. All the Stock Exchanges from where such permission is sought are disclosed in RHP/Prospectus. The Designated Stock Exchange may be as disclosed in the RHP/Prospectus with which the Basis of Allotment may be finalised.

If the Issuer fails to make application to the Stock Exchange(s) and obtain permission for listing of the Equity Shares, in accordance with the provisions of Section 40 of the Companies Act, 2013, the Issuer may be punishable with a fine which shall not be less than ₹ 5 lakhs but which may extend to ₹ 50 lakhs and every officer of the Issuer who is in default shall be punishable with imprisonment for a term which may extend to one year or with fine which shall not be less than ₹ 50,000 but which may extend to ₹ 3 lakhs, or with both.

If the permissions to deal in and for an official quotation of the Equity Shares are not granted by any of the Stock Exchange(s), the Issuer may forthwith may take steps to refund, without interest, all moneys received from the Bidders/Applicants in pursuance of the RHP/Prospectus.

If such money is not refunded to Bidders within the prescribed time after the Issuer becomes liable to repay it, then the Issuer and every director of the Issuer who is an officer in default may, on and from such expiry of such period, be liable to repay the money, with interest at such rate, as disclosed in the RHP/Prospectus.

8.2.2 NON-RECEIPT OF MINIMUM SUBSCRIPTION

If the Issuer does not receive a minimum subscription of 90% of Issue, the Issue (excluding any offer for sale of specified securities), including devolvement to the Underwriters, as applicable, the Issuer may forthwith, take steps to unblock the entire subscription amount received within six Working Days of the Bid/Issue Closing Date and repay, without interest, all moneys received from Anchor Investors. This is further subject to the compliance with Rule 19(2)(b) of the SCRR. In case the Issue is in the nature of Offer for Sale only, then minimum subscription may not be applicable.

If there is a delay beyond the prescribed time after the Issuer becomes liable to pay or unblock the amount received from Bidders, then the Issuer and every director of the Issuer who is an officer in default may on and from expiry of prescribed time period under applicable laws, be jointly and severally liable to repay the money, with interest at the rate of 15% per annum in accordance with the Companies (Prospectus and Allotment of Securities) Rules, 2014, as amended.

8.2.3 MINIMUM NUMBER OF ALLOTTEES

The Issuer may ensure that the number of prospective Allottees to whom Equity Shares may be allotted may not be less than 1,000 failing which the entire application monies may be refunded forthwith.

8.2.4 IN CASE OF ISSUES MADE UNDER COMPULSORY BOOK BUILDING

In case an Issuer not eligible under Regulation 26(1) of the SEBI ICDR Regulations comes for an Issue under Regulation 26(2) of SEBI (ICDR) Regulations but fails to Allot at least 75% of the Net Issue to QIBs, in such case full subscription money is to be refunded.

8.3 MODE OF REFUND

1. **In case of ASBA Bids:** Within six Working Days of the Bid/Issue Closing Date, the Registrar to the Issue may give instructions to SCSBs for unblocking the amount in ASBA Accounts for unsuccessful Bids or for any excess amount blocked on Bidding.

2. **In case of Anchor Investors:** Within six Working Days of the Bid/Issue Closing Date, the Registrar to the Issue may dispatch the refund orders for all amounts payable to unsuccessful Anchor Investors.

3. In case of Anchor Investors, the Registrar to the Issue may obtain from the depositories the Bidders' bank account details, including the MICR code, on the basis of the DP ID, Client ID and PAN provided by the Anchor Investors in their Bid cum Application Forms for refunds. Accordingly, Anchor Investors are advised to immediately update their details as appearing on the records of their depositories. Failure to do so may result in delays in dispatch of refund orders or refunds through electronic transfer of funds, as applicable, and any such delay may be at the Anchor Investors' sole risk and neither the Issuer, the Registrar to the Issue, the Escrow Collection Banks, or the Syndicate, may be liable to compensate the Anchor Investors for any losses caused to them due to any such delay, or liable to pay any interest for such delay. Please note that refunds shall be credited only to the bank account from which the Bid Amount was remitted to the Escrow Bank.

4. In the case of Bids from Eligible NRI Bidders and FPIs, refunds, if any, may generally be payable in Indian Rupees only and net of bank charges and/or commission. If so desired, such payments in Indian Rupees may be converted into U.S. Dollars or any other freely convertible currency as may be permitted by the RBI at the rate of exchange prevailing at the time of remittance and may be dispatched by registered post. The Issuer and the Selling Shareholders may not be responsible for loss, if any, incurred by the Bidder/Applicant on account of conversion of foreign currency.

8.3.1 Electronic mode of making refunds for Anchor Investors

The payment of refund, if any, may be done through various electronic modes as mentioned below:

(i) **NACH—**National Automated Clearing House is a consolidated system of ECS. Payment of refunds would be done through NACH for Anchor Investors having an account at one of the centres specified by the RBI, where such facility has been made available. This would be subject to availability of complete bank account details including Magnetic Ink Character Recognition (MICR) code wherever applicable from the depository. The payment of refunds through NACH is mandatory for Anchor Investors having a bank account at any of the centres where NACH facility has been made available by the RBI (subject to availability of all information for crediting the refund through NACH including the MICR code as appearing on a cheque leaf, from the depositories), except where applicant is otherwise disclosed as eligible to get refunds through NEFT or Direct Credit or RTGS.

(ii) **NEFT**—Payment of refund may be undertaken through NEFT wherever the branch of the Anchor Investors' bank is NEFT enabled and has been assigned the Indian Financial System Code ("**IFSC**"), which can be linked to the MICR of that particular branch. The IFSC may be obtained from the website of RBI as at a date prior to the date of payment of refund, duly mapped with MICR numbers. Wherever the Anchor Investors have registered their nine- digit MICR number and their bank account number while opening and operating the demat account, the same may be duly mapped with the IFSC of that particular bank branch and the payment of refund may be made to the Anchor Investors through this method. In the event NEFT is not operationally feasible, the payment of refunds may be made through any one of the other modes as discussed in this section;

(iii) **Direct Credit**—Anchor Investors having their bank account with the Refund Banker may be eligible to receive refunds, if any, through direct credit to such bank account; and

(iv) **RTGS**—Anchor Investors having a bank account with a bank branch which is RTGS enabled as per the information available on the website of RBI and whose refund amount exceeds ₹ 0.2 million, shall be eligible to receive refund through RTGS, provided the Demographic Details downloaded from the Depositories contain the nine-digit MICR code of the Anchor Investor's bank which can be mapped with the RBI data to obtain the corresponding IFSC. Charges, if any, levied by the Anchor Escrow Bank for the same would be borne by our Company. Charges, if any, levied by the Anchor Investor's bank receiving the credit would be borne by the Anchor Investor.

Please note that refunds through the abovementioned modes shall be credited only to the bank account from which the Bid Amount was remitted to the Escrow Bank.

For details of levy of charges, if any, for any of the above methods, Bank charges, if any, for cashing such cheques, pay orders or demand drafts at other centres etc. Bidders/Applicants may refer to RHP/Prospectus.

8.4 INTEREST IN CASE OF DELAY IN ALLOTMENT OR REFUND

The Issuer may pay interest at the rate of 15% per annum if refund orders are not dispatched or if, in a case where the refund or portion thereof is made in electronic manner, the refund instructions have not been given to the clearing system in the disclosed manner and/or demat credits are not made to Bidders/Applicants or instructions for unblocking of funds in the ASBA Account are not dispatched within the six Working Days of the Bid/Issue Closing Date.

The Issuer may pay interest at 15% per annum for any delay beyond 15 days from the Bid/Issue Closing Date, if Allotment is not made.

SECTION 9: GLOSSARY AND ABBREVIATIONS

Unless the context otherwise indicates or implies, certain definitions and abbreviations used in this document may have the meaning as provided below. References to any legislation, act or regulation may be to such legislation, act or regulation as amended from time to time. In case of inconsistency in the description of a term mentioned herein below and the description ascribed to such term in this Draft Red Herring Prospectus, the description as ascribed to such term in this Draft Red Herring Prospectus shall prevail.

Term	Description
Allotment/Allot/Allotted	The allotment of Equity Shares pursuant to the Issue to successful Bidders/Applicants
Allotment Advice	Note or advice or intimation of Allotment sent to the Bidders/Applicants who have been Allotted Equity Shares after the Basis of Allotment has been approved by the designated Stock Exchanges
Allottee	A Bidder/Applicant to whom the Equity Shares are Allotted
Anchor Escrow Account	Account opened with the Anchor Collection Bank and in whose favour the Anchor Investors may transfer money through NEFT/RTGS/direct credit in respect of the Bid Amount when submitting a Bid
Anchor Escrow Bank	Refer to definition of Banker(s) to the Issue
Anchor Investor	A Qualified Institutional Buyer, applying under the Anchor Investor Portion in accordance with the requirements specified in SEBI ICDR Regulations and the Red Herring Prospectus
Anchor Investor Portion	Up to 60% of the QIB Portion which may be allocated by the Issuer in consultation with the BRLMs, to Anchor Investors on a discretionary basis. One-third of the Anchor Investor Portion is reserved for domestic Mutual Funds, subject to valid Bids being received from domestic Mutual Funds at or above the price at which allocation is being done to Anchor Investors
Application Form	The form in terms of which the Applicant should make an application for Allotment in case of issues other than Book Built Issues, includes Fixed Price Issue
Application Supported by Blocked Amount/ASBA	An application, whether physical or electronic, used by Bidders/Applicants, other than Anchor Investors, to make a Bid and authorising an SCSB to block the Bid Amount in the specified bank account maintained with such SCSB
ASBA Account	Account maintained with an SCSB which may be blocked by such SCSB to the extent of the Bid Amount of the Bidder/Applicant
Banker(s) to the Issue/Anchor Escrow Bank(s)/Collecting Banker	The banks which are clearing members and registered with SEBI as Banker to the Issue with whom the Anchor Escrow Account(s) for Anchor Investors may be opened, and as disclosed in the RHP/Prospectus and Bid cum Application Form of the Issuer
Basis of Allotment	The basis on which the Equity Shares may be Allotted to successful Bidders/Applicants under the Issue
Bid	An indication to make an offer during the Bid/Issue Period by a prospective Bidder pursuant to submission of Bid cum Application Form or during the Anchor Investor Bid/Issue Date by the Anchor Investors, to subscribe for or purchase the Equity Shares of the Issuer at a price within the Price Band, including all revisions and modifications thereto. In case of issues undertaken through the fixed price process, all references to a Bid should be construed to mean an Application
Bid Amount	The highest value of the optional Bids indicated in the Bid cum Application Form and payable by the Bidder/Applicant upon submission of the Bid (except for Anchor Investors), less discounts (if applicable). In case of issues undertaken through the fixed price process, all references to the Bid Amount should be construed to mean the Application Amount
Bid/Issue Closing Date	Except in the case of Anchor Investors (if applicable), the date after which the Designated Intermediaries may not accept any Bids for the Issue, which may be notified in an English national daily, a Hindi national daily and a regional language newspaper at the place where the registered office of the Issuer is situated, each with wide circulation. Applicants/Bidders may refer to the RHP/Prospectus for the Bid/Issue Closing Date
Bid/Issue Opening Date	The date on which the Designated Intermediaries may start accepting Bids for the Issue, which may be the date notified in an English national daily, a Hindi national daily and a regional language newspaper at the place where the registered office of the Issuer is situated, each with wide circulation. Applicants/Bidders may refer to the RHP/Prospectus for the Bid/Issue Opening Date
Bid/Issue Period	Except in the case of Anchor Investors (if applicable), the period between the Bid/Issue Opening Date and the Bid/Issue Closing Date inclusive of both days and during which prospective Bidders/Applicants (other than Anchor Investors) can submit their Bids, inclusive of any revisions thereof. The Issuer may consider closing the Bid/Issue Period for QIBs one working day prior to the Bid/Issue Closing Date in accordance with the

Term	Description
	SEBI ICDR Regulations. Applicants/Bidders may refer to the RHP/Prospectus for the Bid/Issue Period
Bid cum Application Form	An application form, whether physical or electronic, used by Bidders, other than Anchor Investors, to make a Bid and which will be considered as the application for Allotment in terms of the Red Herring Prospectus and the Prospectus
Bidder/Applicant	Any prospective investor who makes a Bid/Application pursuant to the terms of the RHP/Prospectus and the Bid cum Application Form. In case of issues undertaken through the fixed price process, all references to a Bidder/Applicant should be construed to mean a Bidder/Applicant
Book Built Process/Book Building Process/Book Building Method	The book building process as provided under SEBI ICDR Regulations, in terms of which the Issue is being made
Broker Centres	Broker centres notified by the Stock Exchanges, where Bidders/Applicants can submit the Bid cum Application Forms to a Registered Broker. The details of such broker centres, along with the names and contact details of the Registered Brokers are available on the websites of the Stock Exchanges
BRLM(s)/Book Running Lead Manager(s)/Lead Manager/LM	The Book Running Lead Manager to the Issue as disclosed in the RHP/Prospectus and the Bid cum Application Form of the Issuer. In case of issues undertaken through the fixed price process, all references to the Book Running Lead Manager should be construed to mean the Lead Manager or LM
Business Day	Monday to Saturday (except 2nd and 4th Saturday of a month and public holidays)
CAN/Confirmation of Allotment Note	The note or advice or intimation sent to each successful Bidder/Applicant indicating the Equity Shares which may be Allotted, after approval of Basis of Allotment by the Designated Stock Exchange
Cap Price	The higher end of the Price Band, above which the Issue Price and the Anchor Investor Issue Price may not be finalised and above which no Bids may be accepted
Client ID	Client Identification Number maintained with one of the Depositories in relation to demat account
Collecting Depository Participant or CDPs	A depository participant as defined under the Depositories Act, 1996, registered with SEBI and who is eligible to procure Bids at the Designated CDP Locations in terms of circular no. CIR/CFD/POLICYCELL/11/2015 dated November 10, 2015 issued by SEBI
Collecting Registrar and Share Transfer Agents or CRTAs	Registrar and share transfer agents registered with SEBI and eligible to procure Bids at the Designated RTA Locations in terms of circular no. CIR/CFD/POLICYCELL/11/2015 dated November 10, 2015 issued by SEBI
Cut-off Price	Issue Price, finalised by the Issuer in consultation with the Book Running Lead Manager(s), which can be any price within the Price Band. Only RIIs, Retail Individual Shareholders and employees are entitled to Bid at the Cut-off Price. No other category of Bidders/Applicants are entitled to Bid at the Cut-off Price
DP	Depository Participant
DP ID	Depository Participant's Identification Number
Depositories	National Securities Depository Limited and Central Depository Services (India) Limited
Demographic Details	Details of the Bidders/Applicants including the Bidder/Applicant's address, name of the Applicant's father/husband, investor status, occupation and bank account details
Designated Branches	Such branches of the SCSBs which may collect the Bid cum Application Forms used by Bidders/Applicants (excluding Anchor Investors) and a list of which is available on http://www.sebi.gov.in/sebiweb/other/OtherAction.do?doRecognised=yes
Designated CDP Locations	Such locations of the CDPs where Bidders can submit the Bid cum Application Forms to Collecting Depository Participants. The details of such Designated CDP Locations, along with names and contact details of the Collecting Depository Participants eligible to accept Bid cum Application Forms are available on the respective websites of the Stock Exchanges (www.bseindia.com and www.nseindia.com)
Designated Date	The date on which funds are transferred by the Anchor Escrow Bank from the Anchor Escrow Account and the amounts blocked by the SCSBs are transferred from the ASBA Accounts, as the case may be, to the Public Issue Account or the Refund Account, as appropriate, after the Prospectus is filed with the RoC, following which the board of directors may Allot Equity Shares to successful Bidders/Applicants in the Fresh Issue may give delivery instructions for the transfer of the Equity Shares constituting the Offer for Sale
Designated Intermediaries /Collecting Agent	Syndicate Members, sub-syndicate/Agents, SCSBs, Registered Brokers, Brokers, the CDPs and CRTAs, who are authorised to collect Bid cum Application Forms from the Bidders, in relation to the Issue

Term	Description
Designated RTA Locations	Such locations of the CRTAs where Bidders can submit the Bid cum Application Forms to CRTAs. The details of such Designated RTA Locations, along with names and contact details of the CRTAs eligible to accept Bid cum Application Forms are available on the respective websites of the Stock Exchanges (www.bseindia.com and www.nseindia.com)
Designated Stock Exchange	The designated stock exchange as disclosed in the RHP/Prospectus of the Issuer
Discount	Discount to the Issue Price that may be provided to Bidders/Applicants in accordance with the SEBI ICDR Regulations.
Draft Prospectus	The draft prospectus filed with SEBI in case of Fixed Price Issues and which may mention a price or a Price Band
Employees	Employees of an Issuer as defined under SEBI ICDR Regulations and including, in case of a new company, persons in the permanent and full-time employment of the promoting companies excluding the promoters and immediate relatives of the promoters. For further details, Bidder/Applicant may refer to the RHP/Prospectus
Equity Shares	Equity Shares of the Issuer
Cash Escrow Agreement	Agreement to be entered into among the Issuer, the Registrar to the Issue, the Book Running Lead Manager(s), the Anchor Escrow Bank and the Refund Bank(s) for collection of the Bid Amounts from Anchor Investors and where applicable, remitting refunds of the amounts collected to the Anchor Investors on the terms and conditions thereof
FCNR Account	Foreign Currency Non-Resident Account
First Bidder/Applicant	The Bidder/Applicant whose name appears first in the Bid cum Application Form or Revision Form
Fixed Price Issue/Fixed Price Process/Fixed Price Method	The Fixed Price process as provided under SEBI ICDR Regulations, in terms of which the Issue is being made
Floor Price	The lower end of the Price Band, at or above which the Issue Price and the Anchor Investor Issue Price may be finalised and below which no Bids may be accepted, subject to any revision thereto
FPIs	Foreign Portfolio Investors as defined under the Securities and Exchange Board of India (Foreign Portfolio Investors) Regulations, 2014
FPO	Further public offering
Foreign Venture Capital Investors or FVCIs	Foreign Venture Capital Investors as defined and registered with SEBI under the SEBI (Foreign Venture Capital Investors) Regulations, 2000
IPO	Initial public offering
Issuer/Company	The Issuer proposing the initial public offering/further public offering as applicable
Maximum RII Allottees	The maximum number of RIIs who can be Allotted the minimum Bid Lot. This is computed by dividing the total number of Equity Shares available for Allotment to RIIs by the minimum Bid Lot
MICR	Magnetic Ink Character Recognition – nine-digit code as appearing on a cheque leaf
Mutual Fund	A mutual fund registered with SEBI under the SEBI (Mutual Funds) Regulations, 1996
Mutual Funds Portion	5% of the QIB Portion (excluding the Anchor Investor Portion) available for allocation to Mutual Funds only, being such number of equity shares as disclosed in the RHP/Prospectus and Bid cum Application Form
NACH	National Automated Clearing House which is a consolidated system of ECS. Payment of refund would be done through NACH for Applicants having an account at one of the centres specified by the RBI, where such facility has been made available. This would be subject to availability of complete bank account details including Magnetic Ink Character Recognition (MICR) code wherever applicable from the depository. The payment of refund through NACH is mandatory for Applicants having a bank account at any of the centres where NACH facility has been made available by the RBI (subject to availability of all information for crediting the refund through NACH including the MICR code as appearing on a cheque leaf, from the depositories), except where applicant is otherwise disclosed as eligible to get refunds through NEFT or Direct Credit or RTGS
NEFT	National Electronic Fund Transfer
NRE Account	Non-Resident External Account
NRI	NRIs from such jurisdictions outside India where it is not unlawful to make an offer or invitation under the Issue and in relation to whom the RHP/Prospectus constitutes an invitation to subscribe to or purchase the Equity Shares
NRO Account	Non-Resident Ordinary Account
Net Issue	The Issue less reservation portion
Non-Institutional Investors or NIIs	All Bidders/Applicants, including Category III FPIs, that are not QIBs or RIBs and who have Bid for Equity Shares for an amount of more than ₹ 200,000 (but not including NRIs other than Eligible NRIs)

Term	Description
Non-Institutional Portion	The portion of the Issue being such number of Equity Shares available for allocation to NIIs on a proportionate basis and as disclosed in the RHP/Prospectus and the Bid cum Application Form
Non-Resident	A person resident outside India, as defined under FEMA and includes Eligible NRIs, FPIs and FVCIs registered with SEBI
OCB/Overseas Corporate Body	A company, partnership, society or other corporate body owned directly or indirectly to the extent of at least 60% by NRIs including overseas trusts, in which not less than 60% of beneficial interest is irrevocably held by NRIs directly or indirectly and which was in existence on October 3, 2003 and immediately before such date had taken benefits under the general permission granted to OCBs under FEMA
Issue	Public issue of Equity Shares of the Issuer including the Offer for Sale if applicable
Offer for Sale	Public offer of such number of Equity Shares as disclosed in the RHP/Prospectus through an offer for sale by the Selling Shareholders
Issue Price	The final price, less discount (if applicable) at which the Equity Shares may be Allotted to Bidders other than Anchor Investors, in terms of the Prospectus. Equity Shares will be Allotted to Anchor Investors at the Anchor Investor Issue Price. The Issue Price may be decided by the Issuer in consultation with the Book Running Lead Manager(s)
Other Investors	Investors other than Retail Individual Investors in a Fixed Price Issue. These include individual applicants other than retail individual investors and other investors including corporate bodies or institutions irrespective of the number of specified securities applied for
PAN	Permanent Account Number allotted under the Income Tax Act, 1961
Price Band	Price Band with a minimum price, being the Floor Price and the maximum price, being the Cap Price and includes revisions thereof. The Price Band and the minimum Bid lot size for the Issue may be decided by the Issuer in consultation with the Book Running Lead Manager(s) and advertised, at least five working days in case of an IPO and one working day in case of FPO, prior to the Bid/Issue Opening Date, in English national daily, Hindi national daily and regional language at the place where the registered office of the Issuer is situated, newspaper each with wide circulation
Pricing Date	The date on which the Issuer in consultation with the Book Running Lead Manager(s), finalise the Issue Price
Prospectus	The prospectus to be filed with the RoC in accordance with Section 26 of the Companies Act, 2013 after the Pricing Date, containing the Issue Price, the size of the Issue and certain other information
Public Issue Account	An account opened with the Banker to the Issue to receive monies from the Anchor Escrow Account and from the ASBA Accounts on the Designated Date
QIB Portion	The portion of the Issue being such number of Equity Shares to be Allotted to QIBs on a proportionate basis
Qualified Institutional Buyers/QIBs	As defined under SEBI ICDR Regulations
RTGS	Real Time Gross Settlement
Red Herring Prospectus/RHP	The red herring prospectus issued in accordance with Section 32 of the Companies Act, 2013, which does not have complete particulars of the price at which the Equity Shares are offered and the size of the Issue. The RHP may be filed with the RoC at least three days before the Bid/Issue Opening Date and may become a Prospectus upon filing with the RoC after the Pricing Date. In case of issues undertaken through the fixed price process, all references to the RHP should be construed to mean the Prospectus
Refund Account(s)	The account opened with Refund Bank(s), from which refunds to Anchor Investors, if any, of the whole or part of the Bid Amount may be made
Refund Bank(s)	Refund bank(s) as disclosed in the RHP/Prospectus and Bid cum Application Form of the Issuer
Refunds through electronic transfer of funds	Refunds through Direct Credit, NEFT, RTGS or ASBA, as applicable
Registered Broker	Stock Brokers registered with the Stock Exchanges having nationwide terminals, other than the members of the Syndicate
Registrar to the Issue/RTO	The Registrar to the Issue as disclosed in the RHP/Prospectus and Bid cum Application Form
Reserved Category/Categories	Categories of persons eligible for making application/Bidding under reservation portion
Reservation Portion	The portion of the Issue reserved for such category of eligible Bidders/Applicants as provided under the SEBI ICDR Regulations
Retail Individual Investors/RIIs	Investors who applies or bids for a value of not more than ₹ 200,000 (including HUFs applying through their karta and eligible NRIs and does not include NRIs other than Eligible NRIs

Term	Description
Retail Individual Shareholders	Shareholders of a listed Issuer who applies or bids for a value of not more than ₹ 200,000
Retail Portion	The portion of the Issue being such number of Equity Shares available for allocation to RIIs which shall not be less than the minimum Bid Lot, subject to availability in RII category and the remaining shares to be Allotted on proportionate basis
Revision Form	The form used by the Bidders in an issue through Book Building Process to modify the quantity of Equity Shares and/or bid price indicated therein in any of their Bid cum Application Forms or any previous Revision Form(s)
RoC	The Registrar of Companies
SEBI	The Securities and Exchange Board of India constituted under the Securities and Exchange Board of India Act, 1992
SEBI ICDR Regulations	The Securities and Exchange Board of India (Issue of Capital and Disclosure Requirements) Regulations, 2009 as amended
Self Certified Syndicate Bank(s) or SCSB(s)	The banks registered with the SEBI which offers the facility of ASBA and the list of which is available on the website of the http://www.sebi.gov.in/sebiweb/other/OtherAction.do?doRecognised=yes
Specified Locations	Bidding centres where the Syndicate shall accept Bid cum Application Forms, a list of which is included in the Bid cum Application Form
Stock Exchanges/SEs	The stock exchanges as disclosed in the RHP/Prospectus of the Issuer where the Equity Shares Allotted pursuant to the Issue are proposed to be listed
Syndicate	The Book Running Lead Manager(s) and the Syndicate Member
Syndicate Agreement	The agreement to be entered into among the Issuer, and the Syndicate in relation to collection of Bid cum Application Forms by Syndicate Members
Syndicate Member(s)/SM(s)	The Syndicate Member(s) as disclosed in the RHP/Prospectus
Underwriters	The Book Running Lead Manager(s) and the Syndicate Member(s)
Underwriting Agreement	The agreement amongst the Issuer, and the Underwriters to be entered into on or after the Pricing Date
Working Day	Any day, other than the second and fourth Saturdays of each calendar month, Sundays and public holidays, on which commercial banks in Mumbai are open for business, provided however, with reference to (a) announcement of Price Band; and (b) Bid/Issue Period, "Working Day" shall mean any day, excluding all Saturdays, Sundays and public holidays, on which commercial banks in Mumbai are open for business; and (c) period between the Bid/Issue Closing Date and the listing of the Equity Shares on the Stock Exchanges, "Working Day" shall mean all trading days of the Stock Exchanges, excluding Sundays and bank holidays, as per the SEBI Circular SEBI/HO/CFD/DIL/CIR/P/2016/26 dated January 21, 2016

RESTRICTIONS ON FOREIGN OWNERSHIP OF INDIAN SECURITIES

Foreign investment in Indian securities is regulated through the Industrial Policy, 1991 of the Government of India and FEMA. While the Industrial Policy, 1991 prescribes the limits and the conditions subject to which foreign investment can be made in different sectors of the Indian economy, FEMA regulates the precise manner in which such investment may be made. Under the Industrial Policy, unless specifically restricted, foreign investment is freely permitted in all sectors of the Indian economy up to any extent and without any prior approvals, but the foreign investor is required to follow certain prescribed procedures for making such investment. The RBI and the concerned ministries/departments are responsible for granting approval for foreign investment. The Government has from time to time made policy pronouncements on foreign direct investment ("**FDI**") through press notes and press releases. The Department of Industrial Policy and Promotion, Ministry of Commerce and Industry, Government of India ("**DIPP**"), issued the Consolidated FDI Policy Circular of 2017 ("**FDI Circular 2017**"), which, with effect from August 28, 2017, consolidated and superseded all previous press notes, press releases and clarifications on FDI issued by the DIPP that were in force and effect as on August 27, 2017. The Government proposes to update the consolidated circular on FDI policy once every year and therefore, FDI Circular 2017 will be valid until the DIPP issues an updated circular.

The transfer of shares between an Indian resident and a non-resident does not require the prior approval of the RBI, provided that (i) the activities of the investee company are under the automatic route under the foreign direct investment policy and transfer does not attract the provisions of the Takeover Regulations; (ii) the non-resident shareholding is within the sectoral limits under the FDI policy; and (iii) the pricing is in accordance with the guidelines prescribed by the SEBI/RBI.

In accordance with the FEMA Regulations, participation by non-residents in the Offer is restricted to participation by (i) FPIs under Schedule 2 of the FEMA Regulations, in accordance with applicable law, subject to limit of the individual holding of an FPI or an investor group as referred to in the SEBI FPI Regulations being below 10% of the total paid-up equity share capital of our Company on a fully diluted basis and the aggregate limit for all FPI investment not exceeding 49% of the total paid-up equity share capital of our Company on a fully diluted basis; and (ii) Eligible NRIs or OCIs in accordance with applicable law, subject to limit of the individual holding of an NRI or OCI not exceeding below 5% of the total paid-up equity share capital of our Company on a fully diluted basis and the aggregate limit for all NRI and OCI investment not exceeding 10% of the total paid-up capital equity share of our Company on a fully diluted basis. As per the existing policy of the Government, OCBs cannot participate in the Offer.

The Equity Shares offered in the Offer have not been and will not be registered under the U.S. Securities Act or any state securities laws in the United States, and unless so registered may not be offered or sold within the United States, except pursuant to an exemption from, or in a transaction not subject to, the registration requirements of the U.S. Securities Act and applicable state securities laws. Accordingly, such Equity Shares are being offered and sold (i) outside of the United States in offshore transactions in reliance on Regulation S under the U.S. Securities Act and the applicable laws of the jurisdiction where those offers and sales occur; and (ii) to "qualified institutional buyers" (as defined in Rule 144A under the U.S. Securities Act), pursuant to the private placement exemption set out in Section 4(a) of the U.S. Securities Act.

The above information is given for the benefit of the Bidders. Our Company, the Selling Shareholders and the Book Running Lead Managers are not liable for any amendments or modification or changes in applicable laws or regulations, which may occur after the date of this Draft Red Herring Prospectus. Bidders are advised to make their independent investigations and ensure that the number of Equity Shares Bid for do not exceed the applicable limits under laws or regulations.

SECTION VIII – MAIN PROVISIONS OF ARTICLES OF ASSOCIATION

The Articles of Association of our Company comprise of two parts, Part A and Part B, which parts shall, unless the context otherwise requires, co-exist with each other. In case of inconsistency and contradiction, conflict and overlap between Part A and Part B, the provisions of Part B shall be applicable.

However, Part B shall automatically terminate and cease to have any force and effect from the date of listing and commencement of trading of Shares of our Company on the Stock Exchanges subsequent to an initial public offering of the Equity Shares without any further action by our Company or by the Shareholders.

PART A

1. PRELIMINARY

Save as provided herein, the regulations contained in Table "F" in Schedule I to the Companies Act, 2013, or in the Schedule to any previous Act (as defined below) shall not apply to the Company, except in regard to matters not specifically provided in these Articles.

These Articles shall be binding on the Company and its Members as if the terms of agreement between them.

The regulation for the management of the Company and for the observance of the Members thereof and their representatives shall be such as are contained in these Articles subject however to the exercise of the statutory powers of the Company in respect of repeal, additions, alterations, substitution, modifications and variations thereto by Resolution as prescribed or permitted by the Act, be such as are contained in these Articles.

2. DEFINITIONS AND INTERPRETATION

Defined Terms

In these Articles, except where the context otherwise requires (a) capitalised terms defined by inclusion in quotations and/or parenthesis have the meanings so ascribed; and (b) the following terms shall have the following meanings assigned to them herein below:

"**1956 Act**" means the Companies Act, 1956 and rules framed thereunder including any statutory modification or re-enactment thereof, to the extent in force;

"**Act**" shall mean: (i) the Companies Act, 2013 and the Rules, as may be amended; or repealed to the extent in force pursuant to the notification of the notified sections; and (ii) 1956 Act, and the rules thereunder, to the extent that such provisions have not been superseded by the Companies Act, 2013 or de-notified, as the case may be;

"**Accounts**" shall mean the consolidated and stand-alone audited financial statements of the Company and the Subsidiary, including the balance sheet, profit and loss account and cash flow statements, together with all such documents which are required to be annexed to such audited financial statements under Applicable Law and Indian GAAP, Ind AS and/or the relevant GAAP as the case may be;

"**Applicable Law**" or "**Law**" shall mean any relevant statute, law (including common law), regulation, rule, notification, bye-law, guideline, treaties, judgment, order, decree, approval, directive, requirement or other restriction issued by or any agreements entered into with any Governmental Authority, or any similar form of decision of, or determination by, or any interpretation, policy or administration or order issued by any Governmental Authority of any of the foregoing, in each case having the force of law and as is applicable to the Company;

"**Articles**" means these Articles of Association of the Company, as originally framed and as amended from time to time and which is in force for the time being;

"**Board**" or "**Board of Directors**" shall mean the board of directors of the Company;

"**Chairman**" shall mean the chairman of the Board of Directors;

“**Charter Documents**” shall mean these Articles along with the Memorandum of Association, as amended from time to time;

“**Company**” shall mean Metropolis Healthcare Limited, a public limited company incorporated under the 1956 Act;

“**Contract**” shall mean, with respect to a Person, any agreement, contract, subcontract, lease, understanding, instrument, note, warranty, insurance policy, benefit plan or legally binding commitment or undertaking of any nature, whether written or oral, entered into by or on behalf of such Person;

“**Director**” shall mean a director on the Board;

“**Depositories Act**” shall mean the Depositories Act, 1996 and shall include any statutory modification or re-enactment thereof;

“**Dividend**” shall include interim dividends;

“**Encumbrances**” means, any claim, mortgage, charge (fixed or floating), non-disposal undertaking, escrow, power of attorney (by whatever name called), pledge, lien, hypothecation, option, power of sale, right of pre-emption, right of first refusal, right to acquire, assignment by way of security, trust arrangement for the purpose of providing security or any other security interest of any kind, including retention arrangements and any agreement or obligation to create any of the foregoing, or encumbrance of any kind, or contract to give or refrain from giving any of the foregoing;

“**Equity Shares**” or “**Shares**” shall mean equity shares of the Company having a par value of INR 2 (Indian Rupees Two) per equity share and one vote per equity share;

“**Financial Statements**” shall mean the audited as well as unaudited balance sheet, profit and loss account statement and cash flows statement of the Company and the Subsidiaries;

“**Financial Year**” shall mean the period commencing April 1 each year and ending on March 31 the next year, or subject to Applicable Law, such other period as may be determined by the Board of Directors of the Company to be the Financial Year for the Company;

“**GAAP**” shall mean, the generally accepted accounting principles, standards and practices as applicable in the relevant jurisdiction;

“**General Meeting**” shall mean an annual general meeting or extra-ordinary general meeting of the Shareholders of the Company, convened and held in accordance with the Act and these Articles;

“**Governmental Authority**” shall mean any entity, authority or body exercising executive, legislative, judicial, regulatory, statutory or administrative functions of or pertaining to government, including any government authority, agency, department, board, commission or instrumentality of India or any political subdivision thereof, or of any other jurisdiction relevant to the Company, its Business or the transactions contemplated under these Articles, any court, tribunal or arbitrator and any securities exchange or body or authority regulating such securities exchange;

“**Independent Director**” shall mean the independent director as defined in the Act and the Listing Regulations;

“**INR**” or “**Indian Rupees**” means the lawful currency of India;

“**Indian GAAP**” shall mean, the generally accepted accounting principles, standards and practices as applicable in India;

“**Ind AS**” shall mean the Indian Accounting Standards;

“**Listing Regulations**” shall mean the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015, as amended from time to time.

“Member” shall mean the member of the Company holding Share or Shares of any class and whose name is entered in the Register of Members of the Company, and shall comprise the subscribers/signatories to the Memorandum of Association and these Articles, so long as such subscribers/signatories are existing Shareholders of the Company and such other persons, as the Board shall admit as members of the Company from time to time, and beneficial owners as defined in Article 6;

“**Person**” means any individual, entity, joint venture, company (including a limited liability company), corporation, partnership (whether limited or unlimited), proprietorship, trust (including its trustee or beneficiaries) or other enterprise (whether incorporated or not), Hindu undivided family, union, association of persons, Governmental Authority, and shall include their respective successors and in case of an individual shall include his/her legal representatives, administrators, executors and heirs and in case of a trust shall include the trustee or the trustees and the beneficiary or beneficiaries from time to time;

“**Registrar**” shall mean the Registrar of Companies, from time to time having jurisdiction over the Company;

“**Relative**” shall mean a relative as defined in section 2 (77) of the Companies Act, 2013 and rules prescribed thereunder;

“**Related Parties**” or “**Related Party**” shall have the meaning assigned to it under section 2(76) of the Act and any other applicable provision of the Act;

“**Related Party Transaction**” shall mean those transactions which are defined under Section 188 of the Act;

“**Rules**” shall mean the rules made under the Act and notified from time to time;

“**Securities**” shall mean the securities as defined in clause (h) of Section 2 of the Securities Contracts (Regulation) Act, 1956;

“Share” means a Share in the Share Capital of the Company and includes stock except where a distinction between stock and Share is expressed or implied;

“**Shareholders**” shall mean any holder of Shares of the Company;

“**Share Capital**” means the issued, subscribed and paid up share capital of the Company on a Fully Diluted Basis and shall include the Share Equivalents;

“**Share Equivalents**” shall mean preference shares, debentures, bonds, loans, warrants, options, depositary receipts, debt securities, loan stock, notes, or any other instruments, securities or certificates which are convertible into or exercisable or exchangeable for, or which carry a right to, or any right to, subscribe to or purchase any equity or preference shares of the Company or which represent or bestow any beneficial ownership/interest in the Share Capital or the voting rights in the Company or any other rights which are otherwise available to only equity shareholders of a company (including, any distribution rights) as currently existing or as may be issued by the Company from time to time;

“**Special Resolution**” shall have the meaning assigned to it under Section 114 of the Act;

“**Subsidiary(ies)**” shall have the meaning assigned to it under Section 2(87) of the Act;

“**Transfer**” means selling, giving, assigning, transferring any interest in trust, Encumbrance, mortgage, alienation, encumber, grant a security interest in, amalgamate, merge or suffer to exist (whether by operation of Law or otherwise) any Encumbrance on, or in any other way dispose off (by transfer of an economic interest, creation of derivative security or otherwise) any securities, shares or interests or any right, title or interest therein or otherwise dispose of securities, shares or interests in any manner whatsoever voluntarily or involuntarily or whether directly or indirectly; and

“**Tribunal**” means the National Company Law Tribunal constituted under Section 408 of the Act.

Interpretation

Heading and bold typeface are only for convenience and shall be ignored for the purpose of interpretation;

Unless the context of these Articles otherwise requires:

(i) reference to an individual who is a Shareholder includes his executors, administrators and personal representatives. In the event of transmission of Equity Shares of an individual who is a shareholder, the Person to whom such Equity Shares are transmitted shall also be deemed to be bound by the terms and conditions of these Articles;

(ii) any reference to Rs. or INR is to Indian Rupees;

(iii) any reference to a document is to that document as amended, varied or novated from time to time otherwise than in breach of these Articles or that document;

(iv) words using the singular or plural number also include the plural or singular number, respectively;

(v) words of any gender are deemed to include the other gender;

(vi) the terms "hereof", "herein", "hereby", "hereto" and derivative or similar words refer to these Articles or specified Article of these Articles, as the case may be;

(vii) the term "Article" refers to the specified Article of these Articles;

(viii) reference to any legislation or law or to any provision thereof shall include references to any such law and any amendments, supplements, re-enactments or modifications thereto made from time to time and any reference to statutory provision shall include any subordinate legislation made from time to time under that provision;

(ix) reference to the word "include" shall be construed without limitation;

(x) notwithstanding anything to the contrary, any time limits specified in any provision of these Articles, within which any Party is required to perform any obligations or complete any activity, shall be extended by such period as may be required to comply with any requirement of the Applicable Law including those laws relating to foreign investment, provided that, the Party that is required to comply with such law shall act in good faith and take all necessary steps to ensure compliance with such law within the minimum time possible while keeping in consideration that time is of the essence in the performance of the Parties' respective obligations;

(xi) where a wider construction is possible, the words "other" and "otherwise" shall not be construed ejusdem generis with any foregoing words;

(xii) terms defined elsewhere in these Articles shall, unless otherwise indicated, have the meaning so ascribed to them;

(xiii) any reference in these Articles, to consent or approval or similar connotation, unless expressly stated otherwise, shall be in writing, and shall include facsimile communications;

(xiv) whenever these Articles refer to a number of days, such number shall refer to calendar days as per the Gregorian calendar, unless otherwise specified; and

(xv) the words "directly or indirectly" mean directly, or indirectly through one or more intermediary Persons, or through contractual or other legal arrangements, and "direct or indirect" shall have the correlative meanings.

3. PUBLIC COMPANY

The Company is a public company within the meaning of Section 2(71) of the Act.

4. SHARE CAPITAL

(a) The authorised Share Capital of the Company shall be as set forth in Clause V of the Memorandum of Association of the Company and shall have the rights, privileges, and conditions attached herewith, as are provided by these Articles with power to increase and/or reduce the Share Capital and divide the Share Capital into several classes and to attach thereto respectively such differential, preferential, qualified or special rights, privileges, or conditions, as may be determined by or in accordance with these Articles and to modify the conditions in such manner as may be permitted by Applicable Laws and these Articles.

(b) Subject to the provisions of these Articles, the Company may by a resolution passed at a General Meeting increase the authorised or issued or paid up Share Capital or reduce the Share Capital or otherwise amend the Memorandum and these Articles in accordance with the provisions of the Act and the provisions of these Articles.

(c) The paid up Share Capital shall be at all times at least a minimum of such amount as may be prescribed under the Act.

(d) The Company may issue the following kinds of Shares in accordance with these Articles, the Act, the Rules and other Applicable Laws:

1. Equity Share Capital-

   (i) with voting rights; or

   (ii) with differential rights as to dividend, voting or otherwise in accordance with such rules as may be prescribed; and

2. Preference Share Capital.

(e) If at any time Share Capital is divided into different classes of Shares, the rights attached to any class (unless otherwise provided by the terms of the issue of the Shares of that class) may, subject to these Articles and the provisions of section 48 of the Act, and whether or not the Company is being wound-up, be varied with the consent in writing of the holders of three-fourth of the issued Shares of that class, or with the sanction of a special resolution passed at a separate meeting of the holders of the Shares of that class, as prescribed by the Act.

(f) To every such separate meetings as referred in 4(e) above, the provisions of these Article relating to General Meetings shall *mutatis mutandis* apply.

(g) The rights conferred upon the holders of the Shares of any class issued with preferred or other rights shall not, unless otherwise expressly provided by the terms of issue of the Shares of that class, be deemed to be varied by the creation or issue of further Shares ranking *pari passu* therewith.

(h) Subject to these Articles and the provisions of section 55 of the Act, any preference shares may, with the sanction of a special resolution, be issued or re-issued on the terms that they are, or at the option of the Company are liable, to be redeemed on such terms and in such manner as the Company before the issue of the Shares may, determine.

(i) The Board may allot and issue Shares of the Company as payment or part payment for any property purchased by the Company or in respect of goods sold or transferred or machinery or appliances supplied or for services rendered to the Company in or about the formation of the Company or the acquisition and/or in the conduct of its business or for any goodwill provided to the Company; and any Shares which may be so allotted may be issued as fully/partly paid up Shares and if so issued shall be deemed as fully/partly paid up Shares. However, the aforesaid shall be subject to the approval of Shareholders under the relevant provisions of the Act and Rules.

(j) The amount payable on application on each Share shall not be less than five percent of the nominal value of the Share or, as may be specified by SEBI.

(k) Nothing herein contained shall prevent the Directors from issuing fully paid up Shares either on payment of the entire nominal value thereof in cash or in satisfaction of any outstanding debt or obligation of the Company.

(l) The fully paid Shares shall be free from all lien and that in the case of partly paid Shares the Company's lien shall be restricted to moneys called or payable at a fixed time in respect of such Shares.

(m) Except so far as otherwise provided by the conditions of issue or by these presents, any capital raised by the creation of new Equity Shares, shall be considered as part of the existing capital and shall be subject to the provisions herein contained with reference to the payment of calls and instalments, forfeiture, lien, surrender, transfer and transmission, voting and otherwise.

(n) Any application signed by or on behalf of an applicant for Shares in the Company, followed by an allotment of any Equity Shares therein, shall be an acceptance of Shares within the meaning of these Articles and every person who thus or otherwise accepts any Shares and whose name is on the Register of Members shall for the purposes of these Articles be a Shareholder.

(o) The money, (if any), which the Board shall, on the allotment of any Shares being made by them, require or direct to be paid by way of deposit, call or otherwise, in respect of any Shares allotted by them, shall immediately on the insertion of the name of the allottee, in the Register of Members as the name of the holder of such Equity Shares, become a debt due to and recoverable by the Company from the allottee thereof, and shall be paid by him accordingly.

(p) Except as required by Applicable Law, no Person shall be recognized by the Company as holding any Shares upon any trust, and the Company shall not be bound by, or be compelled in any way to recognize (even when having notice thereof), any equitable, contingent, future or partial interest in any Shares, or any interest in any fractional part of a Share or (except only as by these Articles or by Applicable Law otherwise provided) any other rights in respect of any Share except an absolute right to the entirety thereof in the registered Shareholder.

(q) Except so far as otherwise provided by the conditions of the issue or by these presents, any capital raised by the creation of new Equity Shares, shall be considered as part of the existing capital and shall be subject to the provisions herein contained with reference to the payment of calls and instalments, forfeiture, lien, surrender, transfer and transmission, voting and otherwise.

(r) All the provisions of these Articles shall apply to the Shareholders of the Company.

(s) Subject to the provisions of these Articles, the Company shall have the power, subject to and in accordance with the provisions of Section 54 of the Companies Act, 2013 and other relevant regulations in this regard from time to time, to issue sweat equity shares to its employees and/or Directors on such terms and conditions and in such manner as may be prescribed by Applicable Law from time to time.

(t) Subject to the provisions of these Articles, the Share Capital shall be under the control of the Board who may, subject to Applicable Law, issue, allot or otherwise dispose of the same to such Persons, on such terms and conditions and at such time as the Board thinks fit with full power to give to any Person the option to call for any Shares or other Securities either at par or at a premium and for such consideration as the Board thinks fit. Subject to these Articles and the Act, the Directors shall have the power, from time to time, to increase and to consolidate or divide the Share Capital in the original or any additional Share Capital into different classes and attach thereto at its discretion any preferential, deferred or other special rights, privileges, conditions or restrictions as to dividends, capital, voting or otherwise, as may be determined by or in accordance with the provisions hereof and to vary, modify or abrogate any such right, privilege, or condition, or restriction in such manner as may for the time being be permitted in accordance with the provisions hereto or the legislative provisions for the time being in force.

(u) Subject to the provisions of these Articles, and subject to the provisions of section 68 to 70 and other applicable provisions of the Act or any other law for the time being in force, the Company may purchase its own Equity Shares or other specified securities.

5. SECURITIES

The Company shall, subject to the applicable provisions of the Act, compliance with Applicable Law and the consent of the Board, have the power to issue Securities on such terms and in such manner as the Board deems fit including their conversion, repayment, and redemption whether at a premium or otherwise.

6. DEMATERIALISATION OF SECURITIES

Definitions

For the purpose of this Article:

(a) "Beneficial Owner" means a person or persons whose name is recorded as such with a Depository;

(b) "SEBI" means the Securities and Exchange Board of India;

(c) "Depository" means a company formed and registered under the Companies Act, 2013, or any previous law, and which has been granted a certificate of registration to act as a depository under the Securities and Exchange Board of India Act, 1992 and the rules and regulations made thereunder; and

(d) "Security" means such security as may be specified by SEBI from time to time.

The Company shall be entitled to dematerialise the Share Capital and to offer Securities in a dematerialised form in accordance with the Depositories Act, 1996, the Securities and Exchange Board of India (Depositories and Participants) Regulations, 1996 and other Applicable Law. The Company shall, on a request made by a beneficial owner, rematerialise Securities which are in dematerialised form.

Notwithstanding anything in the Act or these Articles to the contrary, where Securities are held in a depository, the records of the beneficial ownership may be served by such Depository on the Company by means of electronic mode or by delivery of digital storage devices or any other mode as prescribed by Applicable Law from time to time.

Nothing contained in Section 56 of the Act or these Articles shall apply to a Transfer of securities effected by a transferor and transferee both of who are entered as beneficial owners in the records of a depository.

Notwithstanding anything in the Act or these Articles, where Securities are dealt with by a depository, the Company shall intimate the details thereof to the depository immediately on allotment of such Securities.

Nothing contained in the Act or these Articles regarding the necessity to have distinctive numbers for Securities issued by the Company shall apply to Securities held with a depository.

All Securities held by a Depository shall be dematerialised and shall be in a fungible form.

Notwithstanding anything to the contrary contained in the Act or these Articles, a depository shall be deemed to be the registered owner for the purposes of effecting any Transfer of ownership of Shares on behalf of the beneficial owners.

Save as otherwise provided in above, the Depository as the registered owner of the Securities shall not have any voting rights or any other rights in respect of Securities held by it.

Every Person holding Securities of the Company and whose name is entered as the beneficial owner in the records of the depository shall be deemed to be the owner of such Securities and shall also be deemed to be a Shareholder of the Company. The beneficial owner of the Securities shall be entitled to all the liabilities in respect of his Securities which are held by a depository.

7. SHARES AND SHARE CERTIFICATES

(a) The Company shall issue, re-issue and issue duplicate share certificates in accordance with the provisions of the Act and in the form and manner prescribed under the Companies (Share Capital and Debentures) Rules, 2014.

(b) A duplicate certificate of Shares may be issued, if such certificate:

(i) is proved to have been lost or destroyed; or

(ii) has been defaced, mutilated or torn and is surrendered to the Company.

(c) A certificate, issued under the common seal of the Company, specifying the Shares held by any Person shall be prima facie evidence of the title of the Person to such Shares. Where the Shares are held in dematerialised form, the record of depository shall be the prima facie evidence of the interest of the Beneficial Owner.

(d) If any certificate be worn out, defaced, mutilated or torn or if there be no further space on the back thereof for endorsement of transfer, then upon production and surrender thereof to the Company, a new certificate may be issued in lieu thereof, and if any certificate is lost or destroyed then upon proof thereof to the satisfaction of the Company and on execution of such indemnity as the Company deems adequate, being given, a new certificate in lieu thereof shall be given to the party entitled to such lost or destroyed certificate. Every certificate under the Articles shall be issued without payment of fees if the Directors so decide, or on payment of such fees (not exceeding Rupees twenty (20) for each certificate) as the Directors shall prescribe. Provided that, no fee shall be charged for issue of a new certificate in replacement of those which are old, defaced or worn out or where there is no further space on the back thereof for endorsement of transfer.

Provided that notwithstanding what is stated above, the Directors shall comply with the applicable provisions of the Act and Law including rules made under the Securities Contracts (Regulation) Act, 1956, as amended or any other Act, or rules applicable in this behalf.

The provisions of this Article shall *mutatis mutandis* apply to the debentures of the Company.

(e) The provisions of this Article shall *mutatis mutandis* apply any other Securities of the Company.

(f) When a new share certificate has been issued in pursuance of sub-article (d) of this Article, it shall be in the form and manner stated under the Companies (Share Capital and Debentures) Rules, 2014.

(g) Where a new share certificate has been issued in pursuance of sub-articles (d) or (f) of this Article, particulars of every such share certificate shall be entered in a Register of Renewed and Duplicate Certificates maintained in the form and manner specified under the Companies (Share Capital and Debentures) Rules, 2014.

(h) All blank forms to be used for issue of share certificates shall be printed and the printing shall be done only on the authority of a Resolution of the Board. The blank forms shall be consecutively machine–numbered and the forms and the blocks, engravings, facsimiles and hues relating to the printing of such forms shall be kept in the custody of the company secretary or of such other person as the Board may authorize for the purpose and the company secretary or the other person aforesaid shall be responsible for rendering an account of these forms to the Board.

(i) The company secretary shall be responsible for the maintenance, preservation and safe custody of all books and documents relating to the issue of share certificates including the blank forms of the share certificate referred to in sub-article (h) of this Article.

(j) All books referred to in sub-article (i) of this Article, shall be preserved in the manner specified in the Companies (Share Capital and Debentures) Rules, 2014.

(k) In respect of any Share or Shares held jointly by several persons, the Company shall not be bound to issue more than one share certificate for all such holders. If any Share stands in the names of 2 (two) or more Persons, the Person first named in the Register Of Members shall as regards receipt of dividends or bonus, or service of notices and all or any other matter connected with the Company except voting at meetings and the transfer of Shares, be deemed the sole holder thereof, but the joint holders of a Share shall be severally as well as jointly liable for the payment of all instalments and calls due in respect of such Shares, and for all incidents thereof according to these Articles.

(l) Except as ordered by a court of competent jurisdiction or as may be required by Law, the Company shall be entitled to treat the Shareholder whose name appears on the Register of Members as the holder of any Share or whose name appears as the beneficial owner of Shares in the records of the Depository, as the absolute owner thereof and accordingly shall not be bound to recognise any benami, trust or equity or equitable, contingent or other claim to or interest in such Share on the part of any other Person whether or not he shall have express or implied notice thereof. The Board shall be entitled at their sole discretion to register any Shares in the joint names of any 2 (two) or more Persons or the survivor or survivors of them.

(m) Subject to applicable provisions of the Act, the Company shall issue certificates or receipts or advices, as applicable, of subdivision, split, consolidation, renewal, exchanges, endorsements, issuance of duplicates thereof or issuance of new certificates or receipts or advices, as applicable, in cases of loss or old decrepit or worn out certificates or receipts or advices, as applicable within a period of 30 (thirty) days from the date of such lodgement.

8. FURTHER ISSUE OF CAPITAL

(a) Where at any time, in terms of Section 62 of the Act, the Company proposes to increase its subscribed capital by the issue of further Shares, such Shares shall be offered—

(i) to persons who, at the date of the offer, are holders of the Equity Shares of the Company in proportion, as nearly as circumstances admit, to the paid up Share Capital on those Shares by sending a letter of offer subject to the following conditions, namely:

(a) the offer shall be made by notice specifying the number of Shares offered and limiting a time, as prescribed under the Act, from the date of the offer within which the offer, if not accepted, shall be deemed to have been declined;

(b) the offer aforesaid shall be deemed to include a right exercisable by the Person concerned to renounce the Shares offered to him or any of them in favour of any other Person; and the notice referred to in clause (i) above shall contain a statement of this right; and

(c) after the expiry of the time specified in the notice aforesaid, or on receipt of earlier intimation from the Person to whom such notice is given that he declines to accept the Shares offered, the Board may dispose of them in such manner which is not disadvantageous to the Members and the Company.

(ii) to employees under a scheme of employees' stock option, subject to Special Resolution passed by the Company and subject to the Rules and such other conditions, as may be prescribed under Law; or

(iii) to any persons, if it is authorised by a Special Resolution, whether or not those Persons include the Persons referred to in clause (i) or clause (ii) above, either for cash or for a consideration other than cash, if the price of such Shares is determined by the valuation report of a registered valuer subject to compliance with conditions specified under the Act and the Rules.

(b) The notice referred to in sub-clause a. of clause (i) of sub-article (a) shall be dispatched through registered post or speed post or through electronic mode to all the existing Shareholders at least 3 (three) days before the opening of the issue.

(c) Nothing in this Article shall apply to the increase of the subscribed capital of a Company caused by the exercise of an option as a term attached to the Debentures issued or loan raised by the Company to convert such Debentures or loans into Shares in the Company:

Provided that the terms of issue of such Debentures or loan include a term providing for such an option have:

(i) In the case of debentures or loans or other than debentures issued to, or loans obtained from the Government or any institution specified by the Central Government in this behalf, has also been approved by a Special Resolution passed by the Company in a General Meeting.

(d) The provisions contained in this Article shall be subject to Section 42 and Section 62 of the Act, the Rules and the applicable provisions of the Act.

(e) Provided that notwithstanding anything hereinbefore contained the further Shares aforesaid may be offered to any persons, whether or not those persons include the persons referred in this Article 8, in any manner whatsoever,

(i) if a Special Resolution to that effect is passed by the Company in General Meetings; or

(ii) where no such Special Resolution is passed, if the votes cast (whether on a show of hands or on a poll as the case may be) in favour of the proposal contained in the resolution moved in that General Meeting (including the casting vote, if any, of the Chairman) by the Members who, being entitled to do so, vote in person, or where proxies are allowed, by proxy, exceed the votes, if any, cast against the proposal by Members, so entitled and voting.

9. REDUCTION OF SHARE CAPITAL

The Company may, subject to the applicable provisions of the Act, from time to time, reduce its Capital, any capital redemption reserve account and the securities premium account in any manner for the time being authorized by Law. This Article is not to derogate any power the Company would have under Law, if it were omitted.

10. ALTERATION OF CAPITAL

Subject to these Articles and Section 61 of the Act, the Company may, by Ordinary Resolution in General Meeting from time to time, alter the conditions of its Memorandum as follows, that is to say:

(a) it may increase its Share Capital by such amount as it thinks expedient.

(b) reclassify unissued preference Share Capital into Equity Share Capital and vice versa.

(c) consolidate and divide all or any of its Share Capital into shares of a larger amount than its existing Shares.

Provided that no consolidation and division which results in changes in the voting percentage of Shareholders shall take effect unless it is approved by the Tribunal on an application made in the prescribed manner.

(d) convert all or any of its fully paid-up Shares into stock, and reconvert that stock into fully paid-up Shares of any denomination.

(e) sub-divide its Shares or any of them into shares of smaller amount than is fixed by the Memorandum so however, that in the sub-division the proportion between the amount paid and the amount, if any, unpaid on each reduced share shall be the same as it was in the case of the Share from which the reduced share is derived.

(f) cancel Shares which, at the date of the passing of the resolution in that behalf, have not been taken or agreed to be taken by any person, and diminish the amount of its Share Capital by the amount of the shares so cancelled. Such cancellation of Shares shall not be deemed to be a reduction of Share Capital.

(g) The Company shall have power, subject to and in accordance with all applicable provisions of the Act and Articles, to purchase any of its own fully paid Shares whether or not they are redeemable and may make payment out of Share Capital in respect of such purchase.

(h) Subject to Applicable Law (including the Act), the Company may issue Shares; either equity or any other kind with non-voting rights and the resolution authorizing such issue shall prescribe the terms and conditions of that issue.

11. COMMISSION AND BROKERAGE

(a) Subject to the applicable provisions of the Act, the Company may at any time pay a commission to any person in consideration of his subscribing or agreeing to subscribe or procuring or agreeing to procure subscription, (whether absolutely or conditionally), for any Securities in accordance with the provisions of the Act.

(b) The commission may be satisfied by the payment of cash or the allotment of fully or partly paid Shares or partly in one way and partly in the another.

12. SHARES AT THE DISPOSAL OF THE DIRECTORS

(a) Subject to the provisions of Section 62 and other applicable provisions of the Act, and these Articles, the Shares in the Share Capital of the Company for the time being (including any Shares forming part of any increased Share Capital of the Company) shall be under the control of the Board who may issue, allot or otherwise dispose of the same or any of them to Persons in such proportion and on such terms and conditions and either at a premium, at par or at a discount (subject to compliance with Section 53 and Section 54 of the Act) at such time as they may, from time to time, think fit and with the sanction of the Company in the General Meeting to give to any Person or Persons the option or right to call for any Shares of the Company either at par or premium during such time and for such consideration as the Board thinks fit and may issue and allot Shares of the Company in the capital of the Company on payment in full or part of any property sold and transferred or for any, services rendered to the Company in the conduct of its business and any Shares of the Company which may be so allotted may be issued as fully paid up Shares of the Company and if so issued, shall be deemed to be fully paid up Shares. Provided that option or right to call of Shares of the Company shall not be given to any Person or Persons without the sanction of the Company in the General Meeting.

(b) If, by the conditions of allotment of any Share, the whole or part of the amount thereof shall be payable by installments, every such installment shall, when due, be paid to the Company by the person who, for the time being, shall be the registered holder of the Shares or by his executor or administrator.

(c) Every Shareholder, or his heirs, executors, or administrators shall pay to the Company, the portion of the capital represented by his Share or Shares which may for the time being remain unpaid thereon in such amounts at such time or times and in such manner as the Board shall from time to time in accordance with the Articles require or fix for the payment thereof.

(d) In accordance with the applicable provisions of the Act and the rules:

(i) Every Shareholder or allottee of Shares shall be entitled without payment, to receive one or more certificates specifying the name of the Person in whose favour it is issued, the Shares to which it relates and the amount paid up thereon. Such certificates shall be issued only in pursuance of a resolution passed by the Board and on surrender to the Company of its letter of allotment or its fractional coupon of requisite value, save in cases of issue of share certificates against letters of acceptance or of renunciation, or in cases of issue of bonus shares. Such share certificates shall also be issued in the event of consolidation or sub-division of Shares of the Company. Every such certificate shall be signed by either 2 (two) Directors or by a Director and company secretary or any other person authorised by the Board and such certificate shall be issued under the Seal of the Company which shall be affixed in the presence of persons required to sign the same. Particulars of every share certificate issued shall be entered in the Register of Members against the name of the Person, to whom it has been issued, indicating the date of issue. For any further certificate, the Board shall be entitled, but shall not be bound to prescribe a charge not exceeding Rupees Twenty (20).

(ii) Every Shareholder shall be entitled, without payment, to one or more certificates, in marketable lots, for all the Shares of each class or denomination registered in his name, or if the Directors so approve (upon paying such fee as the Directors may from time to time determine) to several certificates, each for one or more of such Shares and the Company shall complete and have ready for delivery such certificates within 2 (two) months from the date of allotment, or within 1 (one) month of the receipt of instrument of transfer, transmission, sub-division, consolidation or renewal of its Shares as the case may be. Every certificate of Shares shall be in the form and manner as specified in these Articles and in respect of a Share or Shares held jointly by several Persons, the Company shall not be bound to issue more than one certificate and delivery of a certificate of Shares to the first named joint holder shall be sufficient delivery to all such holders.

(iii) Every certificate shall be under the seal and shall specify the number and distinctive numbers of Shares in respect of which it is issued and the amount paid-up thereon and shall be in the prescribed form under Applicable Law.

(iv) the Board may, at their absolute discretion, refuse any applications for the sub-division of share certificates, into denominations less than marketable lots except where sub-division is required to be made to comply with any statutory provision or an order of a competent court of law or at a request from a Shareholder or to convert holding of odd lot into transferable/marketable lot.

(v) A Director may sign a share certificate by affixing his signature thereon by means of any machine, equipment or other mechanical means, such as engraving in metal or lithography, but not by means of a rubber stamp, provided that the Director shall be responsible for the safe custody of such machine, equipment or other material used for the purpose.

13. CALLS ON SHARES

(a) Subject to the provisions of Section 49 and other applicable provisions of the Act, the Board may, from time to time, subject to the terms on which any Shares may have been issued and subject to the conditions of allotment, by a resolution passed at a meeting of the Board, make such call as it thinks fit upon the Shareholders in respect of all money unpaid on the Shares held by them respectively and each Shareholder shall pay the amount of every call so made to him to the Company and at the times and places appointed by the Board and shall not give the option or right to call on Shares to any person except with the sanction of the Company in the General Meeting.

(b) 30 (thirty) days' notice in writing at the least of every call (otherwise than on allotment) shall be given by the Company specifying the time and place of payment and if payable to any Person other than the Company, the name of the person to whom the call shall be paid, provided that before the time for payment of such call, the Board may by notice in writing to the Shareholders revoke the same.

(c) The Board of Directors may, when making a call by resolution, determine the date on which such call shall be deemed to have been made, not being earlier than the date of resolution making such call and thereupon the call shall be deemed to have been made on the date so determined and if no date is determined, the call shall be deemed to have been made at the time when the resolution of the Board authorising such call was passed and may be made payable by the Shareholders whose names appear on the Register of Members on such date or at the discretion of the Board on such subsequent date as shall be fixed by the Board. A call may be revoked or postponed at the discretion of the Board.

(d) The Board may, from time to time, make calls upon the Shareholders in respect of any moneys unpaid on their Shares (whether on account of the nominal value of the Shares or by way of premium) or by the conditions of allotment thereof made payable at fixed times.

(i) Each Shareholder shall, subject to receiving at least 14 (fourteen) days' notice specifying the time or times and place of payment, pay to the Company, at time or times and place so specified, the amount called on his Shares.

(ii) A call may be revoked or postponed at the discretion of the Board.

(e) A call in accordance with the Act on partly-paid Shares, is deemed to have been made at time when the resolution of the Board authorizing the call was passed and may be required to be paid by instalments.

(f) A call shall be deemed to have been made at the time when the resolution of the Board of Directors authorizing such call was passed and may be made payable by those Members whose names appear on the Register of Members on such date, or, at the discretion of the Directors on such subsequent date as shall be fixed by the Directors.

(g) The Board may from time to time, at their discretion extend the time for the payment of any call and may extend such time as to payment of call for any of the Members, the Directors may deem entitled to such extension save as a matter of grace and favour.

(h) If the sum payable in respect of any call or instalments be not paid on or before the day appointed for payment thereof, the holder for the time being or allottee of the Share(s) in respect of which a call shall have been made or the instalments shall be due shall pay interest on the same at such rate as the Directors shall fix from the day appointed for the payment thereof to the time of actual payment but the Directors may waive payment of such interest wholly or in part.

(i) The joint Shareholders shall be jointly and severally liable to pay all calls in respect thereof.

(j) If a sum called in respect of a Share is not paid before or on the day appointed for payment thereof, the Person from whom the sum is due shall pay interest thereon from the day appointed for payment thereof to the time of actual payment at rate as the Board may determine.

(k) The Board shall be at liberty to waive payment of any such interest wholly or in part.

(l) Any sum which by the terms of issue of a Share becomes payable on allotment or at any fixed date, whether on account of nominal value of the Share or by way of premium, shall, for the purpose of these Articles, be deemed to be a call duly made and payable on the date on which by the terms of issue such sum become payable.

(m) In case of non-payment of such sum, all the relevant provisions of these Articles as to payment of interest and expenses, forfeiture or otherwise shall apply as if such sum had become payable by virtue of a call duly made and notified.

(n) The Board-

(i) may, if it thinks fit, receive from any Shareholder willing to advance the same, all or any part of the moneys uncalled and unpaid upon any Shares held by him; and

(ii) upon all or any moneys advanced, may (until the same would, but for such advance, become presently payable) pay interest at such rate (per cent annum), as may be agreed upon between the Board and the Shareholder paying the sum in advance.

(o) The Board may, if it thinks fit (subject to the provisions of the Act) agree to and receive from any Member willing to advance the same whole or any part of the moneys due upon the Shares held by him beyond the sums actually called for, and upon the amount so paid or satisfied in advance, or so much thereof as from time to time exceeds the amount of the calls then made upon the Shares in respect of which such advance has been made, the company may pay interest at such rate, as the Member paying such sum in advance and the Directors agree upon provided that money paid in advance of calls shall not confer a right to participate in profits or dividend. The Directors may at any time repay the amount so advanced.

However, no Member shall be entitled to voting rights in respect of the money(ies) so paid by him until the same would but for such payment, become presently payable.

(p) The Members shall not be entitled to any voting rights in respect of the moneys so paid by him until the same would but for such payment, become presently payable.

(q) Neither a judgment nor a decree in favour of the Company for calls or other moneys due in respect of any Shares nor any part payment or satisfaction thereof nor the receipt by the Company of a portion of any money which shall from time to time be due from any Member in respect of any Shares either by way of principal or interest nor any indulgence granted by the Company in respect of payment of any such money shall preclude the forfeiture of such Shares as herein provided.

(r) The provisions of these Articles shall *mutatis mutandis* apply to the calls on debentures of the company.

On trial or hearing of any action for the recovery of money due for any call, it shall be sufficient to prove that the name of the Member sued is entered in the register of the holder of the Shares in respect of which such debts accrued, that the resolution making the calls was duly given to the Members sued, in pursuance of these Articles and it shall not be necessary to prove the appointment of the Directors who made such calls, nor any other matters whatsoever, but the proof of the matters aforesaid shall be conclusive evidence of debt.

14. BORROWINGS

Subject to the provisions of these Articles and subject to Applicable Laws:

(a) the Board may from time to time at their discretion raise or borrow from the Directors, Members, or other Persons any sum or sums or money for the purpose of the Company at such interest and/or upon such security or conditions as they may consider proper or expedient.

(b) the Board may raise or secure the payment of repayment of such sum or sums in such manner and upon such terms and conditions in all respect as they think fit and in particular by the issue of debentures or debenture stock of the Company charged upon all or any part of the property of the Company (both present and future) including its uncalled capital for time being.

(c) debentures, debenture stock, bonds or other securities may be made assignable free from any equities, between the Company and the Person to whom the same be issued.

(d) subject to the provisions of the Act, any debentures, debenture-stock, bonds or other securities may be issued at a discount, premium or otherwise and may be issued on condition that they shall be convertible into Shares of any denomination and with any special privileges to redemption, surrender, drawings, allotment of Shares, attendance in General Meetings, appointment of Directors or otherwise.

Debentures with the right to conversion into or allotment of Shares shall be issued only with the consent of the company in the General Meeting by a Special Resolution.

15. LIEN ON SHARES/DEBENTURES

Subject to the provisions of these Articles, the Company shall have first and paramount lien upon all Shares/debentures (other than fully paid up Shares/ debentures) registered in the name of each Member (whether solely or jointly with others) and upon the proceeds of sale thereof for all moneys (whether presently payable or not) called or payable at a fixed time in respect of such Shares/ debentures, and no equitable interest in any Share shall be created except upon the footing and condition that this Article will have full effect and such lien shall extend to all dividends and bonuses from time to time declared in respect of such Shares/debentures.

Unless otherwise agreed, the registration of a Transfer of such Shares/debentures shall operate as a waiver of the Company's lien if any, on such Shares/debentures. The Board may at any time declare any Shares/debentures wholly or in part to be exempt from the provisions of this Article.

Subject to the provisions of these Articles, the Shares of any Member who is indebted to the Company may be sold by a resolution of the Board to satisfy the Company's lien thereon and be transferred to the name of the purchaser without the consent and notwithstanding any opposition on the part of the indebted Member with complete title of the Shares of any such Member which shall be sold and transferred against such indebted Member, and all Persons claiming under him whether he may be deemed to be the holder of such Shares, which shall stand discharged from all dues and calls made prior to such application of the purchase and the purchaser by virtue of such sale and Transfer shall not be bound to see the application of the purchase money not his title to the Shares be affected by any irregularity or invalidity in the proceedings with reference to the sale.

The Company lien, if any, on a Share shall extend to all dividends payable thereon and the Company may sell, in such manner as the Board thinks fit, any Shares on which the Company has a lien:

Provided that no sale shall be made –

(i) Unless a sum in respect of which the lien exists is presently payable, or

(ii) Until the expiration of 14 (fourteen) days after a notice in writing stating and demanding payment of such part of the amount in respect of which the lien exists as is presently payable, has been given to the registered Shareholder for the time being of the Share or the Person entitled thereto by reason of his death or insolvency.

To give effect to any such sale, the Board may authorize some Person to transfer the Shares sold to the purchaser thereof.

(i) The purchaser shall be registered as the Shareholder of the Shares comprised in any such Transfer.

(ii) The purchaser shall not be bound to see to the application of the purchase money, nor shall his title to the Shares be affected by irregularity or invalidity in the proceedings in the reference to the sale.

The proceeds of the sale shall be received by the Company and applied in payment of such part of the amount in respect of which the lien exists as is presently payable.

The residue, if any, shall, subject to a like lien for sums not presently payable as existed upon the Shares before the sale, be paid to the Person entitled to the Shares at the date of the sale.

In exercising its lien, the Company shall be entitled to treat the registered holder of any Share as the absolute owner thereof and accordingly shall not (except as ordered by a court of competent jurisdiction or unless required by any statute) be bound to recognise any equitable or other claim to, or interest in, such Share on the part of any other person, whether a creditor of the registered holder or otherwise. The Company's lien shall prevail notwithstanding that it has received notice of any such claim.

16. TRANSFER OF SHARES

(a) Without prejudice to any other provisions in the Articles and in particular to the provisions contained in subsequent clauses of this Article and subject to the provisions of Section 56 of the Act, the shares of the Company are freely transferable including the right to create encumbrance by lien, pledge or otherwise by the holder thereof.

(b) A common form of transfer shall be used for the purpose of transfer of Shares. The instrument of transfer of any Share in the Company shall be executed by or on behalf of both the transferor and transferee. Subject to the provisions of Section 56 of the Act, the rules prescribed there under and these Articles, the Shares in the Company shall be transferred by an instrument in writing in the prescribed form and duly stamped and delivered to the Company within the period prescribed in the Act and provisions of Section 56 of the Act shall be duly complied with in respect of all transfers of Shares and registration thereof.

(c) The transferor shall be deemed to remain a Shareholder until the name of the transferee is entered in the Register of Members in respect thereof.

(d) The Board may, subject to the right of appeal conferred by section 58 of the Act, decline to register-

(i) the transfer of a Share, not being a fully paid up Share, to a Person of whom they do not approve; or

(ii) any transfer of Shares on which the Company has a lien.

(e) The Board may also decline to recognise any instrument of transfer unless-

(i) the instrument of transfer is accompanied by the certificate of the Shares to which it relates, and such other evidence as the Board may reasonably require to show the right of the transferor to make the transfer; and

(ii) the instrument of transfer is in respect of only one class of Shares.

(f) Subject to the provisions of section 91 of the Act, the registration of transfers may be suspended at such times and for such periods as the Board may from time to time determine. Provided that such registration shall not be suspended for more than 30 (thirty) days at any one time or for more than 45 (forty-five) days in the aggregate in any year.

(g) No fee shall be payable to the Company, in respect of the registration of transfer or transmission of Shares, or for registration of any power of attorney, probate, letters of administration and succession certificate, certificate of death or marriage or other similar documents, sub division and/or consolidation of Shares and debentures and sub-divisions of letters of allotment, renounceable letters of right and split, consolidation, renewal and genuine transfer receipts into denomination corresponding to the market unit of trading.

(h) Subject to the provisions of these Articles and any other Law for the time being in force, the Directors may refuse (whether in pursuance of any power of the Company under these Articles or otherwise) to register the transfer of or the transmission by operation of law of the right to, any securities or interest of a Member in the Company and shall within one month from the date on which the instrument of transfer, or the intimation of such transmission, as the case may be, was delivered to the Company, communicate the same to the transferee and transferor or to the person giving notice of such transmission, as the case may be, giving reasons for such refusal.

Provided that, registration of a transfer shall not be refused on the ground of the transferor being either alone or jointly with any other Person or Persons indebted to the Company on any account whatsoever except where the Company has a lien on Shares.

(i) A transfer of a Share in the Company of a deceased Member thereof made by his legal representative shall, although the legal representative is not himself a Member be valid as if he had been a Member at the time of the execution of the instrument of transfer.

17. TRANSMISSION OF SHARES

(i) On the death of a Shareholder, the survivor or survivors where the Shareholder was a joint Shareholder, and his legal representatives where he was a sole Shareholder, shall be the only Persons recognized by the Company as having any title to his interest in the Shares.

(ii) Nothing in (a) above shall release the estate of a deceased joint Shareholder from liability in respect of any Share which had been jointly held by him with other Persons.

(iii) Any Person becoming entitled to a Share in consequence of the death or insolvency of any Shareholder may, upon such evidence being produced as may from time to time properly be required by the Board and subject as hereinafter provided, elect, either –

(i) To be registered himself as a Shareholder; or

(ii) To make such transfer of the Share as the deceased or insolvent Shareholder could have made.

(iv) The Board shall, in either case, have the same right to decline or suspend registration as it would have had, if the deceased or insolvent Shareholder had transferred the Share before his death or insolvency.

(v) If the Person so becoming entitled shall elect to be registered as a Shareholder himself, he shall deliver or send to the Company a notice in writing signed by him stating that he so elects.

(vi) If the Person aforesaid shall elect to transfer the Share, he shall testify his election by executing a transfer of the Share.

(vii) All the limitations, restriction and provisions of these Articles relating to the right of transfer and the registration of transfers of Shares shall be applicable to any such notice or transfer as aforesaid as if the death or insolvency of the Shareholder had not occurred and the notice or transfer were a transfer signed by that Shareholder.

(viii) A Person becoming entitled to a Share by reason of death or insolvency of the Shareholder shall be entitled to the same dividends and other advantages to which he would be entitled if he were the registered Shareholder, except that he shall not, before being registered as a Shareholder in respect of the Share, be entitled in respect of it to exercise any right conferred by membership in relation to the meetings of the Company.

Provided that the Board may, at any time, give notice requiring any such Person to elect either to be registered himself or to transfer the Share, and if the notice is not complied with within 90 (ninety) days, the Board may thereafter withhold payments of all dividends, bonuses or money payable in respect of the Share, until the requirements of the notice have been complied with.

(ix) The Company shall be fully indemnified by such person from all liabilities, if any, by actions taken by the Board to give effect to registration or transfer.

The provisions of these Articles relating to transmission by operation of law shall *mutatis mutandis* apply to any other securities including debentures of the Company.

18. COMPANY NOT LIABLE TO NOTICE OF EQUITABLE RIGHTS

The Company shall incur no liability or responsibility whatever in consequence of its registering or giving effect to any transfer of Shares made or purporting to be made by any apparent legal owner thereof (as shown or appearing in the Register of Transfer) to the prejudice of persons having or claiming any equitable rights, title or interest in the said Shares, notwithstanding that the Company may have had notice of such equitable rights referred thereto in any books of the Company and the Company shall not be bound by or required to regard or attend to or give effect to any notice which may be given to it of any equitable rights, title or interest or be under any liability whatsoever for refusing or neglecting to do so, though it may have been entered or referred to in some book of the Company but the Company shall nevertheless be at liberty to regard and attend to any such notice and give effect thereto if the Board shall so think fit

19. FORFEITURE OF SHARES

(a) If any Member fails to pay the whole or any part of any call or instalment or any money due in respect of any Shares either by way of principle or interest on or before the day appointed for the payment of the same, the Directors may, at any time thereafter, during such time as the call or instalment or any part thereof of other money as aforesaid remain unpaid or a judgment or decree in respect thereof remains unsatisfied in whole or in part, serve a notice on such Member or on the person (if any) entitled to the Shares by transmission, requiring him to pay such call or instalment or such part thereof or other moneys as remain unpaid together with any interest that may have accrued and all expenses (legal or otherwise) that may have been incurred by the Company by reason of such non-payment.

(b) The notice aforesaid shall-

(i) name a further day (not being earlier than the expiry of 14 (fourteen) days from the date of service of the notice) on or before which the payment required by the notice is to be made; and

(ii) state that, in the event of non-payment on or before the day so named, the Shares in respect of which the call was made will be liable to be forfeited.

(c) If the requirements of any such notice as aforesaid are not be complied with, any Share in respect of which such notice has been given, may at any time, thereafter before payment of all calls, instalments, other money due in respect thereof, interest and expenses as required by the notice has been made, be forfeited by a resolution of the Board to that effect. Such forfeiture shall include all dividends declared or any other money payable in respect of the forfeited Share and not actually paid before the forfeiture subject to the applicable provisions of the Act. There shall be no forfeiture of unclaimed dividends before the claim becomes barred by Applicable Law.

(d) When any Share shall have been so forfeited, an entry of the forfeiture, with the date thereof, shall be made in the Register of Members and notice of the forfeiture shall be given to the Member in whose name they stood immediately prior to the forfeiture but no forfeiture shall be in any manner invalidated by any omission or neglect to give such notice or to make any entry as aforesaid.

(e) Any Share so forfeited shall be deemed to be the property of the Company and may be sold, re-allotted or otherwise disposed of either to the original holder thereof or to any other person upon such terms and in such manner as the Board shall think fit.

(f) A Person whose Shares have been forfeited shall cease to be a Shareholder in respect of the forfeited Shares, but shall, notwithstanding the forfeiture, remain liable be liable to pay and shall forthwith pay to the Company all calls, instalments, interest, expenses and other moneys owing upon or in respect of such Shares at the time of forfeiture together with interest thereon from the time of the forfeiture until payment at such rates as the Directors may determine and the Directors may enforce the payment of the whole or a portion thereof as if it were a new call made at the date of forfeiture but shall not be under any obligation to do so.

(g) The liability of such Person shall cease if and when the Company shall have received payment in full of all such moneys in respect of the Shares.

(h) A duly verified declaration in writing that the declarant is a Director, the manager or the company secretary of the Company, and that a Share in the Company has been duly forfeited on a date stated in the declaration, shall be conclusive evidence of the facts therein stated as against all Persons claiming to be entitled to the Share.

(i) The forfeiture of a Share shall involve the extinction at the time of the forfeiture of all interest and claims and demands against the Company in respect of the Shares forfeited and all other rights incidental to the Share, except only such of those right as by these presents are expressly saved.

(j) The Directors may, subject to the provisions of the Act, accept a surrender of any Share from or by any Member desirous of surrendering them on such terms and conditions as has been agreed to, between the parties.

(k) Upon any sale after forfeiture or for enforcing a lien in purported exercise of the powers hereinbefore given, the Board may appoint some Person to execute an instrument of transfer of the Shares sold and cause the purchaser's name to be entered in the Register of Members in respect of the Shares sold and the purchaser shall not be bound to see to the regularity of the proceedings, or to the application of the purchase money, and after his name has been entered in the Register of Members in respect of such Shares, the validity of the sale shall not be impeached by any person and the remedy of any person aggrieved by the sale shall be in damages only and against the Company exclusively.

(l) The Company may receive the consideration, if any, given for the Share on any sale or disposal thereof and may execute a transfer of the Share in favour of the Person to whom the Share is sold or disposed of.

(m) The transferee shall thereupon be registered as the Shareholder and the transferee shall not be bound to see to the application of the purchase money, if any, nor shall his title to the Share be affected by any irregularity or invalidity in the proceedings in reference to the forfeiture, sale or disposal of the Share.

(n) The Board may, at any time before any Share so forfeited shall have been sold, re-allotted or otherwise disposed of, annul the forfeiture thereof, upon such conditions as it thinks fit.

(o) The provisions of these Articles as to forfeiture shall apply in the case of non-payment of any sum which, by the terms of issue of a Share, becomes payable at a fixed time, whether on account of the nominal value of the Share or by way of premium, as if the same had been payable by virtue of a call duly made and notified.

The provisions of these Articles relating to forfeiture of Shares shall *mutatis mutandis* apply to any other securities including debentures of the Company.

20. CONVERSION OF SHARES INTO STOCK

(a) The Company may, by ordinary resolution in General Meeting may-

(i) Convert any paid up Shares into stock; and
(ii) Reconvert any stock into paid up Shares of any denomination.

(b) The holder of the stock may transfer the same or any part thereof in the same manner as, and subject to the Articles under which, the Share from which the stock arose might before the conversion have been transferred, or as near thereto as circumstances admit.

Provided that the Board may, from time to time, fix the minimum amount of stock transferable, so, however, that such minimum shall not exceed the nominal amount of the Shares from which the stock arose.

(c) The holders of the stock shall, according to the amount of stock held by them, have the same rights, privileges and advantages as regards dividends, voting at meetings of the Company, and other matters, as if they held the Shares from which the stock arose; but no such privilege or advantage (except participation in the dividends and profits of the Company and in the assets on winding-up) shall be conferred by an amount of stock which would not, if existing in Shares, have conferred that privilege or advantage.

(d) Such of the Articles of the Company (other than those relating to share warrants), as are applicable to paid up Shares shall apply to stock and the words "**Share**" and "**Shareholder**" in those Articles shall include "**stock**" and "**stockholder**" respectively

21. RIGHT TO ISSUE SHARE WARRANTS

The Company may issue share warrants subject to, and in accordance with the provisions of the Act.

(a) The Board may, in its discretion, with respect to any Share which is fully paid up on application in writing signed by the person registered as holder of the share, and authenticated by such evidence (if any) as the Board may from time to time require as to the identity of the person signing the application, and the amount of the stamp duty on the warrant and such fee as the Board may from time to time require having been paid, issue a warrant.

22. RIGHTS OF WARRANT HOLDERS

(a) The bearer of the share warrant may at any time deposit the warrant at the Office of the Company, and so long as the warrant remains so deposited, the depositor shall have the same right to signing a requisition, for calling a meeting of the Company, and of attending, and voting and exercising other privileges of a Member at any meeting held after the expiry of two (2) clear days from time of the deposit, as if his name were inserted in the Register as the holder of the shares included in the deposited warrant.

(b) Not more than one person shall be recognized as the depositor of the share warrant.

(c) The Company shall, on two (2) days written notice, return the deposited share warrant to the depositor.

Subject as herein otherwise expressly provided, no person shall, as bearer of a share warrant, sign a requisition for calling a meeting of the Company, or attend, or vote or exercise any other privileges of a Member at a meeting of the Company, or be entitled to receive any notice from the Company.

(d) The bearer of a share warrant shall be entitled in all other respects to the same privileges and advantages as if he were named in the Register as the holder of the shares included in the warrant, and he shall be Member of the Company.

23. BOARD TO MAKE RULES

The Board may, from time to time, make rules as to the terms on which it shall think fit, a new share warrant or coupon may be issued by way of renewal in case of defacement, loss or destruction.

24. ISSUE OF BONUS SHARES

The Company in its General Meeting may resolve to issue the bonus Shares to its Members subject to the applicable provisions of the Act and other laws as may be applicable in this behalf from time to time.

25. PROCEEDINGS AT GENERAL MEETING

(a) The Company shall, in addition to any other meetings hold a General Meeting which shall be called as its annual general meeting, at the intervals and in accordance with the provisions of the Act. All General Meetings including annual general meetings shall be convened by giving at least 21 (twenty one) days' clear notice to Shareholders or to the authorised representative of the Shareholders in respect of each meeting of the Shareholders, in writing or through electronic mode in such manner as may be prescribed under the Act. However, any General Meeting may be convened by giving a shorter notice than 21 (twenty one) days with the consent of the Shareholders representing 95% (ninety five percent) of the Members of the Company, in case of annual general meeting and with the consent of the Shareholders holding 95% (ninety five percent) of paid up capital of the Company in case of Extra ordinary General Meeting.

(i) All General Meetings other than annual general meetings shall be called extraordinary general meetings.

(ii) The quorum for the General Meeting shall be as prescribed in the Act.

(iii) The Board may, whenever it thinks fit, call an extraordinary General Meeting.

(iv) The Board shall, at the requisition made by such number of Members who hold, on the date of the receipt of the requisition, not less than one-tenth of such of the paid-up Share Capital of the company as on that date carries the right of voting, call an extraordinary General Meeting of the Company within the period of 21 (twenty one) days from the date of receipt of a valid requisition.

(v) No business shall be transacted at any General Meeting unless a quorum of Shareholders is present at the time when the meeting proceeds to business.

(vi) The Chairman of the Board shall preside as chairman at every General Meeting.

(vii) If there is no such Chairman, or if he is not present within fifteen minutes after the time appointed for holding the meeting, or is unwilling to act as chairman of the meeting, the Directors present shall elect one of the Directors to be the chairman of the meeting.

(viii) If at any meeting no Director is willing to act as chairman or if no Director is present within fifteen minutes after the time appointed for holding the meeting, the Shareholders present shall choose one of the Shareholders to be the chairman of the meeting.

(ix) The chairman may, with the consent of any meeting at which a quorum is present, and shall, if so directed by the meeting, adjourn the meeting from time to time and from place to place.

(x) No business shall be transacted at any adjourned meeting other than the business left unfinished at the meeting from which the adjournment took place.

(xi) When a meeting is adjourned for 30 (thirty) days or more, notice of adjourned meeting shall be given as in the case of an original meeting.

(xii) Save as aforesaid, it shall not be necessary to give any notice of an adjournment or of the business to be transacted at an adjourned meeting.

  (a) On any business at any General Meeting, in case of an equality of votes, whether on a show of hands or electronically or a poll, the chairman shall have a second or casting vote.

  (b) The chairman shall have a second or casting vote in a General Meeting.

  (c) Any business other than that upon which poll has been demanded may be proceeded with, pending the taking of the poll.

  (d) General Meetings shall be held in accordance with the provisions of the Act and these Articles of Association. Each Shareholder shall declare to the other Shareholder(s) any interest it has in a matter requiring its consent or on which it is intended to vote in the General Meeting.

(e) The notice of each General Meeting shall specify the date, time and include an agenda setting out the business proposed to be transacted at the meeting, together with copies of all relevant papers connected therewith and/or proposed to be placed before or tabled at the General Meeting.

(f) The Company shall cause minutes of all proceedings of every General Meeting, of any class of Shareholders or creditors, and every resolution passed by postal ballot, to be kept in accordance with the provisions of Section 118 of the Act by preparing such minutes, within 30 (thirty) days of the conclusion of each such meeting, entries thereof in books kept for that purpose with their pages consecutively numbered. Each page of every such book shall be initialed or signed and the last page of the record of proceedings of each meeting in such books shall be dated and signed by the Chairman of the same meeting within the aforesaid period of 30 (thirty) days or in the event of the death or inability of the Chairman within that period, by a Director duly authorized by the Board for that purpose, in no case the minutes of the proceedings or a meeting shall be attached to any such book as aforesaid by pasting or otherwise. Any such minutes kept as aforesaid shall be evidence of the proceedings recorded therein.

(b) All General Meetings, resolutions put to the vote at the meeting shall be decided in accordance with the Act. Each Shareholder shall have one vote for each Equity Share held by it, and all Shareholders' matters shall be decided in accordance with the Act and the provisions contained in these Articles of Association. Shareholders or their proxies must submit the proxy form, duly completed at or prior to each General Meeting and in accordance with the Act.

(c) The books containing the aforesaid minutes shall be kept at the registered office and be open for inspection by any Members without any charge, during 11.00 AM to 01.00 PM, to the inspection of any Member, on all working days, except Saturdays and Sundays, without charge subject to such reasonable restrictions as the Company may by these Articles or in General Meeting impose in accordance with Section 119 of the Act. Any Member shall be entitled to be furnished, within 7 (seven) days after he had made a request in that behalf to the Company with a copy of the minutes on payment of Rs.10 per page or part of any page. Provided that a Member who has made a request for provision of soft copy in respect of minutes of any previous General Meetings held during a period immediately preceding three financial years shall be entitled to be furnished, with the same free of cost.

26. VOTES OF MEMBERS

(a) Subject to the provisions of the Act:

(i) On a show of hands, every holder of Equity Shares entitled to vote and present in person shall have one vote and upon a poll every holder of Equity Shares entitled to vote and present in person or by proxy shall have voting rights in proportion to his Share in the paid-up equity Share Capital of the Company.

(ii) Every holder of a preference share in the Share Capital of Company shall be entitled to vote at a General Meeting of Company only in accordance with the limitations and provisions laid down in Section 47(2) of the Act:

(b) Subject to the provisions of the Act and these Articles, votes may be given either personally or by proxy (only on poll) or in the case of a body corporate also by a representative duly authorized under Section 113 of the Act. A Member may exercise his vote at a General Meeting by electronic means in accordance with Section 108 of the Act and rules prescribed under the Act, the Listing Regulations and shall vote only once.

(c) In case of joint Shareholders, the vote of the senior who tenders the vote, whether in a person or in a proxy, shall be accepted to the exclusion of votes of the other joint Shareholders.

(d) For this purpose, seniority shall be determined by the order in which the names stand in the Register of Members. Where there are several executors or administrators of a deceased Member in whose sole name any Shares stand, any one of such executors or administrators may vote in respect of such Shares unless any other of such executors is present at the meeting at which such vote is tendered and object to the votes in which case no such vote shall be exercised except with the unanimous consent of all the executors or administrators present.

(e) Subject to the provisions of the Act, no Member shall be entitled to be present or to vote at any General Meeting either personally or by proxy or be reckoned in a quorum whilst any call or other sums shall be due and payable to the Company in respect of any of the Shares of such Member, or in regard to which the Company has exercised any right of lien.

(f) No objection shall be raised to the qualification of any voter except at the meeting or adjourned meeting at which the vote objected to is given or tendered, and every vote not disallowed at such meeting shall be valid for all purposes.

(g) Any such objection made in due time shall be referred to the Chairman of the meeting, whose decision shall be final and conclusive.

(h) The instrument appointing proxy and the power of attorney or other authority, if any under which it is signed or a notarially certified copy of that power or authority, shall be deposited at the registered office of the Company not less than 48 hours before the time for holding the meeting or adjourned meeting at which the Person named in the instrument proposes to vote, or in the case of the poll, not less than 24 hours before the time appointed for the taking of the poll; and in the default the instrument of proxy shall not be treated as valid. One Member shall be entitled to appoint only one proxy for his entire Shareholding.

(i) An instrument appointing proxy shall be in Form MGT-11 as provided in Rule 19 of the Companies (Management and Administration) Rules, 2014.

(j) A vote given in accordance with the terms of an instrument of proxy shall be valid, notwithstanding the previous death or insanity of the principal or the revocation of the proxy or the authority under which the proxy was executed, or the transfer of the Shares in respect of which the proxy is given:

Provided that no intimation in writing of such death, insanity, revocation or transfer shall have been received by the Company at its office before the commencement of the meeting at which the proxy is used.

27. BOARD OF DIRECTORS

(i) Subject to the applicable provisions of the Act, the number of Directors of the Company shall not be less than 3 (three) and not more than 15 (fifteen). The Company shall also comply with the provisions of the Companies (Appointment and Qualification of Directors) Rules, 2014 and the provisions of the Listing Regulations. The Board shall have an optimum combination of executive and Independent Directors with at least 1 (one) woman Director, and as may be prescribed by Law from time to time.

The first Directors of the Company are Sunil Seth and Kamal Shahani.

The Board shall have the power to determine the Directors whose period of office is or is not liable to determine by retirement of Directors by rotation.

(ii) The remuneration of the Directors shall, in so far as it consists of a monthly payment, be deemed to accrue from day to day.

(iii) The remuneration payable to the Directors, including any managing or whole time Director or manager, if any, shall be determined in accordance with and subject to the provisions of the Act by an ordinary resolution passed by the Company in General Meeting.

(iv) Subject to provisions contained in Section 197 of the Act, if any Director be called upon to perform extra services or special exertions or efforts (which expression shall include work done by a Director as a Member of any committee formed by the Director(s) the Board may arrange with such Directors for such special remuneration for such extra services or special exertions or efforts either by a fixed sum or otherwise as may be determined by the Board and such remuneration may be either in addition to or in substitution for his remuneration, subject to provisions of the Act and confirmation by the Company in General Meeting.

(v) If it is provided by any trust deed, security or otherwise, in connection with any issue of debentures of the Company that any person or persons shall have power to nominate a Director or Directors of the Company, then in the case of any and every such issue of debentures, the person or persons having such power may exercise such power from time to time and appoint a Director or Directors accordingly. Any Director so appointed is herein referred to as "Debenture Director". A Debenture Director may be removed from office at any time by the person or persons in whom for the time being is vested the power under which he was appointed and another Director may be appointed in his place. A Debenture Director shall not be bound to hold any qualification Shares. A Debenture Director shall not if so agreed by the company be liable to retire by rotation; but shall automatically cease to hold office as a Director if and when the debentures are fully discharged.

(vi) In addition to the remuneration payable to them in pursuance of the Act, the Directors may be paid all travelling, hotel and other expenses properly incurred by them-

(a) in attending and returning from meetings of the Board of Directors or any committee thereof or general meeting of the Company; or

(b) in connection with the business of the Company.

(vii) The Directors need not hold any qualification Share.

(viii) The Company may exercise the powers conferred by the Act with regard to having an official Seal for use abroad, and such powers shall be vested in the Board.

(ix) The Company may exercise the powers conferred on it by section of the Act with regard to a keeping of a foreign register; and the Board may (subject to the provision of those sections) make and vary such regulation as it may think fit respecting the keeping of such register.

(x) All cheques, promissory notes, drafts, hundis, bills of exchange and other negotiable instrument, and all receipts for money paid to Company, shall be signed drawn, accepted, endorsed, or otherwise executed, as the case may be, by such Person and such manner as the Board shall from time to time by resolution determine.

(xi) Every Director present at the meeting of the Board shall sign his name in the book to be kept for that purpose, and the company secretary or the Chairman shall record the presence of Director present through video conferencing.

(xii) Subject to the provisions of Section 161 and other applicable provisions (if any) of the Act, the Directors shall have power at any time and from time to time to appoint a person or persons, other than a person who fails to get appointed as a Director in a General Meeting, as additional Director or Directors. Such Additional Director shall hold office only up to the date of the next annual general meeting of the Company or the last date on which the annual general meeting should have been held, whichever is earlier, but shall be eligible for re- election at that meeting as a Director, provided that the number of Directors and the Additional Director together, shall not exceed the maximum strength fixed by the Board under these Articles. Further, in accordance with the provisions of the Act, Board may appoint the alternate Directors and Nominee Directors.

(xiii) Subject to provisions of the relevant laws and these Articles, not less than 2/3rd of the total number of Directors for the time being shall be those whose period of office is liable for determination of retirement by rotation, and their appointment shall, save as otherwise expressly provided in their presence, be in the General Meeting.

(xiv) **Circular Resolution:** Subject to as expressly provided in the Act, a resolution by circulation shall be as valid and effectual provided it is compliant with the secretarial standard on meetings of the Board of Directors as a resolution duly passed at a meeting of the Directors called and held, provided it has been circulated in draft form, together with the relevant papers, if any, to all the Directors and has been approved by a majority of the Directors entitled to vote thereon.

(xv) **Participation through Video Conferencing or other audio visual means:** In accordance with Rule 3 of the Companies (Meetings of Board and its Powers), Rules, 2014 and other applicable provisions, the Directors may participate in relevant meetings through video conferencing or other audio visual means, provided that such Director, who desires to participate through video conferencing or other audio visual means, shall give prior intimation to that effect sufficiently in advance so that the Company is able to make suitable arrangements in that behalf. However, the Company shall not deal with the matters as prescribed under Rule 4 of the Companies (Meeting of Board and its Powers) Rules, 2014 through video conferencing or other audio visual means, provided that where there is quorum in a meeting through physical presence of Directors, any other Director may participate through video conferencing or other audio visual means.

(xvi) The Directors may, from time to time, at their discretion raise or borrow for the purpose of the Company's business such sum of money as they think fit. The Directors may secure the repayment of or raise any such sum or sums as aforesaid by mortgage or charge upon the whole or any part of the property and assets of the Company, present and future including the uncalled capital or by the issue, at such price as they may think fit, of bonds or debentures of debentures-stock, either charged upon the whole or any part of the property and assets of the Company or not so charged or in such other way as the Directors may think expedient.

(xvii) The management of the business of the Company shall be vested in the Board and the Board may exercise all such powers of the Company, as the Company by its memorandum of association or otherwise and to do such acts and things as are allowed under the Act, or any other Applicable Law, required to be exercised by the Company in General Meeting, subject nevertheless to these Articles and memorandum of association the Company, the provisions of the act, or any other act and to such regulation being not inconsistent with the aforesaid regulations or provisions as may be prescribed by the Company in General Meeting, but no regulation made by the Company in General Meeting, shall invalidate any prior of the Board which would have being valid if that regulation had not been made.

(xviii) The Directors may, from time to time, accept deposits from Shareholders (either in advance of calls or otherwise) and from Persons and generally raise or borrow any sums of money for the purpose of the Company from the Shareholders or other Persons, or the Directors may themselves advance money to the Company on such interest as may be approved by the Board.

(xix) The Directors may, from time to time, secure the payment of such money in such manner and upon such terms and conditions in all respect as they deem fit and in particular by the issue of debentures, bonds of the Company or any mortgage, charge hypothecation, pledge, lien or other security of all or any part or portion of the property of the Company and the uncalled for the time being.

(xx) The Directors, may grant retiring Persons, pension or annuities or other allowances, including allowance on death to any Person or to the widow or dependents of any Person in respect of services rendered by him to the Company as managing directors, manager or as an officer, or employee of the Company or of any subsidiary company or of its holding company (if any) notwithstanding that he may have been a Director and may make any payments toward insurance or trusts for such purpose in respect of such pensions, annuities and allowances in terms of engagement of such Persons.

(xxi) Subject to the provisions of the Act and notwithstanding anything to the contrary contained in these Articles, so long as any moneys remain owing by the Company to the financing company or body or financing corporation or credit corporation or bank or any insurance corporation (each such financing company or body of financing corporation of credit corporation or any insurance corporation is herein after referred to as financial institution) out of any loans granted by the financial institution to the Company or so long as the financial institution hold Shares in the Company as a result of underwriting or direct subscription or so long as any liability of the Company arising out of any guarantee furnished by the financial institution on behalf of the Company remains outstanding the financing institution shall have a right to appoint from time to time, its nominee/s as a Director or Directors (which Director or Directors is/are hereinafter referred to as nominee Director/s) on the Board of the Company and to remove from such office the nominee Director/s so appointed, and the time of removal and also in the case of death or resignation of the nominee Director/s appointed at any time appoint any other Person/Persons in his/her place and also fill any vacancy which may occur as a result of such Director/ceasing to hold office for any reasons whatsoever; such appointment or removal shall be made in writing on behalf of the financial institution appointing such nominee Director/s and shall be delivered to the Company at its registered office.

(xxii) Subject to the provisions of the Act and of these Articles, the Board shall have the power to appoint from time to time any one or more of its Directors as managing directors, whole time directors of the Company in accordance with the provisions of the Act and upon such terms and conditions as the Board think fit, the Board may by resolution vest in such managing director/s or whole time director/s such of the powers hereby vested in the Board generally as it thinks fit, as such power may be exercisable for such conditions and subject to such restriction as it may determine. The remuneration of managing director/s, and whole time director/s may be by way of monthly payment, fee for each meeting or participation in profits, or by all or any these modes or any other mode not expressly prohibited by the Act.

(xxiii) A Director may be paid a sitting fee for each meeting of the Board or committee of the Board attended by him in accordance with the provisions of the Act. It is further provided that the Directors may be paid different sitting fee for attending physical Board Meeting and meeting through video conferencing.

(xxiv) Subject to the provisions of Section 161(4), 169(7) and other applicable provisions (if any) of the Act, any casual vacancy occurring in the office of a Director before the term of office of such Director expires, may be filled up by the Directors at a meeting of the Board. Any person so appointed would have held office, if the vacancy had not occurred and shall hold office only up to the date which the Director in whose place he is so appointed would have held office if it had not been vacated. Provided that, where a vacancy is created by removal of a Director, the Director who was removed from office shall not be re-appointed as the Director by the Board.

(xxv) Vacation of Office of Director: The office of the Director shall ipso facto become vacant if at any time he commits any of the acts set out in the Section 167 of the Act.

(xxvi) Subject to the applicable provisions of the Act, a Director may resign from his office at any time by notice in writing addressed to the Board.

28. PROCEEDINGS OF BOARD MEETINGS/ COMMITTEE

(a) The Board of Directors shall meet at least four times in a year for the dispatch of business, adjourn and otherwise regulate its meeting and proceeding as it thinks fit provided that not more than one hundred and twenty days shall intervene between two consecutive meetings of the Board.

Subject to requirements of notice as prescribed in these Articles, the managing director or the Chairman, or the company secretary of the Company or any other officer as may be authorized in this regard, may at any time summon a meeting of the Board. Notice in writing of every meeting of the Board shall be given to every Director for the time being in India, and at his usual address in India to every other Director, inter-alia through email.

(b) The continuing Directors may act notwithstanding any vacancy in the Board; but, if and so long as their number is reduced below the quorum fixed by the Act for a meeting of the Board, the continuing Directors or Director may act for the purpose of increasing the number of Directors to that fixed for the quorum, or of summoning a General Meeting of the Company, but for no other purpose.

(c) At least seven days written notice shall be given to each of the Directors including the alternate Directors in respect of each meeting of the Board, at the address notified from time to time by each Director of the Company, or through e-mail at their registered e-mail id.

Provided that a meeting of the Board may be called at shorter notice, in accordance with the Act, to transact urgent business subject to the condition that at least one Independent Director, if any, shall be present at the meeting.

Provided further that in case of absence of Independent Directors from such a meeting of the Board, decisions taken at such a meeting shall be circulated to all the Directors and shall be final only on ratification thereof by at least one Independent Director, if any.

(d) The notice of each Board Meeting shall specify the date, time and include an agenda setting out the business proposed to be transacted at the meeting, together with copies of all relevant papers connected therewith and/or proposed to be placed before or tabled at the Board Meeting. Notice of the Board Meeting shall be sent at least 7 (seven) days in advance to each of the Directors.

(e) Minutes of each meeting of the Board shall be recorded in English and kept by the Company in accordance with Applicable Law.

(f) Save as otherwise expressly provided in the Act, questions arising at any meeting of the Board shall be decided by a majority of the votes.

(g) The chairman of the Board ("**Chairman**") shall be one of the Directors appointed by the Board for the purpose of the Board Meeting. The Chairman shall have a second or casting vote.

(h) If no such Chairman is elected, or if at any meeting the Chairman is not present within 30 minutes after the time appointed for holding the meeting, the Directors present may choose one of them to be chairman of the meeting.

(i) Subject to the provisions of the Act and related regulations, the Board may from time to time, constitute committees of the Board and may determine their functions, powers, authorities and responsibilities. Such a committee may elect a chairman of its meetings and if no such Chairman is elected, or if at any meeting the Chairman is not present within 30 minutes after the appointed time for the meeting, the Members present may choose one of their Members as the Chairman for that meeting.

(j) All acts done by any meeting of the Board or of a committee thereof or by any Person acting as a Director, shall, notwithstanding that it may be afterwards discovered that there was some defect in the appointment of any one or more such Directors or of any Person acting as aforesaid, or that they or any of them were disqualified, be as valid as if every such Director or such Person had been duly appointed and was qualified to be a Director.

(k) Subject to the provisions of the Act and other provisions of these Articles-

  (i) A manager or company secretary may be appointed by the Board for such term, at such remuneration and upon such conditions as it may think fit; and any manager or company secretary so appointed may be removed by the Board;

  (ii) A Director may be appointed as manager or company secretary.

(l) A provision of the act, or these Articles requiring or authorizing a thing to be done by or to a Director or a manager or company secretary shall not be satisfied by its being done by or to some Person acting both as Director and as or in the place of, the manager or company secretary.

29. POWER AND DUTIES OF MANAGING DIRECTORS AND WHOLE TIME DIRECTORS

The managing director/whole-time director shall subject to the supervision, control and direction of the Board and subject to the provisions of the Act, exercise such powers as are exercisable under these Articles by the Board of Directors, as they may think fit and confer such power for such time and to be exercised as they may think expedient and they may confer such power either collaterally with or to the exclusion of any such substitution for all or any of the powers of the Board of Directors in that behalf and may from time to time revoke, withdraw, alter or vary all or any such powers. The managing Directors/ whole time Directors may exercise all the powers entrusted to them by the Board of Directors in accordance with the Board's direction.

30. REMOVAL OF DIRECTORS

(a) The Company may, subject to the provisions of Section 169 and other applicable provisions of the Act and these Articles remove any Director before the expiry of his period of office, by passing an ordinary resolution.

(b) Special notice as provided by Section 115 of the Act shall be given, of any resolution to remove a Director under this Article or to appoint some other person in place of a Director so removed at the meeting at which he is removed.

(c) On receipt of notice of any such resolution to remove a Director under this Article, the Company shall forthwith send a copy thereof to the Director concerned and the Director (whether or not he is a Member of the Company) shall be entitled to be heard on the resolution at the meeting.

(d) Where notice is given of a resolution to remove a Director under this Article and the Director concerned makes with respect thereto, representation in writing to the Company and requests its notification to Members of the Company, the Company shall unless the representation is received by it too late for it to do (a) in the notice of the resolution given to the Members of the Company state the fact of the representation having been made and (b) send a copy of the representation to every Member of the Company to whom the notice of the meeting has been sent (whether before or after receipt of the representation by the Company) and if a copy of the representation is not sent as aforesaid due to insufficient time or because of the Company's default the Director may (without prejudice to his right to be heard orally) require that the representation shall be read out at the meeting. Provided that copies of the representation shall not be read out at the meeting if, on the application either of the Company or of any other person who claims to be aggrieved, the Tribunal is satisfied that the rights conferred by this clause are being abused to secure needless publicity for defamatory matter.

(e) A vacancy created by the removal of a Director under this Article may, if he had been appointed by the Company in General Meeting or by the Board, be filled by the appointment of another Director in his place by the meeting at which he is removed provided Special Notice of the intended appointment has been given under clause (b) hereof. A Director so appointed shall hold office until the date up to which his predecessor would have held office if he had not been removed as aforesaid.

(f) If the vacancy is not filled under clause (e) it may be filled as casual vacancy in accordance with the provisions (in so far they are applicable) of the Act.

(g) A Director who was removed from office under this Article shall not be re-appointed as Director by the Board of Directors.

(h) Nothing contained in this Article shall be taken:

(i) as depriving a person removed thereunder of any compensation or damages payable to him in respect of the termination of his appointment as Director or of any other appointment terminating with that as Director, or

(ii) as derogating from any power to remove a Director which may exist apart from this Article.

31. SHAREHOLDER MEETINGS

(a) Frequency and Location

Subject to the provisions of the Act, the Company shall hold at least 1 (one) General Meeting to be called as annual general meeting in any given calendar year within 6 (six) months following the end of the previous Financial Year. All General Meetings shall be governed by Applicable Laws, the provisions of these Articles and Memorandum of Association. All other General Meetings, other than the annual general meeting shall be extraordinary general meetings. Annual general meeting and extraordinary general meetings will be held at the registered office of the Company or elsewhere subject to Applicable Laws.

(b) Venue, Day and Time for holding General Meeting

(i) Every annual general meeting / extraordinary general meeting shall be called during such hours, on such day, at such place and in such manner as may be prescribed under the Act.

(ii) Every Member of the Company shall be entitled to attend the General Meeting either in person or by proxy and the Auditor of the Company shall have the right to attend and to be heard at a General Meeting in which any business is conducted which concerns him as Auditor. The Directors are also entitled to attend the General Meeting.

(c) In case an extraordinary general meeting is called on requisition, upon the receipt of such valid requisition, the Board shall forthwith call an Extraordinary General Meeting and if they do not proceed within 21 (twenty one) days from the date of the requisition being deposited at the office to cause a meeting to be called on a day not later than 45 (forty five) days from the date of deposit of the requisition, the requisitionists or such of their number as represent either a majority in value of the Paid up Share Capital held by all of them or not less than one-tenth of such of the Paid-up Share Capital of the Company as is referred to in Section 100 of the Act, whichever is less, may themselves call the meeting, but in either case any meeting so called shall be held within three months from the date of the delivery of the requisition as aforesaid.

(d) An extraordinary general meeting called by the requisitionists shall be called in the same manner, as nearly as possible, as that in which a meeting is called by the Board.

(e) The accidental omission to give any such notice as aforesaid to any of the Members, or the non-receipt thereof, shall not invalidate any resolution passed at any such meeting.

(f) No General Meeting, Annual or Extraordinary, shall be competent to enter into, discuss or transact any business which has not been mentioned in the notice or notices by which it was convened.

(g) The General Meeting called under this Article shall be subject to and will be held in accordance with the provisions contained under the Act.

(h) Notice

Prior written notice of at least twenty one (21) clear days for a General Meeting shall be given to all Shareholders of the Company, provided however, that any General Meeting may be held upon shorter notice in accordance with the provisions of the Act. All notices for General Meetings shall be issued in compliance with Applicable Laws and shall be accompanied by an agenda setting out the particulars of the businesses proposed to be transacted at such meeting, in the business proposed to be transacted at such meeting.

(i) Quorum

The quorum for a General Meeting shall be constituted by the presence, “in Person”, of such number of Shareholders as required under the Act. If, within half-an-hour of the time appointed for the meeting, a quorum is not present, the meeting shall be adjourned and reconvened for the date that falls 7 (seven) days after such adjourned meeting at the same time and place, or to such other date and such other time and place as determined by the Board, it being understood that the agenda for such adjourned meeting shall remain unchanged and the quorum for such adjourned meeting shall be the same as required for the original meeting. At the said adjourned

General Meeting, if the quorum is not present within half-an-hour from the time appointed for the said adjourned General Meeting, the Members present shall constitute a valid quorum.

(j) Voting

(i) Subject to the provisions of the Act, a Shareholder shall be entitled to exercise its right to vote at General Meetings by proxy and/or by an authorized representative, and such proxy or authorized representative need not be a Shareholder.

(ii) Subject to Applicable Law, all decisions of the Shareholders shall be made by ordinary or special resolutions, as required under the Act.

(k) Adoption of Financial Statements

The Board shall provide the audited Financial Statements (consolidated and unconsolidated) of the Company's previous Financial Year to all Shareholders in accordance with the Act before the annual general meeting is held to approve and adopt the audited Financial Statements, unless shorter notice consent has been granted by the Members.

32. DIVIDEND

(a) The Company in General Meeting may declare dividends, but no dividend shall exceed the amount recommended by the Board.

(b) Subject to the provisions of the Act, the Board may from time to time pay to the Members such interim dividends of such amount on such class of Shares and at such times as it may think fit.

(c) The Board may, before recommending any dividend, set aside out of the profits of the company such sums as it think fit as a reserves which shall, at the discretion of the Board, be applied for any purpose to which the profits of the company may be properly applied, including provision for meeting contingencies or for equalising dividends; and pending such application, may, at the like discretion, either be employed in the business of the Company or be invested in such investments (other than Shares of the Company) as the Board may, from time to time, think fit.

(d) The Board may also carry forward any profits which it may consider necessary not to divide, without setting them aside as a reserve.

(e) Subject to the rights of persons, if any, entitled to Shares with special right as to dividends, all dividend shall be declared and paid accordingly to the amounts paid or credited as paid on the Shares in respect whereof the dividend is paid, but if and so long as nothing is paid upon any of the Shares in the company, dividends may be declared and paid according to the amount of the Shares.

(f) No amount paid or credited as paid on a Share in advance of calls shall be treated for the purposes of this regulation as paid on the Share.

(g) All dividends shall be apportioned and paid proportionately to the amounts paid or credited as paid on the Shares during any portion or portions of the period in respect of which the dividend is paid; but if any Share is issued on terms providing that it shall rank for dividend as from a particular date such Share shall rank for dividend accordingly.

(h) The Board may deduct from any dividend payable to any Member all sums of money, if any, presently payable by him to the Company on account of calls or otherwise in relation to the Shares of the Company.

(i) The Board may retain dividends payable upon Shares in respect of which any person is, under the Transmission Clause hereinbefore contained, entitled to become a Member, until such person shall become a Member in respect of such Shares.

(j) Any dividend, interest or other monies payable in cash in respect of Shares may be paid by electronic mode or by cheque or warrant sent through the post directed to the registered address of the holder or, in the case of joint holders, to the registered address of that one of the joint holder who is first named on the register of Members, or to such person and to such address as the holder or joint holders may in writing direct.

(k) Every such cheque or warrant shall be made payable to the order of the person to whom it is sent.

(l) Payment in any way whatsoever shall be made at the risk of the person entitled to the money paid or to be paid. The Company will not be responsible for a payment which is lost or delayed. The Company will be deemed to having made a payment and received a good discharge for it if a payment using any of the foregoing permissible means is made.

(m) Any one of two or more joint holders of a Share may give effective receipts for any dividend, bonuses or other monies payable in respect of such Shares.

(n) No dividend shall bear interest against the Company.

(o) The waiver in whole or in part of any dividend on any Share by any document (whether or not under seal) shall be effective only if such document is signed by the Member (or the person entitled to Share in consequence of the death or bankruptcy of the holder) and delivered to the Company and if or to the extent that the same is accepted as such or acted upon by the Board.

33. UNPAID OR UNCLAIMED DIVIDEND

(a) Where the Company has declared a dividend but which has not been paid or claimed within 30 (thirty) days from the date of declaration, transfer the total amount of dividend which remains unpaid or unclaimed within the said period of 30 (thirty) days, to a special account to be opened by the company in that behalf in any scheduled bank, to be called "Unpaid Dividend Account".

(b) Any money transferred to the unpaid dividend account of a company which remains unpaid or unclaimed for a period of seven years from the date of such transfer, shall be transferred by the company to the Fund known as Investor Education and Protection Fund established under Section 125 of the Act.

(c) No unclaimed or unpaid dividend shall be forfeited by the Board.

34. WINDING UP

Subject to the applicable provisions of the Act and rules made thereunder, if the company shall be wound up, and the assets available for distribution among the Members as such shall be insufficient to repay the whole of the paid up capital, such assets may be divided by the liquidator, with the sanction of a special resolution of the Company, and any other sanction required by the Act, amongst the members in specie or kind, the whole or any part of the assets of the Company, whether they shall consist of property of the same kind or not.

For the purpose aforesaid, the liquidator may set such values as he deems fair upon any property to be divided as aforesaid and may determine how such division shall be carried out as between the Members or different classes of Members. The liquidator may, with the like sanction, vest the whole or any part of such assets trustees upon such trusts for the benefit of the contributories as the liquidator, with the like sanction, shall think fit but so that no Member shall be compelled to accept any Shares or other securities whereon there is any liability.

35. CAPITALISATION OF PROFITS

(a) The Company in General Meeting may, upon the recommendation of the Board, resolve:

(i) That it is desirable to capitalize any part of the amount for the time being standing to the credit of any of the Company's reserve account, or to the credit of the profit and loss account, or otherwise available for distribution; and

(ii) That such sum be accordingly set free for distribution amongst the Shareholders who would have been entitled thereto, if distributed in the way of dividend and in the same proportions.

(b) Whenever such a resolution as aforesaid shall have been passed, the Board shall-

(i) Make all appropriations and application of the undivided profits resolved to be capitalized thereby, and all allotments and issues of fully paid Shares if any; and.

(ii) Generally do all acts and things required to give effect thereto.

(c) Subject to the provision of Section 139 of the Act,

(i) The Company shall at an annual general meeting appoint an auditor or auditors to hold office for a maximum period of 5 (five) consecutive years. The Company shall appoint and reappoint auditor or auditors in terms of Applicable Law.

(ii) Rights and duties of the auditors shall be regulated in accordance with Section 143 of the Act.

(iii) Once at least in every year accounts of the Company shall be audited and correctness of the final accounts be ascertained by one or more auditor or auditors.

(iv) Every account of the Company when audited and approved by a General Meeting shall be conclusive.

36. MISCELLANEOUS

INDEMNITY

Subject to provisions of the Act, the Chairman, Directors, Auditors, Managing Directors and other officers for the time being of the Company and any trustees for the time being acting in relation to any of the affairs of the Company and their heirs and executors, shall be indemnified out of the assets and funds of the Company from or against all bona fide suits, proceedings, costs, charges, losses, damages and expenses which they or any of them shall or may incur or sustain by reason of any act done or about the execution of their duties in their respective offices except those done through their wilful neglects or defaults of any other officer or trustee. The Company may take and maintain any insurance as the Board may think fit on behalf of its present and/or former directors and key managerial personnel for indemnifying all or any of them against any liability for any acts in relation to the Company for which they may be liable but have acted honestly and reasonably.

(a) General Authority

Where the Act requires that a company cannot undertake any act or exercise any rights or powers unless expressly authorized by its articles, these Articles shall in relation to the Company, be deemed to confer such right, authority or power.

(b) Common Seal

(i) The Directors shall provide a common seal for the purpose of the company and shall have power from time to time to destroy the same and substitute a new seal in lieu thereof and the Directors shall provide for safe custody of the Seal. The Seal shall not be affixed to any instrument, if so required except by authority of resolution of the Board or a committee of the Board authorised by it in that behalf and except in the presence of at least 1 (one) Director and that 1 (one) Director shall sign every instrument to which the seal of the Company is so affixed in his presence. Share certificates will, however, be signed and sealed in accordance with Rule 5(3) of Companies (Share Capital and Debentures) Rules, 2014.

(ii) Provided that the certificates of Shares or debentures shall be sealed in the manner and in conformity with the provisions of the Act or any statutory modification thereof for the time being in force.

(iii) The Company shall also be at liberty to have an official seal in accordance with the Act for use in any territory, district or place outside India and such power shall accordingly be vested in the Directors or by or under the authority of the Directors granted, in favour of any person appointed for the purpose in that territory, district or place outside India.

37. POWER TO ESTABLISH BRANCH OFFICES

The Company shall have the power to establish branch offices (as defined under the Act).

38. AUTHENTICATION OF DOCUMENTS AND PROCEEDINGS

Save as otherwise expressly provided in the Act or these Articles, a document or proceeding requiring authentication by the Company or contracts made by or on behalf of the Company may be signed by the Key Managerial Personnel or an officer duly authorised by the Board.

39. NOT RESPONSIBLE FOR ACTS OF OTHERS

Subject to the provisions of the Act, no Director or other officer of the Company shall be liable for the acts, receipt, neglects or defaults of any other Director or officer, or for joining in any receipt or other act for conformity or for any loss or expenses happening to the Company through insufficiency or deficiency of title to any property acquired by order of the Director for or on behalf of the Company, or for the insufficiency or deficiency of any security in or upon which any of the moneys of the Company shall be invested, or for any loss or damage arising from the bankruptcy, insolvency, or tortuous act of any person, company or corporation, with whom any moneys, securities or effects shall be entrusted or deposited or for any loss occasioned by any error of judgment or over sight in his part or for any other loss or damage or misfortune whatever which shall happen in the execution of the duties of his office or in relation thereto, unless the same happens through his own willful act or default.

40. FILING FEES

Without prejudice to the generality foregoing it is hereby expressly declared that any filing fee payable or any document required to be filed with Registrar of Companies in respect of any act done or required to be done by any Director or other Officer by reason of his holding the said office, shall be paid and borne by the Company

41. SECRECY

No Shareholder shall be entitled to visit or inspect any work of the Company without the permission of the Directors or to require discovery of or any information respecting any detail of the Company's secret process or any other matter which is or may be in the nature of a trade, secret process or any other matter which may relate to the conduct of the business of the Company and which in the opinion of the Directors, it would be inexpedient in the interest of the Company to disclose.

42. ALTERATION IN ARTICLES OF ASSOCIATION

The Company, may from time to time alter, add to amend or delete any of the existing Articles or may add a new Article thereto or adopt a new set in accordance with the provisions of the Act.

PART B

The provisions of this Part B have been inserted pursuant to the execution of the Shareholders Agreement (defined hereinafter).

In the event of any inconsistency between Part A and Part B of these Articles, the provisions of Part B of these Articles shall prevail over Part A of these Articles. Part B of these Articles shall automatically terminate and cease to have any force and effect and deemed to fall away on and from the date of listing and commencement of trading of the Equity Shares on a stock exchange in India, subsequent to an initial public offering of the Equity Shares.

In the interpretation of these presents the following words and expressions shall have the following meanings respectively, unless excluded by subject or context.

PRELIMINARY

INTERPRETATION

The Regulations contained in Table "F" in Schedule I of the Companies Act, 2013 shall not apply to the Company, except in so far as the same are repeated, contained or expressly made applicable in these Articles of Association by the said Act.

In these present regulations, the following words and expressions shall have the following meanings, unless excluded by the subject or context;

"**Act**" shall mean the Companies Act, 2013 and the rules and regulations framed thereunder, to the extent notified, and amended, modified or supplemented from time to time or Companies Act, 1956 to the extent that the provisions of the Companies Act, 1956 remain in force;

"**Accounting Period**" with respect to the Company, means the period from and including 1 April in any calendar year to and including 31 March in the following calendar year;

"**Accounting Principles**" means the accounting principles and policies adopted by the Company, which shall be the generally accepted accounting principles in the relevant country;

"**Affiliate**" means with respect to any Person,

(a) in case of a Person other than a natural person, any other Person directly or indirectly Controlling, Controlled by, or i under common Control with such Person, anytime during the period for which the determination of affiliation is being made;

(b) with respect to any natural person: (i) any other person that is a Relative of such natural person; or (ii) person that is directly or indirectly (i.e., through one or more intermediate persons Controlled by such natural person and/or the Relative of such natural person) Controlled by such natural person; or (iii) any private trusts whose beneficiary is such natural person; and

(c) with respect to the Investor, to also include (i) the Fund, The Carlyle Group, L.P., Riverstone Holdings L.L.C., NGP Energy Capital Management, L.L.C., (ii) any alternative investment or co investment fund, entity or company, investment solutions vehicles, managed accounts, the global market strategies investment funds and hedge funds (including without limitation, any investment trust, limited partnership or general partnership) associated or affiliated with or managed by The Carlyle Group, L.P. or its Affiliates, Riverstone Holdings L.L.C., NGP Energy Capital Management, L.L.C. or any of their affiliates or the general partner of any of the Fund or its Affiliates, or to which The Carlyle Group, L.P. or its Affiliates, Riverstone Holdings L.L.C., NGP Energy Capital Management, L.L.C. or any of their Affiliates or the general partner of any of the Fund (or its Affiliates) has provided management or consulting services or capital, and (iii) any successor investment fund, vehicle or company to the Fund, (iv) any Person that, directly or indirectly Controls, is Controlled by or under the common Control of the Investor or any Person referred in (i), (ii) and (iii) above; but for the avoidance of doubt, "Affiliates" shall not include: (i) any portfolio company or entity in which any investment fund managed by The Carlyle Group, L.P. or its Affiliates has invested, or (ii) any entities of the Company Group, Existing

Shareholders or their respective affiliates, associates, directors, officers, shareholders, employees, agents, consultants, advisors and representatives;

"**Affiliate Deed of Adherence**" means a deed in the form set out in the Shareholders Agreement;

"**Affirmative Vote Matter**" shall have the meaning ascribed to the term in Article 36.14;

"**AGM**" means the annual general meeting of the Company;

"**Ameera**" shall mean Ms Ameera Shah;

"**Articles of Association**" or "**Articles**" shall mean the articles of association of the Company, as amended from time to time;

"**Audited Accounts**" means the audited accounts of the Company for the period ending 31 March of each Accounting Period;

"**Auditors**" means a firm of chartered accountants appointed as auditors of the Company, from time to time in terms of these Articles;

"**Bacchus**" shall mean Bacchus Hospitality Services and Real Estate Private Limited, a private limited company incorporated under the Companies Act, 1956 and having its registered office at 250 D, Udyog Bhavan, Worli, Mumbai, Maharashtra;

"**Board of Directors**" or "**Board**" shall mean the board of Directors, as constituted from time to time in accordance with the terms of these Articles;

"**Business**" means the business of pathology testing services;

"**Business Day**" means any day other than a Saturday, Sunday, or a day on which all banking institutions operating in Mumbai, India, Hong Kong, New York or Mauritius are authorized or obligated by Law to close;

"**Business Plan**" means the business plan prepared on an annual basis in relation to the business and operations of the Company and its Subsidiaries, as approved by the Board from time to time and as may be amended in accordance with these Articles;

"**Chairman**" means the chairman of the Board;

"**Charter Documents**" means, collectively, the Memorandum and Articles, as amended from time to time, from the Closing Date;

"**Chief Executive Officer**" means the chief executive officer (or by whatever other name called) of the Company appointed in terms of these Articles from time to time;

"**Chief Financial Officer**" means the chief financial officer (or by whatever other name called) of the Company appointed in terms of these Articles from time to time;

"**Closing Date**" means the date of adoption of these Articles i.e. 9 September 2015;

"**Company**" or "**This Company**" means Metropolis Healthcare Limited;

"**Company Group**" means the Company and the Material Subsidiaries;

"**Company Representative**" means any director, officer, agent, employee, representative, consultant, or any other person acting for or on behalf of the Company and/or any of its Subsidiaries (individually and collectively);

"**Competitor**" means any Person who is not a Financial Investor and who directly by itself or through its Affiliate or as part of a group which (directly or through its Affiliate), is engaged in the Competing Business and such Person (either by itself or through its Affiliate or as part of the group) derives atleast 50% (fifty percent) of the consolidated revenues of such Person (either by itself or through its Affiliate or as part of the group) from the Competing Business, in any of the immediately preceding 3 (three) Accounting Periods;

For the purposes of this definition, (i) "**Competing Business**" means the Business and any other business activities carried on by the Company as on the relevant date, provided the Company derives at least INR 500,000,000 (Indian Rupees five hundred million) in the last 12 (twelve) months consolidated revenues from such business activity; and (ii) Affiliated financial sector entities of a Strategic Investor such as mutual funds, insurance companies, pension funds and banks of such Strategic Investor shall not be considered as a "**Competitor**";

"**Compliance Officer**" shall mean a compliance officer or a designated officer(s) of the Company, appointed by the Company, who shall be the "officer in default" or "person in charge" for the purposes of applicable Law;

"**Consent**" means approval, consent, ratification, no objection, waiver, license, permit, exemption, clearance or registration or other authorization;

"**Controlling**" or "**Control**" or "**under common Control**" or "**Controlled**" by a Person means the power to direct the management and policies of an entity whether through (A) the ownership (direct or indirect) of more than 50% (fifty per cent) of the voting capital or economic interest of such Person; or (B) the power to appoint a majority of the directors on the board of directors of such Person or similar principal governing body of such Person or (C) solely for the purposes of determining an Affiliate, the ability to Significantly Influence another person;

"**Director**" shall mean any director of the Board for the time being of the Company or any Subsidiary of the Company, as the context may require, including, where applicable, any alternate director;

"**Dividend**" includes interim dividend unless otherwise stated;

"**Encumbrance**" means any encumbrance, any claim, right of others, security interest, title retention agreement, mortgage, pledge, charge (whether fixed or floating), hypothecation, lien, deposit by way of security, assignment, deed of trust, bill of sale, option interest, proxy, beneficial ownership (being usufruct and similar entitlements), encroachment, easement, common right, any voting agreement, interest, right of first offer, right of first refusal, or transfer restriction in favour of any Person, any provisional or executional attachment and any other interest held by a third party or any agreement, arrangement or obligation to create any of the foregoing;

"**Existing Shareholders**" shall mean collectively Bacchus and the Family Shareholders and "**Existing Shareholder**" means Bacchus and the Family Shareholders individually;

"**Family Shareholders**" shall mean Ms Ameera Sushil Shah, Dr Sushil K Shah and Dr (Mrs) Duru Sushil Shah, each of whom is duly and validly represented by Ms. Ameera Shah;

"**Family Shareholder Director**" shall have the meaning ascribed to the term in Article 36.2;

"**Extra Ordinary General Meeting**" or "**EGM**" shall mean the extra ordinary general meeting of the Company and/or the Subsidiaries convened and held in accordance with the Act or the relevant applicable Law, as the context may require;

"**Financial Investor**" means any private equity fund, financial institution, alternate investment fund, sovereign wealth fund, mutual fund, insurance company, asset manager and any other fund including a portfolio investment schemes managed by such managers, banks, non-banking financial companies (other than a core investment company) or institutional investors, foreign portfolio investors, brokerages, which is engaged in the business of making financial investments as its primary business; provided that for the purposes of these Articles, any such Financial Investor or its Affiliate which holds more than (i) 10% (ten percent) shareholding in (a) a Competitor of the Company listed in a recognised stock exchange in India; or (b) a Competitor of the Company listed in stock exchange anywhere other than India and having any operating entity in India (including joint ventures) which is engaged in the Competing Business; and/or (ii) 25% (twenty five percent) shareholding in an unlisted Competitor of the Company shall not be considered to be a Financial Investor;

"**Financial Year**" shall mean the period commencing April 1 each year and ending on March 31 the next year, or such other period as may be determined by the Board of Directors of the Company or any of the Subsidiaries to be the financial year for such company in accordance with the terms of these Articles;

"**Fully Diluted Basis**" means the total equity share capital of the Company calculated assuming that all outstanding securities convertible, exercisable and/or exchangeable into equity shares or rights or options which carry a right to subscribe to equity shares or securities convertible, exercisable and/or exchangeable into equity shares, including debentures, stock options, warrants issued by the Company (whether or not by their terms then currently convertible, exercisable or exchangeable) have been so converted, exercised or exchanged;

"**Fund**" means Carlyle Asia Partners IV AIV Mauritius Limited;

"**GAAP**" means the generally accepted accounting principles consistently applied as in effect from time to time in the relevant country;

"**General Meeting**" shall mean the general meeting of the Shareholders;

"**Governmental Body**" means any (i) national, state, federal, county or foreign government or any municipal, local, province or any other political sub-division thereof; or (ii) any entity, authority or body exercising executive, legislative, judicial, regulatory, taxing or administrative functions of or pertaining to government, including any government authority, agency, division, bureau, department, board, commission or instrumentality of India, as applicable, or any political subdivision thereof; or (iii) any court, tribunal or arbitrator and any securities exchange or body or authority regulating such securities exchange in India or (iv) any public international organization; or (v) any company, business, enterprise, or other entity owned, in whole or in part, or controlled by any government, Body, organization, or other Person described in the foregoing clauses (i) to (iv) of this definition;

"**Government Official**" shall mean (i) any official, officer, employee, or representative of, or any Person acting in an official capacity for or on behalf of, any Government Body, (ii) any political party or party official or candidate for political office, (iii) a Politically Exposed Person ("**PEP**") as defined by the Financial Action Task Force ("**FATF**") or Groupe d'action Financière sur le Blanchiment de Capitaux ("**GAFI**") or (iv) any company, business, enterprise, or other entity owned, in whole or in part, or controlled by any Person described in the foregoing clause (i), (ii) or (iii) of this definition;

"**Initial Investment Amount**" means INR 7,763,702,149 (Indian Rupees seven billion seven hundred and sixty three million seven hundred and two thousand one hundred and forty nine);

"**INR**" or "**Rs**" or "**Indian Rupees**" shall mean Indian Rupees, the lawful currency of the Republic of India;

"**Investor**" shall mean CA Lotus Investments, a company incorporated under the laws of Mauritius and having its registered office at 6th Floor, GFin Tower, 42 Hotel Street, Cybercity, Ebene, Mauritius and shall includes its successors and permitted assigns;

"**Investor Director**" shall have the meaning ascribed to the term in Article 35.2;

"**IPO**" shall mean an initial public offering of shares or other securities (including depositary receipts), either domestic or overseas, and the consequent listing of such shares or other securities in stock exchanges, domestic or overseas;

"**IRR**" means the internal rate of return of a specified percentage per annum, on the Initial Investment Amount calculated in accordance with the 'XIRR' function in MS EXCEL, taking into account all gross cash distributions and payments made to the Investor (including dividends (interim and final) and payments made pursuant to a buy-back by the Company) by the Company but without considering any reimbursements to the Investor and/or indemnity payments to the Investor and its Affiliates;

"**Joint Ventures**" shall have the meaning ascribed to the term in Article 36.14.2;

"**Key Employees**" means chief operating officer, chief financial officer, chief medical officer, chief marketing officer, profit centre heads and director - operations;

"**Law**" means any statute, law, rule, regulation, ordinance, judgment, notification, writ, injunction, order, decree, by-law, award, administrative requirement, guideline, directive, policy or any similar form of decision or determination, or any interpretation or adjudication having the force of law or other restriction of any Governmental Body , as applicable and as enacted or promulgated;

"**Lead Manager**" means one of the Category I Merchant Banks registered under the Securities Exchange Board of India (Merchant Bankers) Regulations, 1992 ("**SEBI Merchant Banker Regulations**") set out in Schedule 2 of these Articles or such other merchant banks as may be mutually agreed in writing between Ameera and the Investor;

"**Litigation**" means any action, cause of action, claim, demand, suit, proceeding, summons or subpoena, inquiry or investigation of civil, criminal or regulatory nature, pending, by or before any Governmental Body;

"**Loss**" means all direct losses, liabilities, damages, penalties, fines, costs and expenses incurred by or suffered as per the terms of these Articles (including reasonable attorneys' and accountants' fees), but excluding any consequential, indirect, punitive, conditional, incidental or special damages;

"**Memorandum**" means the memorandum of association of the Company, as amended from time to time;

"**Managing Director**" shall have the meaning assigned thereto in the Act;

"Material Subsidiaries" means the following Subsidiaries of the Company:

(a) Sudharma Metropolis Health Service Private Limited;
(b) Nawaloka Metropolis Laboratories Services Private Limited; and
(c) Golwilkar Metropolis Health Services (India) Private Limited.

"**Member**" means the duly registered holder from time to time, of the shares of the Company and includes the subscribers to the Memorandum of Association and in case of shares held by a Depository, the Beneficial Owners whose names are recorded as such with the Depository;

"**Month**" means the English Calendar month;

"**OFAC**" shall have the meaning ascribed to that expression in the definition of "Sanctions Law and Regulations" below;

"**Offer for Sale**" means the public offering of Shares held by existing shareholders of a company in accordance with the mechanism prescribed in the SEBI (Issue of Capital and Disclosure Requirement) Regulations, 2009 (as amended or modified from time to time);

"**Office**" means the Registered Office, for the time being of the Company;

"**Officer**" shall have the meaning assigned thereto by the Act;

"**Ordinary Resolution**" shall have the meaning assigned thereto by the Act;

"**Parties**" shall mean the Company, the Family Shareholders, Bacchus and the Investor;

"**Person**" means an individual, a partnership, a corporation, a limited liability partnership, a limited or unlimited liability company, proprietorship, an association (whether or not having a separate legal personality), a body corporate, Hindu undivided family, a joint stock company, a trust, a joint venture, an unincorporated organization or a Governmental Body or any entity that may be treated as a person under applicable Law;

"**PEP**" shall have the meaning ascribed to that expression in the definition of "Government Official" below;

"**Permitted Transferee**" means any Person to whom any Party may Transfer Securities in accordance with the terms of these Articles;

"**Proxy**" includes Attorney duly constituted under a Power Attorney;

"**Qualifying Merger**" has the meaning as set out in the Shareholders Agreement;

"**Register**" means the Register of Members to be kept pursuant to the said Act;

"**Related Party**" shall have the meaning ascribed to the term under the Act and/or Indian GAAP;

“**Relative**” has the meaning ascribed to the term under the Act;

“**Sanctions Law and Regulations**” means (1) any of the Trading With the Enemy Act, the International Emergency Economic Powers Act, the United Nations Participation Act, the Syria Accountability and Lebanese Sovereignty Act, the Comprehensive Iran Sanctions, Accountability, and Divestment Act of 2010, or the Iran Sanctions Act, all as amended, or regulations of the US Treasury Department Office of Foreign Assets Controls (“**OFAC**”), or any export control law or regulation applicable to US-origin goods, or any enabling legislation or executive order relating to any of the above, as collectively interpreted and applied by the United States Government at the prevailing point in time; (2) any United States sanctions related to or administered by the Department of State; and (3) any sanctions measures or embargos imposed by the United Nations Security Council, Her Majesty’s Treasury or the European Union or the Republic of India or other relevant sanctions authority;

“**Sanctions Target**” means: (i) any country or territory that is the subject of country-wide or territory-wide Sanctions; (ii) a person or entity that is on the list of Specially Designated Nationals (“**SDNs**”) and Blocked Persons published by OFAC or any equivalent list of sanctioned persons issued by the U.S. Department of State or in terms of any Sanctions Law and Regulations; or (iii) a person or entity or any shareholder or partner or member or beneficiary thereof that is located in or organized under the laws of or undertakes any business or any operations within a country or territory that is identified as the subject of country-wide or territory-wide Sanctions Law and Regulations;

“**SDN**” shall have the meaning ascribed to that expression in the definition of “Sanctions Target” above;

“**SEBI**” means the Securities and Exchange Board of India;

“**Seal**” means Common seal for the time being of the Company;

“**Secretary**” means a Company Secretary within the meaning of clause (c) of sub-Section (1) of Section 2 of the Company Secretaries Act, 1980 and includes a person or persons appointed by the board to perform any of the duties of a Secretary subject to the provisions of the Act;

“**Section**” means Section of the Companies Act, 2013;

“**Securities**” means the Shares, preference shares, debentures, loans (other than loans which are convertible solely on a payment default), bonds, warrants, option agreements or other similar instruments or securities which are convertible into exercisable or exchangeable into for Shares, or an instrument or agreement which carries a right to subscribe to or purchase shares of such company or any instrument or certificate representing a legal or beneficial ownership interest in Shares of the Company;

“**Shares**” means the equity shares of face value of INR 10 (Rupees Ten) each in the Share Capital, entitling the holder to 1 (one) vote per Share;

“**Shareholders**” means the Existing Shareholders and the Investor, and such other Person who becomes a shareholder of the Company in accordance with the terms of these Articles; and "**Shareholder**" shall be construed accordingly;

“**Share Capital**” shall mean the total issued and paid up Shares of the Company, determined on a Fully Diluted Basis;

“**Share Purchase Agreement**” shall mean the share purchase agreement dated 5 August 2015 entered into among the Investor, Dr GSK Velu, Mrs SK Velu and Mrs G Gomathy;

“**Shareholders Agreement**” shall mean the Shareholders Agreement dated 8 September 2015 entered into amongst the Family Shareholders, Bacchus, the Investor and the Company, and shall include all schedules thereto and all modifications, alterations, additions or deletions thereto made in writing upon mutual consent of the Parties hereafter on execution of the Shareholders Agreement;

“**Special Resolution**” shall have the meaning assigned thereto by Section 114 of the Act;

"**Specified Financial Investors**" means the list of 2 (two) Financial Investors agreed between the Investor and Ameera on Closing Date and as may be updated from time to time in a manner agreed to in writing between the Investor and the Family Shareholders;

"**Strategic Investor**" means any entity or conglomerate, who is not a Financial Investor;

"**Strategic Merger**" has the meaning as set out in the Shareholders Agreement;

"**Subsidiary(ies)**" shall have the meaning ascribed to such term under the Act;

"**Tax**" or "**Taxation**" means any direct or indirect central, state, local or foreign income, alternative, minimum alternate tax, value added, excise, customs, real property, ad valorem, occupancy, withholding, dividend distribution tax or other similar tax, duty, fee, contribution, levy, impost, assessment or other governmental charge thereof (including all interests, surcharges, fines and penalties thereon and additions thereto) due, payable, levied or imposed upon the Company and/or its Subsidiaries;

"**Tax Return**" means any return, revised return, report, declaration, form, claim for refund or information return, which are required to be filed with the Taxation authorities under applicable Law, including any schedule or attachment thereto, and including any amendment thereof;

"**These Presents**" or "**Regulations**" means these Articles of Association as originally framed or altered from time to time and include the Memorandum where the context so requires;

"**Third Party Consultants**" shall have the same meaning as set out in Article 46;

"**Third Party Deed of Adherence**" means a deed in the form set out in the Shareholders Agreement;

"**Transfer**" means to transfer, sell, gift, assign, Encumber, place in trust (voting or otherwise), transfer by operation of Law or in any other way subject to any Encumbrance or dispose of, whether voluntarily or involuntarily including, without limitation, any attachment, assignment for the benefit of creditors against the Company or appointment of a custodian, liquidator or receiver of any of its properties, business or undertaking; and

"**Writing**" and "**Written**" means and includes words, hand written, printed, typewritten, lithographed, represented or reproduced in any mode in a visible form.

SHARE CAPITAL AND VARIATION OF RIGHTS

1 Subject to the provisions of the Act and these Articles, the shares in the capital of the Company for the time being shall be under the control of the Board of Directors who may issue, allot or otherwise dispose of the same or any of them to such persons, in such proportion and on such terms and conditions and either at a premium or at par or at a discount and at such time as they may from time to time think fit and with the sanction of the Company in the General Meeting to give to any person or persons the option or right to call for any shares either at par or premium during such time and for such consideration as the Board of Directors think fit, and may issue and allot shares in the capital of the Company on payment in full or part of any property sold and transferred or for any services rendered to the Company in the conduct of its business and any shares which may so be allotted may be issued as fully paid up shares, and if so issued, shall be deemed to be fully paid shares. Provided that option or right to call of shares shall not be given to any person or persons without the sanction of the Company in the General Meeting. The authorized share capital of the Company shall be such amount as is given in Clause V of the Memorandum of Association.

2 **Share Certificates**

2.1 Every person whose name is entered as a Member in the register of Members shall be entitled to receive within two months after incorporation, in case of subscribers to the memorandum or after allotment or within one month after the application for the registration of transfer or transmission or within such other period as the conditions of issue shall be provided —

2.1.1 one certificate for all his shares without payment of any charges; or

2.1.2 several certificates, each for one or more of his shares, upon payment of twenty rupees for each certificate after the first.

2.2 Every certificate shall be under the seal and shall specify the shares to which it relates and the amount paid-up thereon.

2.3 In respect of any share or shares held jointly by several persons, the Company shall not be bound to issue more than one certificate, and delivery of a certificate for a share to one of several joint holders shall be sufficient delivery to all such holders.

3 **Duplicate Share Certificates**

3.1 If any share certificate be worn out, defaced, mutilated or torn or if there be no further space on the back for endorsement of transfer, then upon production and surrender thereof to the Company, a new certificate may be issued in lieu thereof, and if any certificate is lost or destroyed then upon proof thereof to the satisfaction of the Company and on execution of such indemnity as the Company deem adequate, a new certificate in lieu thereof shall be given. Every certificate under this Article shall be issued on payment of twenty rupees for each certificate.

3.2 When a new share certificate has been issued in pursuance of Article 3.1 of these Articles, it shall state on the face of it and against the stub or counterfoil to the effect that it is issued in lieu of share certificate No consolidation of shares sub-divided/replaced on consolidation of shares.

3.3 When a new certificate has been issued in pursuance of Article 3.1 of these Articles, it shall state on the face of it against the stub or counterfoil to the effect that it is duplicate issued in lieu of share certificate No.____the word 'Duplicate' shall be stamped or punched in bold letters across the face of the share certificate and when a new certificate has been issued in pursuance of Articles 3.1, 3.2 and 3.3, particulars of every such share certificate shall be entered in a Register of Renewed and Duplicate Certificates indicating against it, the names of the persons to whom the certificate is issued, the number and the necessary changes indicated in the Register of Members by suitable cross references in the "remarks" column.

3.4 All blank forms, share certificates shall be printed only on the authority of a resolution duly passed by the Board.

3.5 The provisions of Articles 2 and 3 shall mutatis mutandis apply to debentures of the Company.

4 Except as required by law, no person shall be recognised by the Company as holding any share upon any trust, and the Company shall not be bound by, or be compelled in any way to recognise (even when having notice thereof) any equitable, contingent, future or partial interest in any share, or any interest in any fractional part of a share, or (except only as by these regulations or by law otherwise provided) any other rights in respect of any share except an absolute right to the entirety thereof in the registered holder.

5 **Commissions and Brokerage**

5.1 The Company may exercise the powers of paying commissions conferred by sub-section (6) of section 40 of the Act, provided that the rate per cent or the amount of the commission paid or agreed to be paid shall be disclosed in the manner required by that section and rules made thereunder.

5.2 The rate or amount of the commission shall not exceed the rate or amount prescribed in rules made under sub-section (6) of section 40 of the Act.

5.3 The commission may be satisfied by the payment of cash or the allotment of fully or partly paid shares or partly in the one way and partly in the other.

5.4 The Company may also, in any issue, pay such brokerage as may be lawful.

6 **Variation of Rights**

6.1 Subject to the provisions of Article 36.14 (Affirmative Vote Matters), if at any time the share capital is divided into different classes of shares, the rights attached to any class (unless otherwise provided by the terms of issue of the shares of that class) may, subject to the provisions of section 48, and whether or not the Company is being wound up, be varied with the consent in writing of the holders of three-fourths of the issued shares of that class, or with the sanction of a special resolution passed at a separate meeting of the holders of the shares of that class.

6.2 To every such separate meeting, the provisions of these regulations relating to general meetings shall mutatis mutandis apply, but so that the necessary quorum shall be at least 2 (two) persons holding at least one-third of the issued shares of the class in question.

7 The rights conferred upon the holders of the shares of any class issued with preferred or other rights shall not, unless otherwise expressly provided by the terms of issue of the shares of that class, be deemed to be varied by the creation or issue of further shares ranking pari passu therewith.

8 Subject to the provisions of Article 36.14 of these Articles (Affirmative Vote Matters) and Section 55 of the Act, any preference shares may, with the sanction of an ordinary resolution, be issued on the terms that they are to be redeemed on such terms and in such manner as the Company before the issue of the shares may, by special resolution, determine.

9 Subject to the provisions of Article 36.14 of these Articles (Affirmative Vote Matters) and Section 71 of the Act, any debentures may, with the sanction of a special resolution, be issued on the terms that they are to be redeemed on such terms by the Company.

10 **Alteration of Capital**

10.1 Subject to the provisions of Article 36.14(Affirmative Vote Matters), the Company may, from time to time, by ordinary resolution increase the share capital by such sum, to be divided into shares of such amount, as may be specified in the resolution.

10.2 Subject to the provisions of section 61 of the Act, the Company may, by ordinary resolution:

10.2.1 consolidate and divide all or any of its share capital into shares of larger amount than its existing shares;

10.2.2 convert all or any of its fully paid-up shares into stock, and reconvert that stock into fully paid up shares of any denomination;

10.2.3 sub-divide its existing shares or any of them into shares of smaller amount than is fixed by the memorandum; and

10.2.4 cancel any shares which, at the date of the passing of the resolution, have not been taken or agreed to be taken by any other person.

10.3 Where any shares are converted into stock:

10.3.1 the holders of stock may transfer the same or any part thereof in the same manner as, and subject to the same regulations under which, the shares from which the stock arose might before the conversion have been transferred, or as near thereto as circumstances admit:
Provided that the Board may, from time to time, fix the minimum amount of stock transferable, so, however, that such minimum shall not exceed the nominal amount of the shares from which the stock arose.

10.3.2 the holders of stock shall, according to the amount of stock held by them, have the same rights, privileges and advantages as regards dividends, voting at meetings of the Company, and other matters, as if they held the shares from which the stock arose, but no such privilege or advantage (except participation in the dividends and profits of the Company and in the assets on winding up) shall be conferred by an amount of stock which would not, if existing in shares, have conferred that privilege or advantage.

10.3.3 such of the regulations of the Company as are applicable to paid-up shares shall apply to stock and the words "shares" and "shareholder" in those regulations shall include "stock" and "stock-holder" respectively.

10.4 The Company may, by special resolution, reduce in any manner and with, and subject to, any incident authorised and consent required by law:

10.4.1 its share capital;

10.4.2 any capital redemption reserve account; or

10.4.3 any share premium account.

10.5 Subject, to Section 62 of the Act and Article 36.14, the Company may increase its subscribed capital on exercise of an option attached to the debentures or loans raised by the Company to convert such debentures or loans into shares or to subscribe for shares in the Company

10.6 Rights to convert shares into stock & vice-versa:

The Company in General Meeting may, by an Ordinary Resolution, convert any fully paid- up shares into stock and when any shares shall have been converted into stock the several holders of such stock, may henceforth transfer their respective interest therein, or any part of such interest in the same manner and subject to the same Regulations as, and subject to which shares from which the stock arise might have been transferred, if no such conversion had taken place. The Company may, by an Ordinary Resolution reconvert any stock into fully paid up shares of any denomination. Provided that the Board may, from time to time, fix the minimum amount of stock transferable, so however such minimum shall not exceed the nominal amount of shares from which the stock arose.

10.7 Rights of stock holders:

The holders of stock shall according to the amount of stock held by them have the same rights, privileges and advantages as regards dividends, voting at meetings of the Company and other matters as if they held the shares from which the stock arose; but no such privileges or advantages (except participation in the dividends and profits of the Company and in the assets on winding-up) shall be conferred by an amount of stock which would not, if existing in shares, have conferred those privileges or advantages.

11 **Restriction on Allotment**

11.1 The Board of Directors shall, in making the allotments, duly observe the provision of the Act; and

11.2 The Board of Directors from issuing fully paid up shares either on payment of the entire nominal value thereof in cash or in satisfaction of any outstanding debt or obligation of the Company.

12 **Power to Issue Shares with Differential Voting Rights**
Subject to the provisions of these Articles, the Company shall have the power to issue Shares with such differential rights as to dividend, voting or otherwise, subject to the compliance with requirements as provided for in the Companies (Share Capital and Debentures) Rules, 2014, or any other law as may be applicable.

LIEN

13 Subject to the provisions of Article 36.14 (Affirmative Vote Matters), the Company shall have a first and paramount lien –

13.1.1 on every share (not being a fully paid share), for all monies (whether presently payable or not) called, or payable at a fixed time, in respect of that share; and

13.1.2 on all shares (not being fully paid shares) standing registered in the name of a single person, for all monies presently payable by him or his estate to the Company:

Provided that the Board of directors may at any time declare any share to be wholly or in part exempt from the provisions of this clause.

13.2 The Company's lien, if any, on a share shall extend to all dividends payable and bonuses declared from time to time in respect of such shares.

13.3 Subject to the provisions of Article 36.14 (Affirmative Vote Matters),the Company may sell, in such manner as the Board thinks fit, any shares on which the Company has a lien:

Provided that no sale shall be made—

13.3.1 unless a sum in respect of which the lien exists is presently payable; or

13.3.2 until the expiration of 14 (fourteen) days after a notice in writing stating and demanding payment of such part of the amount in respect of which the lien exists as is presently payable, has been given to the registered holder for the time being of the share or the person entitled thereto by reason of his death or insolvency.

13.4 To give effect to any such sale, the Board may authorise some person to transfer the shares sold to the purchaser thereof.

13.5 The purchaser shall be registered as the holder of the shares comprised in any such transfer.

13.6 The purchaser shall not be bound to see to the application of the purchase money, nor shall his title to the shares be affected by any irregularity or invalidity in the proceedings in reference to the sale.

13.7 The proceeds of the sale shall be received by the Company and applied in payment of such part of the amount in respect of which the lien exists as is presently payable.

13.8 The residue, if any, shall, subject to a like lien for sums not presently payable as existed upon the shares before the sale, be paid to the person entitled to the shares at the date of the sale.

CALLS ON SHARES

14 Calls on Shares

14.1 Subject to the provisions of Article 36.14 (Affirmative Vote Matters), the Board may, from time to time, make calls upon the Members in respect of any monies unpaid on their shares (whether on account of the nominal value of the shares or by way of premium) and not by the conditions of allotment thereof made payable at fixed times:
Provided that no call shall exceed1/4^{th} (one-fourth) of the nominal value of the share or be payable at less than one month from the date fixed for the payment of the last preceding call.

14.2 Each Member shall, subject to receiving at least fourteen days' notice specifying the time or times and place of payment, pay to the Company, at the time or times and place so specified, the amount called on his shares.

14.3 A call may be revoked or postponed at the discretion of the Board.

14.4 A call shall be deemed to have been made at the time when the resolution of the Board authorising the call was passed and may be required to be paid by instalments.

14.5 The joint holders of a share shall be jointly and severally liable to pay all calls in respect thereof.

14.6 If a sum called in respect of a share is not paid before or on the day appointed for payment thereof, the person from whom the sum is due shall pay interest thereon from the day appointed for payment thereof to the time of actual payment at 10% (ten per cent) per annum or at such lower rate, if any, as the Board may determine.

14.7 The Board shall be at liberty to waive payment of any such interest wholly or in part.

14.8 Any sum which by the terms of issue of a share becomes payable on allotment or at any fixed date, whether on account of the nominal value of the share or by way of premium, shall, for the purposes of these regulations, be deemed to be a call duly made and payable on the date on which by the terms of issue such sum becomes payable.

14.9 In case of non-payment of such sum, all the relevant provisions of these regulations as to payment of interest and expenses, forfeiture or otherwise shall apply as if such sum had become payable by virtue of a call duly made and notified.

15 **The Board**

15.1The Board of Directors may, if it thinks fit:

15.1.1 receive from any Member willing to advance the same, all or any part of the monies uncalled and unpaid upon any shares held by him; and

15.1.2 upon all or any of the monies so advanced, may (until the same would, but for such advance, become presently payable) pay interest at such rate not exceeding, unless the Company in general meeting shall otherwise direct, twelve per cent per annum, as may be agreed upon between the Board and the Member paying the sum in advance.

FORFEITURE OF SHARES

16 **Forfeiture of Shares**

16.1 Subject to the provisions of Article 36.14 (Affirmative Vote Matters), if a Member fails to pay any call, or instalment of a call, on the day appointed for payment thereof, the Board may, at any time thereafter during such time as any part of the call or instalment remains unpaid, serve a notice on him requiring payment of so much of the call or instalment as is unpaid, together with any interest which may have accrued.

16.2 The notice aforesaid shall:

16.2.1 name a further day (not being earlier than the expiry of 14 (fourteen) days from the date of service of the notice) on or before which the payment required by the notice is to be made; and

16.2.2 state that, in the event of non-payment on or before the day so named, the shares in respect of which the call was made shall be liable to be forfeited.

16.3 If the requirements of any such notice as aforesaid are not complied with, any share in respect of which the notice has been given may, at any time thereafter, before the payment required by the notice has been made, be forfeited by a resolution of the Board to that effect.

16.4 When any share shall have been so forfeited, notice of the forfeiture shall be given to the Member on whose name it stood immediately prior to the forfeiture and any entry of the forfeiture with the date thereof, shall forthwith be made in the Register of Members, but no forfeiture shall be in any manner invalidated by any omission or neglect to give such notice or to make any such entry as aforesaid.

16.5 A forfeited share may be sold or otherwise disposed of on such terms and in such manner as the Board thinks fit.

16.6 At any time before a sale or disposal as aforesaid, the Board may cancel the forfeiture on such terms as it thinks fit.

16.7 A person whose shares have been forfeited shall cease to be a Member in respect of the forfeited shares, but shall, notwithstanding the forfeiture, remain liable to pay to the Company all monies which, at the date of forfeiture, were presently payable by him to the Company in respect of the shares.

16.8 The liability of such person shall cease if and when the Company shall have received payment in full of all such monies in respect of the shares.

16.9 A duly verified declaration in writing that the declarant is a director, the manager or the secretary, of the Company, and that a share in the Company has been duly forfeited on a date stated in the declaration, shall be conclusive evidence of the facts therein stated as against all persons claiming to be entitled to the share.

16.10 The Company may receive the consideration, if any, given for the share on any sale or disposal thereof and may execute a transfer of the share in favour of the person to whom the share is sold or disposed of.

16.11 The transferee shall thereupon be registered as the holder of the share.

16.12 The transferee shall not be bound to see to the application of the purchase money, if any, nor shall his title to the share be affected by any irregularity or invalidity in the proceedings in reference to the forfeiture, sale or disposal of the share.

16.13 The provisions of these regulations as to forfeiture shall apply in the case of non-payment of any sum which, by the terms of issue of a share, becomes payable at a fixed time, whether on account of the nominal value of the share or by way of premium, as if the same had been payable by virtue of a call duly made and notified.

TRANSFER AND TRANSMISSION OF SHARES

17 **Prohibition on Transfer**

17.1 The Shareholders shall not, directly or indirectly, Transfer or attempt to Transfer all or any of the Shares (or any interest therein) held by it other than in the manner set out under these Articles.

The Company shall restrict any such Transfers, and any Transfer or attempt to Transfer any Shares in violation of these terms shall be null and void ab initio and the Company shall not register such Transfer and may institute proceedings for this purpose, if required by applicable Law.

17.2 No Transfer of Shares may be made unless the Transfer complies in all respects with the other provisions of applicable Laws and these Articles.

17.3 The Transfer restrictions on shareholders under these Articles shall not be capable of being avoided by the holding of Securities indirectly through a company or other entity (or one or more companies or entities either alone or together in any combination or under contract) that can itself (or the Securities in it) be sold in order to Transfer an interest in Securities, to avoid the restrictions imposed under these Articles. Any Transfer, issuance or other disposal of any Securities (or other interest) including any change in the Control, directly or indirectly, of the shareholder which holds, directly or indirectly, any Securities, shall be treated as being a Transfer of the Securities held by such shareholder, and the provisions of these Articles that apply in respect of the Transfer of Securities shall thereupon apply in respect of the Securities so held. Any Transfer or attempted Transfer of any Securities of the Company in violation of the provisions of these Articles shall be void. Subject to any applicable Laws, the Company shall not register or record the Transfer of any Securities not in compliance with this Article 17. The Company shall not register or record any Transfer of Securities in violation of the provisions of these Articles, and shall not recognize as a shareholder or owner of Securities, nor accord any rights (whether relating to payment of dividend or voting) to the purported transferee of any Securities in violation of the provisions of these Articles, but shall continue to recognise the extant shareholder on the records of the Company as the owner of such Securities.

17.4 Any Transfer of Securities (or other interest) held in any Shareholder or issue of Securities (or other interest) by any Shareholder shall be treated as being a Transfer of the Securities held by such Shareholder in the Company, and the provisions of these Articles that apply in respect of the Transfer of Securities of the Company shall thereupon apply in respect of the Securities in the aforesaid Shareholder so Transferred. In the event of transmission of Securities of the Company to an heir of an individual shareholder of such entity, upon the death of such shareholder, the heir shall, as a condition precedent to such transmission, be bound by the terms and conditions of these Articles, and shall be deemed to have accepted to be so bound by the act of accepting such transferred Securities.

18 **Permitted Transfer to Affiliates**

18.1 Either Shareholder ("**Original Shareholder**") may Transfer all or any part of their Securities in Company to an Affiliate ("**Transferee Affiliate**") and shall not require the consent of the other Shareholder, provided that:

The Transferee Affiliate shall execute the Affiliate Deed of Adherence;

18.1.1 These Articles shall apply as if the Original Shareholder and the Transferee Affiliate are one Party;

18.1.2 All the rights of the Transferee Affiliate under these Articles shall be exercised exclusively by the Original Shareholder;

18.1.3 The Original Shareholder desiring to Transfer its Shares and the Transferee Affiliate shall, prior to any Transfer, undertake to the other Shareholder that the Shares so transferred to the Transferee Affiliate shall be re-transferred to the Original Shareholder or another Affiliate (who shall also be compelled to execute a Affiliate Deed of Adherence), within a period of 15 (fifteen) calendar days if and when the Transferee Affiliate ceases to be an Affiliate of the Original Shareholder;

18.1.4 The Original Shareholder shall continue to remain a party to these Articles and be jointly and severally liable with the Transferee Affiliate in respect of the transferred Shares;

18.1.5 The Original Shareholder shall continue to remain liable as the primary obligor and guarantor of all obligations of the Transferee Affiliate and performance thereunder, in terms of these Articles;

18.1.6 Notwithstanding any other provision of these Articles, Transfer of Securities among the Family Shareholders shall be unfettered and not be require the prior consent of the other Parties or execution of the Affiliate Deed of Adherence, subject that the Family Shareholders shall continue to be jointly and severally responsible for their obligations under these Articles.
For the purposes of this Article 18, with respect to the Existing Shareholders, the term "**Affiliate**" shall mean any Person who is (i) a Relative of the Family Shareholders; or (ii) wholly owned (i.e. ownership and economic interest of at least 99% (ninety nine percent) and above) by the Family Shareholders or Existing Shareholders.

19 **Restriction on Transfer by the Investor**

If the Investor seeks to Transfer any Securities and/or rights therein, it shall only be permitted, subject to the following restrictions:

19.1 The Investor shall only be entitled to assign all its rights (but not less than all) under these Articles upon such Transfer of Securities to a maximum of 1 (one) third party transferee (including its Affiliates) without requiring the prior written consent of the Company and Ameera.

Upon a Transfer of Securities in compliance with this Article 19.1, the third party transferee (other than an Affiliate who will be required to execute the Affiliate Deed of Adherence) shall be required to execute the Third Party Deed of Adherence to complete the said Transfer, wherein among others it will undertake to comply with the obligations of the Investor under these Articles. If the third party transferee is an Affiliate, such Transfer shall be required to comply with the provisions under Article 18 above.

19.2 For all purposes of the Articles, the Company shall not be bound to comply with any communication from the Permitted Transferee (in case of complete Transfer/assignment of rights) or the Investor (in case of partial exercise of Transfer/assignment of rights) (as the case maybe) purporting to exercise a right under the Articles unless such communication has been confirmed in writing by the Permitted Transferee (in case of complete Transfer/assignment of rights) or the Investor (in case of partial exercise of Transfer/assignment of rights) (as the case maybe).

19.3 The Investor shall not be entitled to assign part of its rights under these Articles to any third party transferee other than to its Affiliate and any such assignment of part rights would be considered as null and void.

19.4 Until the earlier of (i) successful completion of an IPO of the Company under Article 30 (*Initial Public Offer*); or (ii) the expiry of the 54th (fifty fourth) month from the Closing Date, the Investor shall be entitled to Transfer (x) without obtaining prior consent of Ameera (other than if the transferee is a Specified Financial Investor) all or any of its Securities in the Company to a Financial Investor(s); and (y) with prior written consent of Ameera, which consent shall not be unreasonably withheld, Transfer of any or all of its Securities to any Strategic Investor (who is a not a Competitor). In the event of part Transfer of Shares as contemplated above, the rights under these Articles shall be exclusively exercised by the Investor and not such Financial Investor.

19.5 The Investor shall not be permitted to, directly or indirectly, Transfer any Securities to a Specified Financial Investor without the prior written consent of Ameera, which consent shall not be unreasonably withheld.

19.6 Notwithstanding anything contained in these Articles, until the later of: (i) expiry of 54 (fifty four) months from the Closing Date; or (ii); the Drag Commencement Date (defined hereinbelow), the Investor undertakes that it shall not, directly or indirectly, Transfer any or all of the Securities it holds in the Company to any Competitor.

Any Transfer of Securities held by the Investor or its Affiliates shall be subject to the provisions of Article 21 (Family Shareholders' Tag Along Right). Notwithstanding the aforesaid, the restrictions set out under this Article 19 shall not be applicable in case of Transfer by the Investor pursuant to or after a successful IPO under Article 30 (Initial Public Offering) (except to the extent set out in Article 19.6 or pursuant to Article 32 (Investor's Drag-Along Right) or pursuant to Article 33 (Ameera's Drag-Along Right) or to an Affiliate of the Investor in accordance with the provisions of Article 18 (Permitted Transfer to Affiliates).

19.7 Pursuant to an IPO, in the event that the Investor continues to hold any Securities in the Company, the Investor would be restricted from Transferring any or all of its Securities to a Competitor whether: (i) on the floor of stock exchange (through a block deal or bulk deal trade); or (ii) otherwise under a written agreement with the knowledge that it is being sold to a Competitor. Any such Transfer in violation of this Article 19.6 would be considered as null and void. The Parties agree and acknowledge that the restrictions under Article 19.6 shall survive (to the extent applicable) even after a successful IPO under Article 30 and each Party acknowledges that, if any provision of these Articles pursuant to the IPO conflicts with any provision of the Shareholder Agreement, the provisions of the Shareholder Agreement shall prevail between the Shareholders as private contracting parties to the extent contemplated under the Shareholder Agreement and, at the Parties shall procure that these Articles be duly amended so as to give effect to the Transfer restrictions set out in Article 17, 18, 19 and 20 of the Articles.

19.8 The Company shall, at the Investor's cost and expense: (i) if required by the Investor, provide requisite information and documents to enable the Investor to conduct valuation of the Company and the Material Subsidiaries in accordance with applicable Laws; and/or (ii) enable the prospective purchaser to conduct a due diligence exercise on the Company and its Material Subsidiaries by the provision of necessary information and by procuring management, advisors and auditors of the Company and its Material Subsidiaries to meet with, and provide clarifications sought by, the prospective purchaser.

20 **Restriction on Transfer by the Existing Shareholders**

20.1 Except as set out in Article 33 (Ameera's Drag Along Right), the Existing Shareholders shall be permitted to Transfer its Securities in the Company only with the prior written consent of the Investor. Provided that:

20.1.1 The Existing Shareholders shall be entitled to collectively Transfer to any Person, (other than a Competitor or Sanctions Target), such number of Shares in the Company till their collective shareholding along with their Affiliates (on a Fully Diluted Basis) remains at least 50.1% (fifty point one percent) of the then Share Capital without the prior consent of the Investor. However, in the event that the Existing Shareholders Transfer such number of Shares to a third party buyer (not being Transfer to Affiliates) which results in the aggregate Transfer by the Existing Shareholders to third parties (not being Affiliates) since the Closing Date to exceed 15% (fifteen percent) of the then Share Capital, the Investor shall have the tag-along with to Transfer up to a maximum of 3% (three percent) of the then Share Capital to such third party buyer. The procedure set out under the provisions of Article 22 (Investor's Tag Along Right) for the exercise of the tag-along option by the investor shall apply mutatis mutandis for an exercise of the tag along right by the Investor under this Articles, save and except that, if the aggregate Transfer by the Existing Shareholders to third parties (not being Affiliates) since the Closing Date exceeds 15% (fifteen percent) of the then Share Capital the Investor shall be entitled to Transfer as a part of the Investor's Tag Along Right, instead of a pro rata Transfer, the entire 3% (three percent) of the then Share Capital, or any part thereof as determined by the Investor**.**

Provided further that the sale proceeds from Transfer of Shares by Existing Shareholders shall be utilized in accordance with the provisions of the Shareholders Agreement;

20.1.2 The Existing Shareholders and/or their Affiliates shall be entitled to assign its rights set out under Article 44 (Information and Reporting) and 49 (Anti-Dilution Rights) to any Person to who it has Transferred any Securities, without requiring the prior consent of the Investor.

20.2 Upon such Transfer, the Affiliate shall be required to execute the Affiliate Deed of Adherence to complete the said Transfer.

20.3 Any transfer of Securities held by the Existing Shareholders or their Affiliates shall be subject to the provisions of Article 22 (Investor's Tag Along Right).

Notwithstanding the aforesaid, the restrictions set out under Article 20 above shall not be applicable in case of transfer by the Existing Shareholders pursuant to Article 32 (Investor Drag-Along Right) and 33 (Ameera Drag Along Right) and inter-se Transfer of Securities among the Family Shareholders under Article 18.1.6 above.

21 **Family Shareholders' Tag Along Right**

21.1 After the expiry of 54 (fifty four) months from the Closing Date, in the event that any Investor proposes to undertake Transfer of any Securities to any third party buyer other than an Transfer pursuant to Article 18 (Affiliate Transfer) or in the event of any Transfer by the Investor prior to the 54th (fifty fourth) month to a non-financial investor (with the prior written approval of Ameera), the Family Shareholders shall, subject to this Article 21, have the right but not the obligation to exercise its tag along right with the Investor and cause the third party buyer to purchase such number of Securities in the Company upto their Pro Rata Share of the Investor's Securities being Transferred, on identical terms as being offered to the Investor (subject to the provisions of applicable Law at all times) (hereinafter referred to as the **"Family Shareholders Tag Along Right**" and the number of Securities that the Family Shareholder decides to Transfer pursuant to the Tag Along Right is hereinafter referred to as the "**Family Shareholders Tag Along Shares**").

21.2 When the Investor desires to Transfer its Securities in the manner and circumstances set out in Article 21.1 above, the Investor shall deliver a written notice ("**Investor Sale Notice**") to the Family Shareholders setting out the number of Securities it proposes to Transfer ("**Investor Sale Securities**"). Within 30 (thirty) Business Days from the date of the Investor Sale Notice, the Family Shareholders may elect to exercise the Family Shareholders Tag Along Right ("**Family Shareholders Tag Notice**").

21.3 Upon receipt of the Family Shareholders Tag Notice, the Investor shall arrange for the third party to purchase the Family Shareholders Tag Along Shares directly from the Family Shareholders simultaneously with the purchase of any Investor Sale Securities for the same consideration for each Share, subject to the provisions of applicable Law, and upon the same terms and conditions as applicable to the Investor Sale Securities. Such Transfer shall be completed within 60 (Sixty) Business Days from the date of Family Shareholders Tag Notice.

22 **Investor's Tag Along Right**

22.1 Except for transfers under Article 18 (Transfer to Affiliates) and Article 20 (Transfer by Existing Shareholders), in the event that any Existing Shareholder proposes to undertake any Transfer of any Securities to any third party buyer, the Investor shall, subject to Article 22, have the right but not the obligation to sell such number of Securities in the Company upto their Pro Rata Share of the Existing Shareholders' Securities being Transferred, to such third party buyer on identical terms (provided however that the Investor shall only be required to provide limited warranties in relation to its capacity to sell the Investor Tag Along Shares (defined hereinafter), its title to the Investor Tag Along Shares and other representations and warranties not related to the Company or its Subsidiaries or their respective business or operations which may be reasonably requested by the third party buyer) as being offered to such Family Shareholders (subject to the provisions of applicable Law at all times) (hereinafter referred to as the "**Investor Tag Along Right**" and the number of Securities that the Investor decides to Transfer pursuant to the Tag Along Right is hereinafter referred to as the "**Investor Tag Along Shares**").

Subject to Article 20 hereof, when the Existing Shareholder desires to transfer its Securities in the manner and circumstances set out in Article 22.1 above, the Existing Shareholder shall deliver a written notice ("**Family Shareholders Sale Notice**") to the Investor setting out the number of Securities it proposes to transfer ("**Family Shareholders Sale Securities**"). Within 30 (thirty) Business Days from the date of the Family Shareholders Sale Notice, the Investor may elect to exercise the Investor Tag Along Right ("**Investor Tag Notice**").

22.2 The number of Investor Tag Along Shares shall not at any time exceed such Investor's Pro Rata Share of the Family Shareholders Sale Securities.

22.3 Upon receipt of the Investor Tag Notice, the Family Shareholder shall arrange for the third party to purchase the Investor Tag Along Shares directly from the Investor simultaneously with the purchase of any Family Shareholders Sale Securities for the same consideration for each Share, subject to the provisions of applicable Law. Such transfer shall be completed within 60 (Sixty) Business Days from the date of Investor Tag Notice.

22.4 Notwithstanding anything contained under this Article 22, in the event of any Transfer of the Existing Shareholder's Securities pursuant to the circumstances mentioned in Clause 11.7.5 of the Shareholders Agreement the Investor's Tag Along Right may be exercised in accordance with provisions contained in Clause 11.7.5 of the Shareholders Agreement.

23 **Transmission of shares**

23.1 On the death of a member, the survivor or survivors where the Member was a joint holder, and his nominee or nominees or legal representatives where he was a sole holder, shall be the only persons recognised by the company as having any title to his interest in the shares.

23.2 Nothing in Article 23.1 shall release the estate of a deceased joint holder from any liability in respect of any share which had been jointly held by him with other persons.\

24 **Rights on Transmission**

24.1 Any person becoming entitled to a share in consequence of the death or insolvency of a Member may, upon such evidence being produced as may from time to time properly be required by the Board and subject as hereinafter provided, elect, either:

24.1.1 to be registered himself as holder of the share; or

24.1.2 to make such transfer of the share as the deceased or insolvent member could have made.

24.2 The Board shall, in either case, have the same right to decline or suspend registration as it would have had, if the deceased or insolvent member had transferred the share before his death or insolvency.

24.3 If the person so becoming entitled shall elect to be registered as holder of the share himself, he shall deliver or send to the company a notice in writing signed by him stating that he so elects.

24.4 If the person aforesaid shall elect to transfer the share, he shall testify his election by executing a transfer of the share.

24.5 All the limitations, restrictions and provisions of these regulations relating to the right to transfer and the registration of transfers of shares shall be applicable to any such notice or transfer as aforesaid as if the death or insolvency of the Member had not occurred and the notice or transfer were a transfer signed by that Member.

24.6 A person becoming entitled to a share by reason of the death or insolvency of the holder shall be entitled to the same dividends and other advantages to which he would be entitled if he were the registered holder of the share, except that he shall not, before being registered as a Member in respect of the share, be entitled in respect of it to exercise any right conferred by membership in relation to meetings of the company:

Provided that the Board may, at any time, give notice requiring any such person to elect either to be registered himself or to transfer the share, and if the notice is not complied with within ninety days, the Board may thereafter withhold payment of all dividends, bonuses or other monies payable in respect of the share, until the requirements of the notice have been complied with.

25 **Dematerialisation of Securities**

25.1 **Definitions: For the purpose of this Article**

"**Beneficial Owner**" means a person whose name is recorded as such with a depository.

"**Bye-Laws**" means Bye-laws made by a Depository under Section 26 of the Depositories Act, 1996.

"**Depositories Act**" means the Depositories Act, 1996, including any statutory modifications or re-enactment for the time being in force.

"**Depository**" means a Company formed and registered under the Act and which has been granted a Certificate of Registration under the Securities and Exchange Board of India Act, 1992.

"**Member**" means the duly registered holder from time to time of the shares of the Company and includes every person whose name is entered as beneficial owner in the records of the depository.

"**Participant**" means a person registered as such under Section 12 (1A) of the Securities and Exchange Board of India Act, 1992.

"**Record**" includes the records maintained in form of books or stored in a computer or in such other form as may be determined by the Regulations issued by the Securities and Exchange Board of India in relation to the Depositories Act, 1996.

"**Registered Owner**" means a depository whose name is entered as such in the records of the Company.

"**SEBI**" means the Securities and Exchange Board of India.

"**Security**" means such security as may be specified by the Securities and Exchange Board of India from time to time.

Words imparting the singular number only includes the plural number and vice versa.

Words imparting persons include corporations.

Words and expressions used and not defined in the Act but defined in the Depositories Act, 1996 shall have the same meaning respectively assigned to them in that Act.

25.2 **Company to recognize interest in dematerialized securities under the Depositories Act, 1996**
Either the Company or the investor may exercise an option to issue, de-link, hold the securities (including shares) with a depository in Electronic form and the certificates in respect thereof shall be dematerialized,

in which even the rights and obligations of the parties concerned and matters connected therewith or incidental thereto shall be governed by the provisions of the Depositories Act, 1996 as amended from time to time or any statutory modification(s) thereto or re-enactment thereof.

25.3 **Dematerialisation/Re-Materialisation of Securities**

Notwithstanding anything to the contrary or inconsistent contained in these Articles, the Company shall be entitled to dematerialize its existing securities, re-materialize its securities held in Depositories and/or offer its fresh securities in the de- materialized form pursuant to the Depositories Act, 1996 and the rules framed there under, if any.

25.4 **Option to receive Security certificate or hold Securities with depository**

Every person subscribing to or holding securities of the Company shall have the option to receive the security certificate or hold securities with a Depository. Where a person opts to hold a security with the Depository, the Company shall intimate such Depository of the details of allotment of the security and on receipt of such information, the Depository shall enter in its record, the name of the allottees as the beneficial owner of that security.

25.5 **Securities in electronic form**

All securities held by a Depository shall be dematerialized and held in electronic form. No certificate shall be issued for the securities held by the Depository. Nothing contained in Sections 89 of the Act, shall apply to a Depository in respect of the securities held by it on behalf of the beneficial owners.

25.6 **Beneficial owner deemed as absolute owner**

Except as ordered by the Court of competent jurisdiction or by law required, the Company shall be entitled to treat the person whose name appears on the register of Members as the holders of any share or whose name appears as the beneficial owner of the shares in the records of the Depository as the absolute owner thereof and accordingly shall not be bound to recognize any benami, Trust Equity, equitable contingent, future, partial interest, other claim to or interest in respect of such shares or (except only as by these Articles otherwise expressly provided) any right in respect of a share other than an absolute right thereto in accordance with these Articles, on the part of any other person whether or not it has expressed or implied notice thereof but the Board shall at their sole discretion register any share in the joint names of any two or more persons or the survivor or survivors of them.

25.7 **Rights of depositories and beneficial owners**

Notwithstanding anything to the contrary contained in the Act, or these Articles, a Depository shall be deemed to be the registered owner for the purpose of effecting transfer of ownership of security on behalf of the beneficial owner.

Save as otherwise provided above, the Depository is the registered owner of the securities, and shall not have any voting rights or any other rights in respect of the securities held by it.

Every person holding securities of the Company and whose name is entered as a beneficial owner in the records of the Depository shall be deemed to be a Member of the Company. The beneficial owner of securities shall be entitled to all the rights and benefits and be subject to all the liabilities in respect of his securities which are held by a Depository

25.8 **Register and index of beneficial owners**

The Company shall cause to be kept a Register and Index of Members with details of shares and debentures held in materialized and dematerialized forms in any media as may be permitted by law including any form of electronic media.

The Register and Index of beneficial owners maintained by a Depository under the Depositories Act, 1996 shall be deemed to be a Register and Index of Members for the purposes of this Act. The Company shall have the power to keep in any state or country outside India a Branch register of Members resident in that State or Country.

25.9 **Cancellation of certificates upon surrender**

Upon receipt of certificate of securities on surrender by a person who has entered into an agreement with the Depository through a participant, the Company shall cancel such certificates and shall substitute in its record, the name of the depository as the Registered Owner in respect of the said securities and shall also inform the Depository accordingly.

25.10 **Service Of Documents**

Notwithstanding anything contained in the Act, or these Articles, to the contrary, where securities are held in a depository, the record of the beneficial ownership may be served by such depository on the Company by means of hard copies or through electronic mode or by delivery of floppies or discs.

25.11 **Allotment of securities**

Where the securities are dealt within a Depository, the Company shall intimate the details of allotment of relevant securities to the Depository on allotment of such securities.

25.12 **Transfer of securities**

The Company shall keep a Register of Transfers and shall have recorded therein fairly and distinctly, particulars of every transfer or transmission of any share held in material form. Nothing contained in this Article 25.12 shall apply to transfer of securities held in depository.

25.13 **Distinctive number of Securities held in a depository**

The shares in the capital shall be numbered progressively according to their several denominations, provided, however that the provisions relating to progressive numbering shall not apply to the share of the Company which are in dematerialized form. Except in the manner provided under these Articles, no share shall be sub- divided. Every forfeited or surrendered share be held in material form shall continue to bear the number by which the same was originally distinguished.

25.14 **Provisions of Articles to apply to shares held in depository**

Except as specifically provided in these Articles, the provisions relating to joint holders of shares, calls, lien on shares, forfeiture of shares and transfer and transmission of shares shall be applicable to shares held in Depository so far as they apply to shares held in physical form subject to the provisions of the Depositories Act,1996.

25.15 **Depository to furnish information**

Every Depository shall furnish to the Company information about the transfer of securities in the name of the beneficial owner at such intervals and in such manner as may be specified by laws and the Company in that behalf.

26 **Option to opt out in respect of any such Security**

If a beneficial owner seeks to opt out of a Depository in respect of any security, he shall inform the Depository accordingly. The Depository shall on receipt of such information make appropriate entries in its records and shall inform the Company.

The Company shall within 30 (thirty) days of the receipt of intimation from a Depository and on fulfilment of such conditions and on payment of such fees as may be specified by the regulations, issue the certificate of securities to the beneficial owner or the transferee as the case may be.

27 **Nomination Facility**

27.1 Every holder of shares, or holder of debentures of the Company may at any time, nominate, in the prescribed manner a person to whom his shares in or debentures of the Company shall rest in the event of his death.

27.2 Where the shares in or debentures of the Company or held by more than one person jointly, the joint holders may together nominate in the prescribed manner, a person to whom all the rights in the shares or debentures of the Company shall rest in the event of death of all the joint holders.

27.3 Notwithstanding anything contained in any other law for the time being in force or in any disposition, whether testamentary or otherwise in respect of such shares in or debentures of the Company where a nomination made in the prescribed manner purports to confer on any person the right to vest the shares in or debentures of the Company, the nominee shall, on the death of the shareholder or debentures holder of the Company or as the case may be on the death of the joint holders become entitled to all the rights in the shares or debentures of the Company or as the case may be all the joint holders in relation to such shares in or debenture of the Company to the exclusion of all the other persons, unless the nomination is varied or cancelled in the prescribed manner.

27.4 Where the nominee is a minor it shall be lawful for the holder of shares or debentures, to make the nomination and to appoint in the prescribed manner any person to become entitled to shares in or debentures of the Company in the event of his death in the event of minority of the nominee.

27.5 Any person who becomes a nominee by virtue of the provisions of the Act upon the production of such evidence as may be required by the Board and subject as hereinafter provided elect either to be registered himself as holder of the shares or debentures as the case may be, or to make such transfer of the share or debenture as the case may be, as the deceased shareholder or debenture holder, as the case may be could have made.

27.6 If the person being a nominee, so becoming entitled, elects to be registered himself as a holder of the share or debenture as the case may be, he shall deliver or send to the Company a notice in writing signed by him stating that he so elects and such notice shall be accompanied with a Death Certificate of the deceased share holder or debenture holder as the case may be.

27.7 All the limitations, restrictions and provisions of the Act, relating to the right to transfer and registration of transfer of shares or debentures shall be applicable to any such notice or transfer as aforesaid as if the death of the Member had not occurred and the notice or transfer where a transfer is signed by that shareholder or debenture holder, as the case may be.

27.8 A person being a nominee, becoming entitled to a share or debenture by reason of the death of the holder shall be entitled to same dividends and other advantages to which he would be entitled if he were the registered holder of the share or debenture, except that he shall not, before being registered a Member in respect of his share of debenture, be entitled in respect of it to exercise any right conferred by membership in relation to the meetings of the Company.

27.9 Provided that the Board may, at any time, give notice requiring any such person to elect either to be registered himself or to transfer the share or debenture and if the notice is not complied with within 90 days, the Board may thereafter withhold payments of all dividends, bonus, or other monies payable in respect of the share or debenture, until the requirements of the notice have been complied with.

27.10 A Depository may in terms of Sections 2(31), 73 and 74of the Act at any time, make a nomination and above provisions shall as far as may be, apply to such nomination.

28 **Buy Back of Shares**

28.1 Subject to the provisions of Article 36.14 (Affirmative Vote Matters), the Company shall be entitled to purchase its own shares or other securities, subject to such limits, upon such terms and conditions and subject to such approvals as required under Section 68 of the Act and other applicable provisions of the Act, the Securities and Exchange Board of India Act, 1992 and the Securities and Exchange Board of India (Buy Back of Securities) Regulations 1998 and any amendments, modification(s), repromulgation (s) or re- enactment(s) thereof.

Buyback Policy

28.2 The Company may maintain a buyback policy, as acceptable to the Parties hereof. It is clarified that at all times, unless otherwise agreed by and between all the Parties hereof, the dividend shall have the first preference in the distributable income of the Company (after payment of relevant Taxes) and would be payable in priority to the buyback obligation.

29 **Copies of Memorandum and Articles to be sent to Members**

Copies of the Memorandum and Articles of Association of the Company and other documents referred to in Section 17 of the Act shall be sent by the Company to every Member at his request within seven days of the request on payment of such sum as may be prescribed.

INITIAL PUBLIC OFFERING

30 **Initial Public Offering**

30.1 The Company shall make all reasonable endeavours and the Shareholders shall provide all reasonable support to the Company, to consummate an IPO within a period of 54 (fifty four) months from the Closing Date ("IPO Longstop Date") on such terms as decided by the Board of the Company, subject to the provisions of Articles 30.2 to 30.8. The Parties agree that any breach of this condition should not be deemed to be a violation of these Articles by the Company and the Investor shall not have any claims against the Company in this regard.

30.2 In the event that the Board determines that the Company should conduct the IPO process, the Company shall appoint a Lead Manager to undertake the IPO. In addition to the terms decided by the Board, the IPO shall be subject to each of the following terms and conditions:

30.2.1 the IPO is managed by a Lead Manager who is appointed by the Board, and the terms of the IPO including the pricing of the Securities offered in IPO, quantum of offering and split between the primary and secondary component to be offered in the IPO having been approved by the Board;

30.2.2 the IPO complies with all applicable Law; and

30.2.3 the offering is for the IPO undertaken in compliance with this Article 30.

30.3 The IPO may be conducted by way of:

30.3.1 a fresh issue of Shares of the Company; or

30.3.2 an Offer for Sale by the Shareholders of the Company, or

30.3.3 by way of a combination of both.

30.4 Expenses incidental to a registration or listing shall be paid by the selling Shareholders of the Company and the Company on a pro-rata basis, based on the number of Shares being sold by them.

30.5 The Company shall do all things necessary to facilitate and support such IPO, including provision of reasonable and complete access for purposes of due diligence to investment bankers and legal advisors appointed or purposes of the IPO, and participation by management in road shows and marketing efforts for the IPO.

30.6 Subject to applicable Law, the Company shall ensure that the Investor is not referred to or otherwise considered as a 'promoter' of the Company in connection with any IPO or any documents filed with Governmental Bodies, including SEBI, in connection therewith.

30.7 The Shareholders and the Company will take all such steps and extend all such co-operation to each other and the Lead Manager, underwriters and others as may be required for the purpose of completing the IPO, in accordance with the provisions of applicable Law.

30.8 Notwithstanding any other provision in this Article 30, in the event of an IPO proposed by the Company which would provide the Investor with at least 2 (two) times the value of the Initial Investment Amount (in rupee terms and the valuation being calculated with the assumption that all the then existing Securities of the Company would be sold in the IPO), the Existing Shareholders at their sole discretion may require the Investor to participate in an Offer for Sale component of the IPO up to 9.75% (nine point seven five percent) of the Share Capital (calculated as on the Closing Date) and in case of such election by the Existing Shareholders, the Investor shall be bound to participate to such extent as specified in the Existing Shareholders.

30.9 In the event of any IPO proposed by the Company, the Investor would have the right to participate in the said IPO by way of an Offer of Sale of the Securities held by the Investor in the Company.

30.10 Notwithstanding anything to the contrary in these Articles, in the event that the IPO is successfully completed, the Existing Shareholders and the Company shall not be under any obligation to provide an exit to the Investor under the terms of these Articles, including the exit rights set out under Article 31(Investor Exit Right) and Article 32(Investor Drag Right). Further, in such event, any and all rights of the Investor under these Articles including the exit rights set out under Article 31 (Investor Exit Right), Article 32 (Investor Drag Right) and Article 19 (Restriction on Transfer by the Investor) and any and all rights of the Existing Shareholders under clause 11.3 (Restriction on Transfer by the Investor) other than Articles 19.6, 21 (**Family Shareholders**' **Tag Along Right**) and 33 (Ameera's Drag Along Right) shall fall away and cease to have effect immediately and automatically (without any further action or deed).

EXIT AND DRAG ALONG RIGHTS

31 Investor Exit Right

31.1 In the event that the Company is unable to complete the IPO within the IPO Longstop Date, the Investor shall be entitled to request the Company to seek sale of the Investor's Securities in the Company to a third party (who is not a Competitor and/or a Sanctions Target) in one tranche ("**Secondary Exit**") for a price which should provide on the Sale Shares a minimum amount of 2 (two) times the value of the Initial Investment Amount (in rupee terms) ("**Secondary Exit Price**") payable simultaneous to the Transfer of the Investor's Securities in the Company. Subject to Article 31.2, the Investor's right as above to request the Company for a Secondary Exit shall be exercisable by the Investor by providing a request notice in writing at any time after the 51st (fifty first) month from the Closing Date ("**Secondary Exit Trigger Date**").

31.2 Notwithstanding anything to the contrary in these Articles, the Parties agree and acknowledge that in the event that the Investor receives a Credible Offer (as defined below) from a third party buyer (who is not a Sanctions Target) pursuant to the Secondary Exit for purchase of the Investor's Securities at the Secondary Exit Price and the Investor refuses to Transfer or elects not to Transfer its Securities under such Secondary Exit process under Article 31.1 (Secondary Exit) (for any reason whatsoever (other than regulatory restrictions and/or for non-fulfilment requirements, including conditions precedents, in any for the purchase of Securities by the third party buyer which in the Investor's constructive assessment are not within its control), the Investor's drag right under Article 32 (Investor's Right to Drag Along) shall fall away and cease to have effect immediately and automatically (without any further action or deed) and the Investor shall be entitled to Transfer its Securities to only a third party who is not a "Competitor".

Provided that if the Investor refuses to Transfer or elects not to Transfer its Securities because the offer price of a Credible Offer, net of Taxes and any Tax escrows from the third party is below the Secondary Exit Price ("**Third Part Offer Price**"); or (ii) in case the Investor is unable to Transfer its Securities even after a Credible Offer has been provided because of regulatory restrictions on the Investor to sell its Securities; and/or for non-fulfilment of requirements which in its constructive assessment are not within its control on the Investor, the Investor shall have the right to exercise its drag-along with under Article 32 below, provided however that in the case of sub clause (i) above the price for Transfer in the drag is at a minimum price, net of Taxes and any Tax escrows which will provide the Family Shareholders, at least 5% (five percent) higher than the Third Party Offer Price, in case of rejection of the Third Party Offer Price.

For the purposes of this Article, "**Credible Offer**" means a *bona fide* and credible offer from a third party to purchase all of the Investor's Securities and does not have any non-compete restrictions on the Investor and requires the Investor to provide only those representations and warranties specified in Article 31.3.

31.3 In any Secondary Exit, the Investor shall only be required to provide limited warranties in relation to its capacity to sell the Shares held by it in the Company, its title to the such Shares and other representations and warranties not related to the Company or its Subsidiaries or their respective business or operations which may be reasonably requested by the third party buyer.

32 **Investor's Drag Along Right**

32.1 Subject to Articles 30.9 and 31.2, only in the event that the Investor is unable to sell all its Securities pursuant to the Secondary Exit (as above) within 9 (nine) months from the date of initial request by the Investor for any Secondary Exit (the date ending after the expiry of 9 months from the date of initial request by the Investor for any Secondary Exit is referred to as the "**Drag Commencement Date**"), the Investor shall have a right to drag along the Existing Shareholders and include all of the Shares and other Securities(and not part) then held by the Existing Shareholders along with the sale of all of the then existing Shares of the Company held by the Investor to any third party buyer (including a Competitor but not being an Affiliate of the Investor), on terms and conditions which do not oblige the Investor to non-compete restrictions and warranties which the Investor was not willing to accept as part of the Secondary Exit ("**Investor Drag-Along Right**"). This drag right shall be exercisable by the Investor for a period of 180 (one hundred and eighty) days from the Drag Commencement Date by providing a written notice wherein the price per Security and the identification of the buyer of such Securities shall be specified ("**Investor Drag Notice**") to such effect to the Existing Shareholders ("**Investor Drag Exercise Period**"). The Drag-Along Right in terms of this Article 32 shall be exercised by Investor by delivering the Investor Drag Notice of 30 (thirty) days to the Existing Shareholders, specifying the price and number of Shares required to be Transferred pursuant to the Investor exercising its Drag-Along Right. For the avoidance of doubt, the transaction contemplated by the Investor Drag-Along Right may include any change of control transaction permitted under applicable Law, including a merger, sale of substantially all of the assets or Business, or otherwise.

32.2 In the event that the Investor exercises the Investor Drag-Along Right by issuing the Investor Drag Notice, the Existing Shareholders shall be required to Transfer all their Shares to such third party buyer identified by the Investor subject to the price per Share for such Transfer being no less favourable than the price offered by such third party buyer to the Investor. The Investor shall not enter into any agreements or arrangements with the third party buyer that would in any manner result in additional benefits or consideration being provided to the Investor without the prior written consent of the Existing Shareholders. Upon receipt of such Investor Drag Notice, the Existing Shareholders shall Transfer its Shares to the third party buyer simultaneously with the Transfer of the Shares held by Investor. The Existing Shareholders shall do all such things, take all such actions (including voting favourably at a Board meeting, a meeting of any committee of the Board, or a General Meeting) and provide all such assurances as may be required to consummate the transactions set forth in the Investor Drag Notice, and each Existing Shareholder shall provide such further documents or instruments required by Investor as may be reasonably necessary or desirable to effect the purpose of this Article 32 and the transactions set forth in the Investor Drag Notice.

32.3 Upon issuance of such Investor Drag Notice, the Investor shall ensure that the Transfer process of all the Shares held by the Existing Shareholders and the Investor to the third party buyer in accordance with this Article 32 is duly completed within a period of 90 (ninety) days therefrom, failing which the then exercised Investor Drag-Along Right shall expire and the Investor shall thereafter again have to seek a Secondary Exit from the Company and on failure of which, the Investor shall be entitled to exercise the Investor Drag-Along Right). The Company and the Existing Shareholders shall co-operate with the Investor to enable such Transfer to be effected.

In any sale of Securities by the Investor pursuant to the Investor Drag Along Right, the Investor shall only be required to provide limited warranties in relation to its capacity to sell the Shares held by it in the Company, its title to such Shares and other representations and warranties not related to the Company or its Subsidiaries or their respective business or operations which may be reasonably requested by the third party buyer.

32.4 The Investor undertakes that in the exercise of the Investor Drag-Along Right, it shall not provide any financing support to such third party buyer to whom the Shares are proposed to be sold pursuant to the exercise of the Investor Drag-Along Right under Article 32 and shall not retain any interest or rights in such Shares following the completion of such sale thereof.

33 **Ameera's Drag Along Right**

33.1 At any time after the Closing Date but before the expiry of the 3rd (third) anniversary of the Closing Date ("**Family Shareholders Drag-Exercise Period**"), Ameera shall have the right to drag along the Investor and include all of the Securities (and not part) then held by the Investor along with the sale of all of the then existing Securities held by the Existing Shareholders to any third party buyer other than a Sanctions Target ("**Family Shareholder Drag Along Right**"). In the event Ameera exercises the **Family Shareholders** Drag-Along Right, the Investor shall be required to Transfer all their Securities to a third party buyer identified by Ameera subject to the price per Security for such Transfer being no less favourable than the price offered by such third party buyer to the Existing Shareholders and the entire sale consideration for the aforementioned Shares is received by the Investor, in one single tranche, simultaneously with transfer of the relevant Shares.

Provided that Ameera shall be entitled to exercise the Family Shareholders Drag-Along Right (as aforesaid) only if the consideration amount payable to the Investor is such that for the Sale Shares it provides the Investor with at least 2.5 (two point five) times on the value of the Initial Investment Amount (in rupee terms).

33.2 The Family Shareholders Drag Along Right in terms of this Article 33 may be exercised by Ameera by delivering a written notice of 30 (thirty) days to the Investor specifying the price per Security for the Securities to be Transferred pursuant to Ameera exercising its Family Shareholders Drag Along Right and identifying the buyer of such Securities ("**Family Shareholders Drag Notice**"). Upon exercise of such Family Shareholders Drag Along Notice, the Existing Shareholders shall Transfer its Securities to the third party buyer simultaneously with the Transfer of the Shares held by Investor. For the avoidance of doubt, the transaction contemplated by the Family Shareholders Drag-Along Right may include any change of Control transaction permitted under applicable Law, including a merger, sale of substantially all of the assets or Business, or otherwise.

33.3 Upon issuance of such Family Shareholders Drag Notice, Ameera shall ensure that the Transfer process of all the Securities held by the Existing Shareholders and the Investor to the third party buyer in accordance with this Article 33 is duly completed within a period of 90 (ninety) days therefrom. The Company and the Investor shall co-operate with Ameera to enable such Transfer to be effected. The Investor shall do all such things, take all such actions (including voting favourably at a Board meeting, a meeting of any committee of the Board, or a General Meeting) as may be required to consummate the transactions set forth in the Family Shareholders Drag Notice, and the Investor shall provide such further documents or instruments required by Investor as may be reasonably necessary or desirable to effect the purpose of this Article 33 and the transactions set forth in the Family Shareholders Drag Notice.

33.4 In any sale of Securities by the Investor pursuant to the Family Shareholders Drag Along Right, the Investor shall only be required to provide limited warranties in relation to its capacity to sell the Shares held by it in the Company, its title to the such Shares and other representations and warranties not related to the Company or its Subsidiaries or their respective business or operations which may be reasonably requested by the third party buyer. Each of the Existing Shareholders shall provide warranties to the Investor that the price paid by the transferee is the total consideration payable to the Existing Shareholders and the Investor and no other payments or valuable consideration (in cash or kind) contingent or otherwise is payable to the Existing Shareholders or their Affiliates to the exclusion of the Investor at the time of such transfer or any time in the future relating to the said sale.

34 The Parties agree and acknowledge that for the purposes of calculating the return on the Initial Investment Amount under these Articles (including IRR), all gross cash distributions and payments made by the Company to the Investor with respect to the investment (including dividends and/or payments pursuant to a buyback made by the Company) would be taken into account but any reimbursements to the Investor and/or indemnity payments to any of the Indemnified Parties and/or to Investor and its Affiliates as a Covenant Indemnified Party shall not be considered.

MANAGEMENT

35 **Board of Directors**

35.1 The Board has the responsibility for the overall supervision and management of the Company and its Business.

35.2 Unless otherwise agreed in writing between the Parties, the Board shall constitute of 10 (ten) Directors. During the term of these Articles, (i) Ameera shall have the right, on behalf of the Existing Shareholders, to nominate 5 (five) directors or their alternates on the Board ("**Family Shareholders Directors**") and recommend the appointment of 2 (two) independent directors on the Board; (ii) the Investor shall have the right to nominate 2 (two) directors or their alternates on the Board ("**Investor Directors**") and recommend the appointment of 1 (one) independent director on the Board ; if there is no person appointed as an Investor Director, then the Investor shall be entitled to nominate an observer to attend and participate (but not vote) in meetings of the Board and any committees thereof ("**Observer**"). No Shareholder shall oppose the appointment of persons nominated or recommended by the other Shareholder as Director(s) or the nomination of the Observer and the rights and privileges of the Observer as set out in these Articles. Notwithstanding any other provision including Article 35.2 above, (i) in the event that the Investor's shareholding in the Company (on a Fully Diluted Basis) falls below (a) 935,406 (nine hundred thirty-five thousand four hundred and six) Shares, subject to adjustments for any corporate actions of the Company which have an effect on the number of Shares *held by the Investor* including bonus issuance, stock split and stock consolidation; or (b) if the Qualifying Merger is consummated, 1/3rd of the total number of Securities held by the Investor in the Company immediately after completion of the procedures under the Act for the Qualifying Merger minus 91,040 (ninety-one thousand and forty), subject to adjustments for any corporate actions of the Company which have an effect on the number of Shares held by the Investor including bonus issuance, stock split and stock consolidation (as the case maybe), the Investor shall not have the right to appoint any Investor Director or recommend the appointment of any independent director on the Board or the right to nominate the Observer*;* (iii) in the event that at any time the Existing Shareholders' shareholding in the Company (on a Fully Diluted Basis) falls below 50% (fifty percent), their right to nominate the Directors mentioned hereinabove shall continue as long as the Existing Shareholders (1) vote together with Ameera on all matters, (2) shareholding in the Company (on a Fully Diluted Basis) is at least 26% (twenty six percent) of the Share Capital (or such lower percentage of the Share Capital due to their inability to infuse further capital in the Company or due to the occurrence of a Qualifying Merger, Strategic Merger, or any other merger, or corporate reorganization or capital reorganization undertaken by the Company in accordance with the terms of these Articles), and (3) Ameera is be involved in the affairs of the Company in an executive capacity. In the event the aforesaid criteria is not met then the right of the Existing Shareholders to nominate Family Shareholders Directors and independent directors in aggregate shall be reduced to the number of Directors equal to the pro rata shareholding on which the Existing Shareholders are actually able to exercise voting rights as a block. In such event the remaining directors on the Board shall be nominated by the other Shareholders of the Company as per their pro rata shareholding in the Company. A Director shall be considered as independent if such Director satisfies the requirements of section 149(6) of the Act.

35.3 The Directors shall not be required to hold any qualification Shares. The Investor Directors shall not be liable to retire by rotation and shall be non-executive directors.

35.4 Investor Directors and their alternates by the Investor or its Affiliates and the Observer, as the case may be, shall not be considered by or designated or identified by the Company or any Subsidiary or the Existing Shareholders as: (A) responsible for the day-to-day management of the Company, (B) an "officer in default" under the Act, (C) "a person in charge of and responsible to the Company for the conduct of business of the Company" or any similar person under any applicable Law, (D) be designated as a Compliance Officer or (E) otherwise liable for any failure by the Company to comply with applicable Laws. The Company shall at all times retain one or more employee(s) who shall be the "officer(s) in default", "person(s) in charge" or such other officer(s) for the purposes of compliance with all applicable Laws and be appointed as the Compliance Officer of the Company. The Investor agrees and acknowledges that each such Investor Director shall fulfil the following conditions: (i) No nominee of the Investor should be disqualified to be appointed as the director of the Company and/or the Material Subsidiary under any Law; and (ii) No nominee of the Investor would be on the board of directors of a Competitor.

35.5 Upon a Party specifying the appointment of a person as a Director pursuant to these Articles or the Investor nominating an Observer, as the case may be, the Parties shall exercise all their rights and powers (including, unless prohibited by applicable Law, their rights as or in respect of Directors) to cause the Board to forthwith (and in any event within 7 (seven) Business Days of such nomination or at the next Board meeting, whichever is earlier) to appoint such person as a Director of the Company and, unless the concerned Party changes or withdraws such nomination, to elect such Person as a Director of the Company at the next General Meeting and in the case of Observer, recognize and approve the nomination of the Observer and the rights and privileges of the Observer as set out in these Articles. The Director(s) nominated or recommended by the Investor and Ameera (as the case maybe) may be replaced only with the prior written consent of the Party nominating or recommending such Director, save and except to the extent where the right to have such director nominated/appointed is reduced.

35.6 **Additional Director**

The Board shall have the right to appoint any person to act as a Director to fill in a casual vacancy (whether such vacancy occurs as a result of the death, disability, resignation, retirement or removal) of any Director ("Vacating Director") subject to the maximum number prescribed under applicable Law. Any Director to be so appointed shall be nominated by the Shareholder with the right to nominate such Director in accordance with Article 35.2 and shall hold office only till the date the Vacating Director would have held office.

35.7 **Alternate Director**

In the event that any Director (the "Original Director") is away for a continuous period of not less than 3 (three) months from India, an alternate director ("Alternate Director") may be appointed in his place. The Board shall only appoint a person as the Alternate Director who is named by the Party whose nominee or recommendation was the Original Director. The Party nominating or recommending the Alternate Director shall also have the right to withdraw its nomination and nominate another Alternate Director in his place. An Alternate Director so appointed shall be entitled to attend and vote in place of the Original Director at the meetings of the Board specified in the notices relating thereto.

35.8 **Register of Charges**

The Board of Directors shall cause a proper register to be kept, in accordance with the Act, of all mortgages and charges specifically affecting the property of the Company and shall duly comply with the requirements of the Act in regard to the registration of mortgages and charges therein specified.

36 **Board Meetings**

36.1 **Board Resolution**

36.1.1 Meetings of the Board shall take place in accordance with the Act at such times and locations as the Directors may determine from time to time, but in any event at least quarterly in such a manner that not more than 120 (one hundred twenty) days shall intervene between 2 (two) consecutive meetings.

36.1.2 In addition to physical meetings, the Board may act by circular resolution on any matter, except those matters which under Section 179 (3) of the Act and Rules 4 and 8 of the Companies (Meetings of Board and its Powers) Rules, 2014 are required to be acted upon at a meeting in person.

36.1.3 The Board shall not, at any meeting, adopt any resolution covering any matter that has not been specified in the agenda for such meeting, unless otherwise agreed in writing by at least 1 (one) Family Shareholder Director and 1 (one) Investor Director and if no person is appointed as an Investor Director, then unless otherwise agreed in writing by the Investor instead of the Investor Director.

36.2 **Quorum**

36.2.1 No business shall be conducted at any Board meeting unless a quorum is present. The quorum requirement for meetings of the Board shall be as required under the Act except for matters listed in Article 36.14(Affirmative Vote Matters), where at least 1 (one) nominee Director of the Investor shall be present to constitute quorum.

36.2.2 If a meeting is held to be inquorate within 30 (thirty) minutes from the time when the meeting should have begun or if during the meeting there is no longer a quorum, the meeting shall be reconvened at the same time and at the same place 2 (two) Business Days later. At the reconvened meeting, the Directors present shall constitute the quorum subject to the requirement under applicable Law being met and any resolution duly passed at such meeting shall be valid and binding on the Company, regardless of the presence or otherwise of any Director designated by a particular Shareholder provided however that the Board shall not consider or take any decision on any Affirmative Vote Matter unless an (i) Investor Director or his Alternate Director is present if any Investor Director has been appointed; or (ii) a waiver or consent for such Affirmative Vote Matter has been provided in writing by the Investor or if appointed, the Investor Director or his Alternate Director prior to such reconvened meeting based on the agenda provided prior to the original meeting. The provisions of Article 36.2 shall apply to every Board meeting.

36.3 **Place of Board Meeting**

Meetings of the Board shall ordinarily take place in registered office of the Company or such other locations as may be determined by the Board.

36.4 **Notice for Board Meeting**

Other than matters which require urgent business to be transacted, the Company shall ensure that no meeting of the Board is held unless at least 7 (seven)days written notice is issued to the Directors and their alternates (if any) and if nominated, the Observer; provided however that for Affirmative Vote Matters, at least 7 (seven) days written notice shall be provided notwithstanding the urgency unless otherwise agreed to by the Investor ; provided also that if there is no person appointed as an Investor Director, then at least 7 (seven) days written notice shall be provided to the Investor. The Company shall also consider every Director's proposals or proposal made by the Investor, if there is no person appointed as an Investor Director, for items to be included in the agenda for each Board meeting, which is received at least 5 (five) Business Days before circulating any notice (other than a meeting on shorter notice in which case proposals provided as early as is reasonably possible) and each such proposal from the Director(s) or Investor, as the case may be, shall be included in the agenda for every Board meeting (including a meeting on shorter notice, if received within reasonable time period). Each notice of a Board meeting shall:

(a) specify a reasonably detailed agenda; and

(b) be sent by courier or email (to the address registered with the Company).

36.5 **Voting Rights**

Save and except such matters which may require higher votes in accordance with the provisions of applicable Law and those matters specified in Article 36.14(Affirmative Vote Matters), the Board shall decide on matters by simple majority vote. At any Board meeting, every Director present shall have one vote. *It is clarified that the Observer shall have no vote at a Board meeting but may otherwise fully participate as any Director including speak at each Board meeting and the Company shall duly record the observations of the Observer in the minutes of the meeting.*"

36.6 **Participation by Video Conferencing**

Subject to provisions set out under applicable Laws, all or any of the Directors, or members of any committee of the Board and the Observer may participate in a meeting of the Directors or that committee by means of a video conference or such other audio-visual modes permitted under applicable Law.

Accordingly, the Company shall provide to the Observer all details for participation in a Board meeting through video conferencing.

36.7 **Chairman**

All the Board and Shareholder meetings shall be chaired by the Chairman. Ameera shall have the right to appoint the Chairman provided (i) the Existing Shareholders' shareholding in the Company on a Fully Diluted Basis is at least 26% (twenty six percent) save and except if there is a fall in their shareholding due to Existing Shareholders' inability to infuse further capital in the Company or due to the occurrence of any merger, or corporate reorganization or capital reorganization undertaken by the Company in accordance with the terms of these Articles; (ii) the Existing Shareholders vote together with Ameera on all matters; and (iii) Ameera is involved in the affairs of the Company in an executive capacity.

36.8 Key Employees

36.8.1 During the term of the Shareholders Agreement, (x) Ameera shall be the Managing Director and Chief Executive Officer of the Company; and (y) in the event that Ameera vacates the post of Chief Executive Officer, for any reason whatsoever, any other person to be appointed as the Chief Executive Officer of the Company (as the case may be) shall be a nominee of Ameera; provided (i) Existing Shareholders' shareholding in the Company (on a Fully Diluted Basis) is at least 26% (twenty six percent), save and except if there is a fall in their shareholding is due to Existing Shareholders' inability to infuse further capital in the Company or due to the occurrence of a Qualifying Merger, or a Strategic Merger or any other merger, or corporate reorganization or capital reorganization undertaken by the Company in accordance with the terms of this Agreement; (ii) the Existing Shareholders vote together with Ameera on all matter; and (iii) Ameera is involved in the affairs of the Company in an executive capacity.

36.8.2 Board shall ensure that the person appointed as the Chief Financial Officer is appropriately qualified and has the necessary experience to implement the Business of the Company and to act in such capacity. The Board shall also have the right to determine the appointment and terms of appointment of all other officers of the Company from time to time.

36.8.3 All Key Employees shall report to the Chief Executive Officer.

36.9 **Committee(s)**

36.9.1 Subject to applicable Law, the Board shall be authorised to create such committees of the Board as it considers necessary or desirable to facilitate the operation of the Company.

36.9.2 Within 90 (ninety) days from the Closing Date, the Board shall constitute the following committee(s):

(a) Compensation and human resources committee: The Company shall re-constitute its compensation and human resources committee ("**Compensation Committee**"), which shall meet at least once in every quarter and discuss matters as decided by the Board, including the policy relating to remuneration of the Directors, Key Employees and other employees and the grant of options to employees other than Directors and thereafter, submit their recommendations to the Board. The composition of the Compensation Committee shall be proportionate to the composition of the Board as set out in Article 35.2; and if no person is appointed as an Investor Director, and an Observer is nominated, then such Observer shall be entitled to attend the meetings;

(b) Investment and capex Committee: The Company shall constitute an investment and capex committee ("**Investment Committee**"), which shall meet at least once in every quarter and discuss matters as decided by the Board, including: (i) proposals of investment in movable/immovable property(ies); (ii) proposals of investment in equity capital of other body corporates; (iii) all capex proposals for new projects; and (iv) evaluate all aspects of the techno commercial feasibility and financial viability of new projects, and submit their recommendations to the Board. The composition of the Investment Committee shall be proportionate to the composition of the Board as set out in Article 35.2; and if no person is appointed as an Investor Director, and an Observer is nominated, then such Observer shall be entitled to attend the meetings;

(c) Audit committee: The Company shall re-constitute its audit committee ("**Audit Committee**"), which shall meet at least once in every quarter and consider and discuss the following matters: (i) appointment, remuneration and terms of appointment of Auditors and review and monitor the Auditor's independence, including approval for any other services which may be provided by the Auditor and/or its Affiliates to the Company Group and performance and effectiveness of audit process; (ii) examination of the financial statement and the Auditor's report prior to their submission to the Board; (iii) approval or modifications of transactions with related parties; (iv) scrutiny of inter-corporate loans and investments; (v) evaluation of internal financial controls and risk management systems; (vi) monitoring of the end use of funds raised by the Company and related matters, (vii) other matters as decided by the Board and submit their recommendations to the Board. Subject to applicable Law, the composition of the Audit Committee after the reconstitution shall be: (i) 3 (three) independent Directors of the Company; (ii) 1 (one) Family Shareholder Director; and (iii) 1 (one) Investor Director and shall at all times be chaired by an independent director; provided however that if no person is appointed as an Investor Director, and an Observer is nominated, then such Observer shall be entitled to attend the meetings. The Audit Committee and all Members thereof shall have complete and unhindered access to records and officers of the Company and shall have authority to investigate into any matter within its scope and for this purpose shall have power to obtain professional advice from external sources at the cost of the Company.

(d) The Investor shall, in respect of the Material Subsidiaries, be entitled to appoint such proportion of directors on the Board and the committees, constituted under Article 36.9 of each Material Subsidiary that can be appointed by the Company, as is equal to the proportion that the shareholding of the Investor bears to the total shareholding of the Company, subject to a minimum of 1 (one) Investor Director where the Company has the right to appoint at least 2 (two) nominees on such Material Subsidiary ; and if no person is appointed as an Investor Director, and an Observer is nominated, then such Observer shall be entitled to attend the meetings of the boards of each Material Subsidiaries and the committees of such Subsidiaries."

(e) Articles 36.1 to 36.6 (Board Meetings) shall apply, mutatis mutandis, to meetings of any committee of the Board and/or any meetings of the board of Material Subsidiaries (to the extent the Company enjoys the rights).

36.10 Expenses and Directors' Indemnification

36.10.1 The Company shall, and shall cause the Material Subsidiaries to, indemnify and hold harmless the Directors and/or their alternates (including the Investor Director) and the Observer against all Losses that such Person may incur in relation to any business affairs of the Company or its Subsidiaries or joint ventures; and

36.10.2 Any Investor Director, including a director of the Investor on the board of the Material Subsidiary, who incurs reasonable out of pocket expenses such as travelling, hotel and other expenses in order to attend meetings of the Shareholders, Board and committee of Board of the Company or the Material Subsidiaries, as the case may be, shall be entitled to have such expenses reimbursed by the Company and/or Material Subsidiary as the case may be (including in relation to expenses relating to attendance at Board meetings or a meeting of the committee), as may be determined by the respective Board. Subject to the applicable Laws, the Investor Director or the Observer, as the case may be, shall be entitled to all the rights and privileges of other directors.

36.10.3 The Company shall extend and maintain suitable directors and officer's insurance for all the Investor Directors from a reputable insurance company in respect of claims or liabilities resulting from the actions or omissions of the Investor Directors in their capacity as directors of the Company and/or Material Subsidiaries for an amount of USD 10,000,000(United States Dollars ten million) for each Investor Director.

36.11 Shareholders Meeting

36.11.1 An AGM shall be held each calendar year within 6 (six) months following the end of the previous Accounting Period of the Company but not later than 15 (fifteen) months from the previous AGM.

36.11.2 Unless a shorter notice period is permitted in accordance with the Act, no General Meeting shall be held unless at least 21 (twenty-one) Business Days clear notice (in written or through electronic mode) of that meeting has been given to each Shareholder, Director and the Auditors. Matters not on the agenda circulated in advance to the Shareholders may not be raised at a General Meeting unless all of the Shareholders agree in writing.

36.11.3 Quorum: The quorum for any meeting of the Shareholders of the Company ("**First Scheduled Shareholder Meeting**") shall include a representative of the Investor and the Family Shareholders, present throughout the meeting ("**Shareholder Meeting Quorum**"), unless otherwise agreed mutually among the Investor and the Family Shareholders. In case the First Scheduled Shareholder Meeting cannot be conducted on the date fixed for such meeting due to, lack of Shareholder Meeting Quorum, then the First Scheduled Shareholder Meeting shall stand adjourned to 5th (fifth) Business Day, at the same place and same time ("**Second Scheduled Shareholder Meeting**"). In the event the Shareholder Meeting Quorum is not present at such Second Scheduled Shareholder Meeting, then the Second Scheduled Shareholder Meeting shall be convened with the shareholders present for such Second Scheduled Shareholder Meeting. At such Second Scheduled Shareholder Meeting, the Shareholders present shall constitute the quorum, subject to the Act and any resolution duly passed at such meeting (other than in relation to Affirmative Vote Matters) shall be valid and binding on the Company, regardless of the presence or otherwise of any Person designated by a particular Shareholder.

No action, discussion or voting shall be taken up in respect of any of the Affirmative Vote Matters at a General Meeting if the Investor has not notified the Company of its written consent on an agenda item relating to the Affirmative Vote Matters or is present in the meeting and has voted in the affirmative for such Affirmative Vote Item. However, if the Investor's written consent to the Affirmative Vote Matters before the General Meeting has been obtained there would be no requirement of separately obtaining the Investor's consent in the General Meeting for the Affirmative Vote Matters.

36.11.4 Resolution at General Meeting. At all General Meetings, resolutions put to the vote shall be decided on a poll. Each Shareholder holding Shares shall have 1 (one) vote for each fully paid-up Share held by such Shareholder.

36.12 Voting Rights

36.12.1 Every Shareholder and Director (appointed as such in terms of these Articles) shall exercise all of their voting rights or cause their power to vote to be exercised, at the General Meetings or meetings of the Board, as the case maybe, so as to ensure the approval of any and every resolution necessary or desirable to procure that the affairs of the Company are conducted in accordance with and to give full effect to these Articles to the true intent and meaning of these Articles.

36.12.2 Subject to any rights or restrictions for the time being attached to any class or classes of shares, —

(a) on a show of hands, every Member present in person shall have one vote; and

(b) on a poll, the voting rights of Members shall be in proportion to his share in the paid-up equity share capital of the Company.

36.12.3 A Member may exercise his vote at a meeting by electronic means in accordance with section 108 and shall vote only once.

(a) In the case of joint holders, the vote of the senior who tenders a vote, whether in person or by proxy, shall be accepted to the exclusion of the votes of the other joint holders.

(b) For this purpose, seniority shall be determined by the order in which the names stand in the Register of Members.

36.12.4 A Member of unsound mind, or in respect of whom an order has been made by any court having jurisdiction in lunacy, may vote, whether on a show of hands or on a poll, by his committee or other legal guardian, and any such committee or guardian may, on a poll, vote by proxy.

36.12.5 Any business other than that upon which a poll has been demanded may be proceeded with, pending the taking of the poll.

36.12.6 No Member shall be entitled to vote at any general meeting unless all calls or other sums presently payable by him in respect of shares in the Company have been paid.

36.12.7 No objection shall be raised to the qualification of any voter except at the meeting or adjourned meeting at which the vote objected to is given or tendered, and every vote not disallowed at such meeting shall be valid for all purposes.

36.12.8 Any such objection made in due time shall be referred to the Chairperson of the meeting, whose decision shall be final and conclusive.

36.12.9 No Party shall agree to be bound by any agreement or like arrangements of any kind (including any arrangement or agreement with respect to the acquisition, disposition or voting of any Shares) with any Person (including any Person that becomes a Shareholder hereafter) that is inconsistent with any of the provisions of these Articles.

36.13 Proxy

36.13.1 The instrument appointing a proxy and the power-of-attorney or other authority, if any, under which it is signed or a notarised copy of that power or authority, shall be deposited at the registered office of the Company not less than 48 (forty eight)hours before the time for holding the meeting or adjourned meeting at which the person named in the instrument proposes to vote, or, in the case of a poll, not less than 24 (twenty four) hours before the time appointed for the taking of the poll; and in default the instrument of proxy shall not be treated as valid.

36.13.2 An instrument appointing a proxy shall be in the form as prescribed in the rules made under section 105.

36.13.3 A vote given in accordance with the terms of an instrument of proxy shall be valid, notwithstanding the previous death or insanity of the principal or the revocation of the proxy or of the authority under which the proxy was executed, or the transfer of the shares in respect of which the proxy is given:

Provided that no intimation in writing of such death, insanity, revocation or transfer shall have been received by the Company at its office before the commencement of the meeting or adjourned meeting at which the proxy is used.

36.14 **Affirmative Vote Matters**

36.14.1 As long as the Investor's shareholding in the Company (on a Fully Diluted Basisdoes not fall below (a) 935,406 (nine hundred thirty-five thousand four hundred and six) Shares, subject to adjustments for any corporate actions of the Company which have an effect on the number of Shares held by the Investor including bonus issuance, stock split and stock consolidation ; or (b) if the Qualifying Merger is consummated, 1/3rd of the total number of Securities held by the Investor in the Company immediately after completion of the procedures under the Act for the Qualifying Merger minus 91,040 (ninety-one thousand and forty) Shares, subject to adjustments for any corporate actions of the Company which have an effect on the number of Shares held by the Investor including bonus issuance, stock split and stock consolidation (as the case maybe), no decision shall be taken in respect of any matters as set out in Schedule 4 to these Articles hereinafter (the "**Affirmative Vote Matter**"), whether at a Board meeting or meeting of any committee of the Board, General Meeting or otherwise, of the Company, without: (i) the affirmative vote or written confirmation of at least 1 (one) Investor Director or his Alternate Director, if such Affirmative Vote Matter is proposed at a Board Meeting (or meeting of any committee of the Board) and a person is appointed as an Investor Director; or (ii) the affirmative vote or the written confirmation of the Investor, if such Affirmative Vote Matter is proposed at a General Meeting or no person is appointed as an Investor Director. It is clarified that all the Affirmative Vote Matters in relation to the Subsidiaries (to the extent applicable and set out in Schedule 4 to these Articles) shall be discussed at the Board meeting of the Company and the Investor shall have the right to exercise its affirmative vote at or prior to such Board meetings. The nominees of the Company on the board of the Subsidiaries shall vote in accordance with the decision of the Board in relation to such Affirmative Vote Matters.

36.14.2 If at any time the Existing Shareholder, together with Ameera, hold less than 26% (twenty six percent) of the Shares Capital on account of their inability to infuse further capital in the Company or due to the occurrence of a Qualifying Merger, or a Strategic Merger or any other merger, or corporate reorganization or capital reorganization undertaken in accordance with the terms of these Articles), then the Investor shall vote along with the Family Shareholders in respect to any business matters placed before the meeting of the Board (or any committee of the Board), except for (i) the Affirmative Vote Matters (ii) other matters where the Investor has reasonable belief that it would incur additional legal liability on the Investor and/or Investor Directors or the Observer; (iii) any matter which could cause or continue a breach of applicable Law, or (iv) matters involving a Sanctions Target; provided that the requirement of Investors to vote along with the Family Shareholders in this Article 36.14.2 shall fall away if, at any time, (A) the Existing Shareholders do not vote together with Ameera on any matter or (B) Ameera ceases to be involved in the affairs of the Company in an executive capacity.

In relation to Affirmative Vote Matters which relate to the Material Subsidiaries of the Company, the Company undertakes to exercise all its rights under applicable Law to ensure that the Material Subsidiaries refer all decisions relating to the Affirmative Vote Matters to the Board and not undertake any Affirmative Vote Matter, without the specific approval of Board.

The Company shall exercise its voting rights at the board and general meeting of the Subsidiaries (to the extent applicable) and joint ventures and direct their nominees, if any, on the board of such Subsidiaries and joint ventures, to ensure that its Subsidiaries and any joint ventures where the Company has a shareholding of atleast 26% (twenty six percent) ("Joint Ventures"), are at all times be compliant with applicable Foreign Exchange Management Act, 1999 and rules and regulations made thereunder and the Foreign Direct Investment Policy issued by the Department of Industrial Policy and Promotion, Ministry of Commerce and Industry, Government of India, with effect from May 12, 2015 ("FDI Policy").

36.14.3 The Parties agree that the principles set out in Article 36.14 is fundamental to the governance of the Company and the Material Subsidiaries and each Party undertakes not to commit any act or omission that would violate or prejudice the spirit and intent of these Articles 36.14. If any other provision of these Articles conflicts with the provisions of Article 36.14, this Articles 36.14 shall prevail and be given effect to.

37 MANAGING DIRECTOR(S)/ WHOLE-TIME DIRECTOR(S) / CHIEF EXECUTIVE OFFICER

37.1 The Board may from time to time and with such sanction of the Central Government as may be required by the Act, appoint one or more of the Directors to the office of the Managing Director or whole-time Directors.

37.2 The Board of Directors may from time to time resolve that there shall be either one or more Managing Directors or Whole time Directors.

37.3 In the event of any vacancy arising in the office of a Managing Director or Whole- time Director, the vacancy shall be filled by the Board of Directors subject to the approval of the members.

37.4 If a Managing Director or whole time Director ceases to hold office as Director, he shall ipso facto and immediately cease to be Managing Director/whole time Director.

37.5 The Managing Director or whole time Director shall not be liable to retirement by rotation as long as he holds office as Managing Director or whole-time Director.

37.6 Ms Ameera Shah shall be the Managing Director of the Company

37.7 Dr. Sushil Shah shall be the non-executive chairman of the Company.

37.8 Powers and duties of Managing Director or whole-time Director:

37.8.1 The Managing Director/Whole-time Director shall subject to the supervision, control and direction of the Board and subject to the provisions of the Act, exercise such powers as are exercisable under these presents by the Board of Directors, as they may think fit and confer such power for such time and to be exercised as they may think expedient and they may confer such power either collaterally with or to the exclusion of any such substitution for all or any of the powers of the Board of Directors in that behalf and may from time to time revoke, withdraw, alter or vary all or any such powers. The Managing Directors/ whole time Directors may exercise all the powers entrusted to them by the Board of Directors in accordance with the Board's direction.

37.8.2 The responsibility, and reasonably appropriate powers, for the day to day management of the Company and implementation of the Investor Business Plan shall be delegated to its Chief Executive Officer ("CEO"), who shall exercise such powers as may be delegated by the Board of Directors subject to its overall supervision and control and subject at all times to the affirmative rights of the Investor. The roles and responsibilities of the CEO, who shall carry out the said roles and responsibilities subject to its overall supervision and control of the Board of Directors and subject at all times to the affirmative rights of the Investor (Under Article 36.14) are set out below:

(a) delivering on the Company's Annual Business Plan, as determined by the Board;

(b) identifying potential new businesses / new revenue streams;

(c) executing the Company's organic growth initiatives across all business lines and subsidiaries;

(d) identifying and executing the Company's inorganic growth initiatives;

(e) to interact with media and manage PR activities. All media interactions by the CEO \ should be under the directions and code evolved by the Board;

(f) implementing robust internal control systems within the Company;

(g) prudent cash flow management;

(h) effective recruitment and utilization of human resources and succession planning;

(i) representing all key matters to the Board of the Company;

(j) recommending to the Board and various management committees the key actions proposed and implementing the same on approval by the Board; and

(k) upholding and further improving the Company's testing quality standards.

37.9 Subject to the provisions of the Act and these Articles, and subject to such sanction of Central Government/Financial Institutions as may be required for the purpose, the Managing Directors/whole-time Directors/CEO shall receive such remuneration (whether by way of salary commission or participation in profits or partly in one way and partly in another) as the Company in General Meeting may from time to time determine.

37.10 The Managing Directors/whole-time Directors/CEO shall be entitled to charge and be paid for all actual expenses, if any, which they may incur for or in connection with the business of the Company. They shall be entitled to appoint part time employees in connection with the management of the affairs of the Company and shall be entitled to be paid by the Company any remuneration that they may pay to such part time employees.

38 Dividend Distribution Policy

38.1 Dividends shall be declared and paid by the Company as and when and in amounts determined by the Board, in accordance with applicable Law, of the distributable income of the Company, On the earlier of (i) the second board meeting held by the Company pursuant to Closing Actions on the Closing date and (ii) March 31, 2016 the Company shall adopt a dividend policy (x) that reflects the understanding that the entire amount of the relevant fiscal year's standalone pofits that is capable of being distributed as dividend under applicable Law by the Company shall at least be mandatorily paid out as dividends in each year.

38.2 Subject to relevant applicable Law including Section 123 of the Act, the Board may declare and pay interim dividends out of the surplus in the profit and loss account and out of profits of the Accounting Period in which such dividends are sought to be declared and paid.

38.3 The profits of the Company, subject to any special rights, relating thereto created or authorized to be created by these presents and subject to the provisions of the presents as to the Reserve Fund, shall be divisible among the members in proportion to the amount of capital paid up on the shares held by them respectively and the last day of the year of account in respect of which such dividend is declared and in the case of interim dividends on the close of the last day of the period in respect of which such interim dividend is paid.

38.4 Where capital is paid in advance of calls, such capital shall not, confer a right to participate in the profits.

38.5 The Company in General Meeting may, subject to the provisions of these Articles, declare dividends but no dividend shall exceed the amount recommended by the Board.

38.6 No dividend shall be payable except out of the profits of the year or any other undistributed profits except as provided by Section 205 of the Act.

38.7 Subject to compliance with applicable Laws and provisions of Article 38.1, the Board may, before recommending any dividends, set aside out of the profits of the Company such sums as it thinks proper as a reserve or reserves which shall at the discretion of the Board, be applied for any purpose to which the profits of the Company may be properly applied, including provision for meeting contingencies or for equalizing dividends and pending such application, may, at the like discretion either be employed in the business of the Company or be invested in such investments (other than shares of the Company) as the Board may, from time to time think fit.

38.8 The Board may also carry forward any profits when it may think prudent not to appropriate to Reserves.

38.9 The Board may deduct from any dividend payable to any members all sums of money, if any, presently payable by him to the Company on account of the calls or otherwise in relation to the shares of the Company.

38.10 Any General Meeting declaring a dividend may make a call on the members as such amount as the meeting fixed, but so that the call on each member shall not exceed the dividend payable to him and so that the call be made payable at the same time as the dividend and the dividend may, if so arranged between the Company and the members be set off against the call.

38.11 Any one of two or more joint holders of a share may give effectual receipt for any dividends, or other moneys payable in respect of such shares.

38.12 Notice of any dividend that may have been declared shall be given to the persons entitled to share thereto in the manner mentioned in the Act.

38.13 No dividends shall bear interest against the Company.

38.14 Subject to the provisions of Section 206 A of the Act, any transfer of shares shall not pass the right to any dividend declared thereon before the registration of the transfer.

38.15 Where the Company has declared a dividend but which has not been paid or claimed within 30 days from the date of declaration, the Company shall transfer the total amount of dividend which remains unpaid or unclaimed within the said period of 30 days, to a special account to be opened by the Company in that behalf in any scheduled bank called "Metropolis Healthcare Limited Unpaid Dividend Account".

38.16 Any money transferred to the unpaid dividend account of the Company which remains unpaid or unclaimed for a period of seven years from the date of such transfer, shall be transferred by the Company to the fund known as Investors Education And Protection Fund established under section 205C of the Act

38.17 No unclaimed or unpaid dividend shall be forfeited by the Board before the claim becomes barred by law.

FINANCIAL MATTERS, INFORMATION, BUSINESS PLAN AND REPORTING

39 **Audit**

The Company shall, and shall exercise its voting rights at the Board and General Meeting and direct its nominees on the board of such Subsidiaries (to the extent the rights are available with the Company) that each Subsidiary shall, adopt the Accounting Principles in relation to its financial statements and the Company shall procure that as soon as reasonably practicable after the end of each Accounting Period, that the Company prepares a report and accounts in accordance with the Accounting Principles and its obligations under applicable Laws.

40 **Auditors**

The Company shall, and shall exercise its voting rights at the Board and General Meeting and direct its nominees on the board of such Subsidiaries (to the extent the rights are available with the Company) that each Material Subsidiary and such other Subsidiaries which in aggregate constitutes at least 85% (eighty five percent) of the gross consolidated turnover of the Company in the preceding Accounting Year, shall, appoint one of the following firms or their Affiliate entities in India or such other firm as may be mutually agreed between the Family Shareholders and the Investor, as its auditor:

(i) Grant Thorton;

(ii) Price Waterhouse Coopers;

(iii) Ernst & Young;

(iv) KPMG; or

(v) Deloitte Touche Tohmatsu.

Provided however, the Company will ensure that each Subsidiary, which as on date of adoption of these Articles, has any of the aforementioned firms or their Affiliates as its auditor, shall either continue to have that firm or its Affiliate entities as its auditor, or shall have any of the other aforementioned firms or their Affiliates, provided further that, this shall not be applicable for appointment of auditors of Nawaloka Metropolis Laboratories Services Private Limited and Metropolis Health Services (South Africa) (Pty) Limited. The Company undertakes to vote in each of Nawaloka Metropolis Laboratories Services Private Limited and Metropolis Health Services (South Africa) (Pty) Limited, cause all of its nominees on the board of Nawaloka Metropolis Laboratories Services Private Limited and Metropolis Health Services (South Africa) (Pty) Limited to vote, and for itself to exercise all contractual rights as available to it in a manner that auditors as aforementioned can be appointed on each of Nawaloka Metropolis Laboratories Services Private Limited and Metropolis Health Services (South Africa) (Pty) Limited, unless it has obtained the prior written consent of the Investor to not have auditors as aforesaid.

41 **Business Plan**

The Board shall agree to an annual Business Plan. The Business Plan will be reviewed and updated annually by the Board.

42 **Accounts**

42.1 The Board shall from time to time determine whether and to what extent and at what times and places and under what conditions or regulations, the accounts and books of the company, or any of them, shall be open to the inspection of Members not being directors.

42.2 Subject to the provisions of Article 44 (Inspection), no Member (not being a director) shall have any right of inspecting any account or book or document of the company except as conferred by law or authorised by the Board or by the company in general meeting.

43 **Inspection**

The Investor and Investor Directors, through their representatives, shall have reasonable access during business hours (at their costs) to examine the financial books, the business records, bookkeeping and accounting records, income tax records and returns, and other records of the Company, its Subsidiaries and Joint Ventures from time to time, to make extracts and copies therefrom and to have full access to all of the Company's and (to the extent the Company has rights) the Subsidiary's and Joint Venture's property and assets. The Investor and/or the Investor Director, as the case may be,shall provide a minimum notice of at least 3 (three) Business Days to the Company before undertaking such inspection.

44 **Information and Reporting**

44.1 The Parties shall procure the Company to supply each Party with:

44.1.1 no later than 31 March, an annual consolidated Business Plan for the next Accounting Period (including a budget containing a monthly income statement and key balance sheet and cash flow items such as capital expenditure, fixed assets and working capital) and headcount of the Company and Subsidiaries;

44.1.2 within 45 (forty five) days from the end of each quarter, quarterly reports, including a narrative describing the Company and its Subsidiaries' progress during the period in question;

44.1.3 such other data, reports, information and supporting records as the Investor, may from time to time reasonably request in relation to the Company or its Subsidiaries, except for any confidential information pertaining to the patient records;

44.1.4 a copy of the Audited Accounts prepared in accordance with the laws applicable in and the accounting standards, principles and practices generally accepted in India, within 120 (one hundred twenty) days of the end of the Accounting Period to which the Audited Accounts relate, provide that such Audited Accounts may exclude data of its Subsidiaries located outside India if they have not submitted such data within 90 (ninety) days of the end of the Accounting Period to which the Audited Accounts relate. It is clarified that the Company shall undertake all reasonable efforts to ensure that each Subsidiary, whether in India or located outside of India, provide their relevant financial data to the Company in time;

44.1.5 within a maximum period of 7 (seven) days following any material event in relation to the Company, its Subsidiaries or the Business, information regarding such event;

44.1.6 monthly management information system statements (including but not limited to consolidated revenues, consolidated EBITDA, capex, total laboratories, total collection centers, key items of the balance sheet and cash flow such as capital expenditure, fixed assets and working capital) of the Company and its Subsidiaries, including details of any Related Party transactions, to be supplied within 21(twenty one) days of the end of the month to which they relate (the first day being the first day of the following month); provided that for the first 12 (twelve) months after the Closing Date, the period of 21(twenty one) days above shall be read as 30(thirty) days; and

44.1.7 to the extent the Company is aware, share such information concerning any indication of interest (received in writing) in respect of any Shares in the Company or any Subsidiary or in respect of any substantial part of the Business, together with any developments which might reasonably lead to an exit for Investor.

45 Audit Right

The Investor shall be entitled to, from time to time, with at least 15 (fifteen) days' prior written notice, at Company's expense, appoint such third party independent consultants, auditors and technical experts ("**Third Party Consultants**") as it may deem fit to assess, audit and report to the Investors on any particular or generic matter relating to the performance and operations of the Company and each Subsidiary. Provided however, the Investor shall exercise its rights to appoint such Third Party Consultants only once every Accounting Period in relation to any specific matter.

For the aforesaid purposes, the Company and the Family Shareholders shall promptly provide all assistance, make available all information, books, registers, contracts, documents and records and provide access to all premises, sites, offices, laboratories, personnel, officers, employees, agents, accountants, consultants, etc. of the Company and / (to the extent the Company enjoys such rights) of its Subsidiaries as the Investor and / or its agents, representatives, and Third Party Consultants may reasonably require to undertake such audit and assess the performance and operations of the Company and/or its Subsidiaries (to the extent that the Company enjoys such rights).

46 **Other Covenants of the Company:**
The accounting records of the Company and its Material Subsidiaries shall be kept at their respective registered offices or at such other place, as the Board may deem fit and proper.

47 **Compliance with applicable Laws**

47.1 After the Closing Date, the Company undertakes to, and shall exercise its voting rights at the board and general meeting of the Subsidiaries (to the extent applicable) and Joint Ventures and direct their nominees, if any, on the board of such Subsidiaries and Joint Ventures to ensure that, they shall not intentionally or deliberately breach the provisions of all applicable Laws, as amended from time to time including the FDI Policy (as defined below).

Anti-Corruption and SDN Covenants

47.2 The Company agrees that neither any member of the Company Group and its other Subsidiaries, nor any Company Representative shall, directly or indirectly, make or authorize any offer, gift, payment, or transfer, or promise of, any money or anything else of value, or provide any benefit, including but not limited to the payment of referral fees, to any Government Official, Government Body, or Person that would result in a breach of any Anticorruption Law, by the Company.

47.3 The Company agrees that all members of the Company Group and its other Subsidiaries shall remain in full compliance with applicable Sanctions Laws and Regulations.

47.4 The Company agrees that no Government Official will serve in any capacity within the Company or any Subsidiary, including as a board member, employee, or consultant.

47.5 The Company agrees that the Company and its Subsidiaries shall make and keep books, records and accounts, which in reasonable detail accurately and fairly reflect the transactions and dispositions of the Company and its Subsidiaries' assets, and devise and maintain a system of internal accounting controls sufficient to provide reasonable assurances that:

47.5.1 transactions are executed in accordance with management’s general or specific authorization and are recorded as necessary to permit preparation of financial statements in conformity with GAAP to maintain accountability of such assets;

47.5.2 access to assets is permitted only in accordance with management’s general or specific authorization; and

47.5.3 the recorded accountability for assets is compared with existing assets at reasonable levels and appropriate action is taken with respect to any differences.

47.6 The Company agrees to allow Investor to review its books and records and have access to persons or premises at all reasonable times that Investor shall reasonably require in order to allow Investor to comply with the obligations under this Article 48 to which it is subject under any applicable Laws.

47.7 The Company agrees that during the period of investment from Investor, it will provide Investor and its affiliates with a quarterly compliance certificate and/or complete a form of compliance certificate, in each case in the form set out in Schedule III, in relation to Sanctions Laws and Regulations (“**Compliance Certificate**”). The Compliance Certificate shall be issued by an affiliate of Investor and the Compliance Certificate must be completed and returned by Company within 5 (five) Business Days of receipt. The certification email shall be delivered by an affiliate of Investor to the details as set out in the Shareholders Agreement :

47.8 The Company agrees that within 100 (one hundred) days of the Closing Date, it shall adopt and implement compliance procedures, training and monitoring program, including but not limited an anti-corruption compliance policy to the satisfaction of Investor. At the request, and expense of the Investor, the Company shall arrange, and ensure attendance by selected officers and managers, training sessions in relation to the above.

47.9 The Company agrees to cooperate with any compliance audit or investigation by Investor and provide all reasonable information and assistance requested upon an investigation or inquiry by a Governmental Body directed to the Company.

47.10 The Company shall exercise its rights (to the extent the rights are available with the Company) and it shall ensure that its Subsidiaries shall, enforce all agreements entered into with their Related Parties (“**Related Agreements**”) and pursue all rights and remedies thereunder or at Law, in the event of default or cause arising under the Related Agreements, expeditiously and in good faith and in consultation with, and having regard to the advice of the Investor.

47.11 It is hereby agreed by the Parties that there shall be no obligation whatsoever on the Investor and/or its Affiliates to provide any debt or other form of financial assistance to the Company or its Subsidiaries or to Encumber any Securities held by the Investor or other assets or to provide any guarantees or other form of support (financial or otherwise) to any Person or entity, in relation to any debt or financial assistance to be obtained by and/or provided to the Company and/ or its Subsidiaries from any Person.

47.12 The Company shall promptly intimate the Investor and provide a confirmation in writing (duly executed by 2 (two) whole time directors) of the names of any new JV Partner of the Company, inducted during the period of 2 (two) years from the Closing Date. For the purposes of this Article 47, “**JV Partner**” means any person who directly or through an Affiliate and/or associate: (i) is a shareholder, director or partner in a person in which the Company or any Affiliate or any associate of the Company, owns any share capital, voting interest, economic interest; (ii) has entered into a joint venture agreement or memorandum of understanding or any binding agreement for business partnership with the Company or an Affiliate or an Associate of the Company; or (iii) has transferred/sold any part of their business to the Company or any Affiliate or associate of the Company, including through transfer of share capital;

47.13 After the expiry of 2 (two) years from the Closing Date, the Company shall provide the Investor, with a written confirmation (duly executed by 2 (two) whole time directors) of the list of 5 (five) potential JV

Partners with whom the Company is in discussions with.

47.14 During the period of 2 (two) years from the Closing Date, upon the change in the nomenclature of the positions set out in Schedule VII of the Share Purchase Agreement such change in nomenclature shall be notified in writing to the Investor.

47.15 During the period of 4 (four) years from the Closing Date, if the Company vacates any of the identified premises set out in Schedule VIII of the Share Purchase Agreement and each of the undertakings provided by each of Mefort Hospitals Private Limited and Trivitron Healthcare Private Limited of its own volition, the Company shall notify the Investor in writing.

47.16 The Company shall exercise its voting rights at the Board and General Meeting (to the extent permitted under applicable law) and right to direct its nominees on the board of its Subsidiaries and Joint Ventures (to the extent the rights are available with the Company), to ensure that that its Subsidiaries and Joint Ventures shall, at all times maintain true and fair and complete accounting and other financial records in accordance with applicable Law and GAAP.

FUTURE CAPITAL ISSUANCE

48 Issue of Capital

The Company may raise fresh capital from time to time including through any fresh issuance and allotment of Shares offered on a rights basis to the Shareholders or on a preferential basis to Shareholders or third parties, in the manner prescribed in Article 48. If the Company issues fresh capital on a rights basis and the Investor or any of the Existing Shareholders do not participate in such rights issue, then the Investor and the relevant Existing Shareholder (as the case may be) acknowledges that their shareholding in the Company may get diluted.

49 **Anti-Dilution**

49.1 The Company shall not issue any Securities to any Person on an preferential basis ("**Proposed Recipient**") unless the Company has offered to the Existing Shareholders and the Investor ("**Offeree**"), in accordance with the provisions of Articles 48 and 49, the right to subscribe to its Pro Rata Share, of such issuance for a per unit consideration, payable solely in cash, equal to the per unit value of the Securities being issued to the Proposed Recipient (including per unit consideration, if any to be paid by the Proposed Recipient) on the same terms and conditions as are offered to the Proposed Recipient.

49.2 The Company shall make an offer as above by delivering a notice (the "**Offer Notice**") to the Offeree, stating (a) its intention to offer such Securities, (b) the number of such Securities to be offered, and (c) the price and terms, if any, upon which it proposes to offer such Securities. By written notification to the Company within 30 (thirty) calendar days after receipt of the Offer Notice ("**Offer Period**"), the Offeree may elect to purchase or obtain, at the price and on the terms specified in the Offer Notice, up to their Pro Rata Share. If the Offeree fails to provide the Company with a written notice accepting to buy up to their Pro Rata Share within the Offer Period, the Offeree shall be deemed to have declined its rights to purchase such Securities. Subject to applicable Law, the valuation at which the Securities may be subscribed to by the Offeree pursuant to Article 49 above shall be equal to the per unit value of the Securities being issued to the Proposed Recipient.

49.3 In the event that the Offeree exercises its right under and in accordance with Articles 49.1 and 49.2 above, the Company shall forthwith take all necessary steps to issue the Securities to the Offeree upto their Pro Rata Share as indicated by the Offeree pursuant to an exercise of its right, subject to applicable Law.

49.4 If any Offeree refuses or fails to subscribe all or part of such Securities in accordance with Articles 49.1 and 49.2 above, the right to subscribe such remaining unsubscribed Securities ("**Non-Subscribed Securities**") shall devolve on the other Shareholder who is desirous of subscribing to such Non-Subscribed Securities and has initially participated in the subscription of the Securities ("**Subscribing Party**") within 7 (seven) days from the Offer Period ("**Second Offer Period**"). The Subscribing Party may then subscribe to such Non-Subscribed Securities and the non-subscribing Party's shareholding in the Company will be reduced to the extent of the subscription by the Subscribing Party.

However, if any Securities referred to in Article 49.4 above are not elected to be subscribed by the Subscribing Party within the Second Offer Period, the Company may, during the 60 (sixty) day period following the expiration of the Offer Period, undertake the preferential allotment by offering the remaining unsubscribed portion of such Securities in the manner stipulated under Sections 42 and 62 (1) (c) of the Act to the Proposed Recipient at a price not less than, and upon terms no more favourable than, those specified in the Offer Notice. In such an event, the Offeree acknowledges that their shareholding in the Company may get diluted.

49.5 The anti-dilution right set out under Articles 48 and 49 shall not be applicable in case of an IPO or issuance of any Securities to Existing Shareholder and/or their Affiliates with the prior approval of the Investor.

49.6 Notwithstanding anything contained in this Article 49, it is agreed by the Parties that no Securities shall be issued to any Person that is a Sanctions Target.

49.7 No issuance of Securities of the Company to a Proposed Recipient may be made pursuant to these Articles unless the Proposed Recipient has agreed to be bound by the terms and conditions of these Articles and has executed an Affiliate Deed of Adherence or a Third Party Deed of Adherence, as the case may be.

SHARE WARRANTS

50 Rights to issue share warrants

50.1 The Company may issue share warrants subject to, and in accordance with the Act.

50.2 The Board may, in its discretion, with respect to any share which is fully paid up on application in writing signed by the person registered as holder of the share, and authenticated by such evidence (if any) as the Board may from time to time require as to the identity of the person signing the application, and the amount of the stamp duty on the warrant and such fee as the Board may from time to time require having been paid, issue a warrant.

51 Rights of warrant holders

51.1 The bearer of the share warrant may at any time deposit the warrant at the office of the Company, and so long as the warrant remains so deposited, the depositor shall have the same right to signing a requisition, for calling a meeting of the Company, and of attending, and voting and exercising other privileges of a Member at any meeting held after the expiry of two clear days from time of the deposit, as if his name were inserted in the Register or Members as the holder of the shares included in the deposited warrant.

51.2 Not more than one person shall be recognized as the depositor of the share warrant.

51.3 The Company shall, on two days written notice, return the deposited share warrant to the depositor.

52 Bearer of Share Warrants

52.1 Subject as herein otherwise expressly provided, no person shall, as bearer of a share warrant, sign a requisition for calling a meeting of the Company, or attend, or vote or exercise any other privileges of a Member at a meeting of the Company, or be entitled to receive any notice from the Company.

52.2 The bearer of a share warrant shall be entitled in all other respects to the same privileges and advantages as if he were named in the Register of Members as the holder of the shares included in the warrant, and he shall be Member of the Company.

53 Board to make rules

The Board may, from time to time, make rules as to the terms on which it shall think fit, a new share warrant or coupon may be issued by way of renewal in case of defacement, loss or destruction.

COMMON SEAL

54 The Board shall provide for the safe custody of the seal.

55 The seal of the Company shall not be affixed to any instrument except by the authority of a resolution of the Board or of a committee of the Board authorised by it in that behalf, and except in the presence of at least two directors and of the secretary or such other person as the Board may appoint for the purpose; and those two directors and the secretary or other person aforesaid shall sign every instrument to which the seal of the Company is so affixed in their presence.

CAPITALISATION OF PROFITS

56 Subject to the provisions of Article 36.14 (Affirmative Vote Matters), the Company in general meeting may, upon the recommendation of the Board, resolve –

56.1 that it is desirable to capitalise any part of the amount for the time being standing to the credit of any of the Company’s reserve accounts, or to the credit of the profit and loss account, or otherwise available for distribution; and

56.2 that such sum be accordingly set free for distribution in the manner specified in these articles amongst the Members who would have been entitled thereto, if distributed by way of dividend and in the same proportions.

57 The sum aforesaid shall not be paid in cash but shall be applied, subject to the provisions contained in these articles, either in or towards –

57.1 paying up any amounts for the time being unpaid on any shares held by such Members respectively;

57.2 paying up in full, unissued shares of the Company to be allotted and distributed, credited as fully paid-up, to and amongst such Members in the proportions aforesaid;

57.3 partly in the way specified in Article 57.1 and partly in that specified in Article 57.2;

57.4 a securities premium account and a capital redemption reserve account may, for the purposes of this regulation, be applied in the paying up of unissued shares to be issued to Members of the Company as fully paid bonus shares;

57.5 The Board shall give effect to the resolution passed by the Company in pursuance of this regulation.

58 Whenever such a resolution as aforesaid shall have been passed, the Board shall—

58.1 make all appropriations and applications of the undivided profits resolved to be capitalised thereby, and all allotments and issues of fully paid shares if any; and

58.2 generally do all acts and things required to give effect thereto.

59 The Board shall have power—

59.1 to make such provisions, by the issue of fractional certificates or by payment in cash or otherwise as it thinks fit, for the case of shares becoming distributable in fractions; and

59.2 to authorise any person to enter, on behalf of all the Members entitled thereto, into an agreement with the Company providing for the allotment to them respectively, credited as fully paid-up, of any further shares to which they may be entitled upon such capitalisation, or as the case may require, for the payment by the Company on their behalf, by the application thereto of their respective proportions of profits resolved to be capitalised, of the amount or any part of the amounts remaining unpaid on their existing shares;

60 Any agreement made under such authority shall be effective and binding on such Members.

NOTICES

61 Except as otherwise expressly provided herein, all notices, demands and other communications to be given or delivered under or by reason of the provisions of these Articles shall be in writing (including electronically) and shall be deemed to have been given (a) when personally delivered, (b) the 3rd (third) Business day following the day on which the same has been delivered prepaid to a reputable national air courier service, (c) the 5th (fifth) Business Day following the day on which the same is sent by registered mail, postage prepaid or (d) by e-mail transmission (promptly followed by a hard-copy delivered in accordance with this Article 61, unless the recipient agrees by response e-mail that no such hard-copy is required), in each case to the respective Parties at the address (or e-mail address, or at such other address (or e-mail address) as such Party may specify by written notice to the other Party:

Notices to the Investor:

CA LOTUS INVESTMENTS

Address: 6th Floor, GFin Tower, 42 Hotel Street, Cybercity, Ebene, Mauritius
Attention: Mr Santosh Kumar Gujadhur, Ms Norma Rose Kuntz
E-mail: carlyle@gfingroup.com, Norma.Kuntz@carlyle.com

Notices to the Family Shareholders:

Address: 71, Apurva Apartments, 5 Napean Sea Road, Mumbai - 400036
To the attention of: Ms Ameera Shah
E-mail: ameerashah.as@gmail.com

Notices to Bacchus:

Address: 250 D Udyog Bhavan, Hind Cycle Marg, Worli, Mumbai – 400 030, Maharashtra
Attention: Ms Ameera Shah
E-mail: ameerashah.as@gmail.com

Notices to the Company:

Address: 250 D Udyog Bhavan, Hind Cycle Marg, Worli, Mumbai – 400 030, Maharashtra
Attention: Ms Ameera Shah
E-mail: ameerashah.as@gmail.com

62 In all respects, the winding up proceedings of the Company, when taken up, shall be governed by the Act.

63 Subject to the provisions of Chapter XX of the Act and rules made thereunder:

63.1 If the Company shall be wound up, the liquidator may, with the sanction of a special resolution of the Company and any other sanction required by the Act, divide amongst the Members, in specie or kind, the whole or any part o the assets of the Company, whether they shall consist of property of the same kind or not

63.2 For the purpose aforesaid, the liquidator may set such value as he deems fair upon any property to be divided as aforesaid and may determine how such division shall be carried out as between Members or different classes of Members.

63.3 The liquidator may, with the like sanction, vest the whole or any part of such assets in trustees upon such trusts for the benefit of the contributories if he considers necessary, but so that no Member shall be compelled to accept any shares or other securities whereon there is any liability.

INDEMNITY AND RESPONSIBILITY

64 Directors' and others' right to indemnity

64.1 Subject to the provisions of the Act, the Managing Director and every Director, including the Investor Directors on the Board of the Company and its Subsidiaries, Manager, Secretary and other Officer or Employee of the Company and its Subsidiaries shall be indemnified by the Company against any liability and it shall be the duty of Board of Directors, out of the funds of the Company to pay, all costs and losses and expenses (including traveling expenses) which any such Director, Officer or Employee may incur or become liable to by reason of any contract entered into or act or deed done by him as such Managing Director, Director, Officer or Employee or in any way in the discharge of his duties.

64.2 Subject as aforesaid the Managing Director and every Director, Manager, Secretary or other Officer or Employee of the Company shall be indemnified against any liability incurred by them or in defending any proceeding whether civil or criminal in which judgment is given in their or his favour or in which he is acquitted or discharged or in connection with any application under Section 463 of the Act in which relief is given to him by the Court.

65 Not responsible for acts of others

65.1 No Director or other Officer of the Company shall be liable for the acts, receipt, neglects or defaults of any other Director or Officer, or for joining in any receipt or other act for conformity or for any loss or expenses happening to the Company through insufficiency or deficiency of title to any property acquired by order of the Director for or on behalf of the Company, or for the insufficiency or deficiency of any security in or upon which any of the moneys of the Company shall be invested, or for any loss or damage arising from the bankruptcy, insolvency, or tortuous act of any person, Company or Corporation, with whom any moneys, securities or effects shall be entrusted or deposited or for any loss occasioned by any error of judgment or over sight in his part or for any other loss or damage or misfortune whatever which shall happen in the execution of the duties of his office of in relation thereto, unless the same happens through his own willful act or default.

65.2 Without prejudice to the generality foregoing it is hereby expressly declared that any filing fee payable or any document required to be filed with Register of Companies in respect of any act done or required to be done by any Director or other Officer by reason of his holding the said office, shall be paid and borne by the Company.

66 Applicability to subsidiaries

All rights available to the Investor, and/or its Affiliates under these Articles, or otherwise in relation to the Company shall also be available to the Investor and its Affiliates in each of the Subsidiary, including, if necessary, through the Company. In this regard, the Family Shareholders and the Company shall take all necessary actions as may be required to ensure that all the Subsidiaries comply with the provisions of these Articles and for this purpose ensure, inter alia that:

66.1 The Subsidiaries and their respective shareholders, if any, execute such documents or agreements as may be required including amending the memorandum of association and the articles of association for this purpose.

66.2 the requisite number of Investor Directors (as the Investor is entitled to nominate under Article 35.2 of these Articles) are appointed to the Board and committees of the Board of all such Subsidiaries as non-rotational nominees of the Investor to the Board of such Subsidiaries, and if required, such Investor nominees are appointed as the non-rotational nominees of the Company on such Subsidiaries.

67 Governing Law and Settlement of Disputes

67.1 All issues and questions concerning the existence, construction, validity, interpretation and enforceability of these Articles, shall be governed by, and construed in accordance with, the Laws of India, without giving effect to any choice of law or conflict of law rules or provisions that would cause the application of the Laws of any jurisdiction other than India. The courts of Mumbai shall have exclusive jurisdiction over any and all disputes or differences arising out of or in connection with these Articles or any breach thereof.

67.2 Dispute Resolution by Arbitration:

67.2.1 The Parties agree that in the event of any disputes, differences, controversies and questions directly or indirectly arising at any time under, out of, in connection with or in relation to these Articles (or the subject matter of these Articles) including, without limitation, all disputes, differences, controversies and questions relating to the validity, interpretation, construction, performance and enforcement of any provision of these Articles ("Dispute"), the Parties shall attempt to resolve the Dispute through good faith consultation and such consultation shall begin promptly after one Party has given to the other Parties a written request for such consultation.

67.2.2 In the event such measures at consultation do not result in a resolution of such Dispute within a period of 30 (thirty) Business Days of the same being referred to consultation, any Party may refer such Dispute to final and binding arbitration. Such arbitration shall be governed by the rules under the London Centre for International Arbitration India, as amended from time to time ("Rules") and the seat and venue of the arbitration shall be Mumbai. All proceedings of such arbitration shall be in the English language.

67.2.3 The Parties agree that the arbitral panel shall comprise of one arbitrator to be jointly appointed by Ameera and the Investor and if Ameera and the Investor fail to agree on the sole arbitrator within 30 (thirty) days of reference to dispute by the affected Party, the arbitral panel shall comprise of a panel of 3 (three) arbitrators, one appointed by each of Ameera and the Investor and the third appointed by the two appointed arbitrators, in the manner prescribed in the Rules.

67.2.4 Arbitration awards rendered shall be final and binding and shall not be subject to any form of appeal. Each Party shall bear its own costs and expenses relating to the arbitration.

67.2.5 Neither the existence of any dispute nor the fact that any arbitration is pending hereunder shall relieve any of the Parties of their respective obligations under these Articles. The pendency of a dispute in any arbitration, proceeding shall not affect the performance of the obligations under these Articles.

SECRECY

68 Secrecy

Subject to the relevant provisions contained in these Articles, no Member shall be entitled to inspect the Company's works without the permission of the Managing Director or to require discovery of any information respectively any detail of the Company's trading or any matter which is or may be in the nature of a trade secret, history of trade or secret process which may be related to the conduct of the business of the Company and which in the opinion of the Managing Director it will be inexpedient in the interest of the Members of the Company to communicate to the public.

69 Duties of Officers to observe secrecy

Every Director, Managing Directors, Manager, Secretary, Auditor, Trustee, Members of Committee, Officer, Servant, Agent, Accountant or other persons employed in the business of the Company shall, if so required by the Director before entering upon his duties, or any time during his term of office, signa declaration pledging himself too bserve secrecy relating to all transactions of the Company and the state of accounts and in matters relating thereto and shall by such declaration pledge himself not to reveal any of such matters which may come to his knowledge in the discharge of his official duties except which are required so to do by the Directors or any meeting or by a Court of Law and except so far as may be necessary in order to comply with any of the provision of these Articles or law. Provided that nothing contained herein shall prohibit the Investor Director from sharing information with the Investor.

70 Conflict with Agreement

In the event that there is any conflict between these Articles of Association and the Shareholders Agreement, the provisions of the Shareholders Agreement shall prevail and the Shareholders and the Company undertake that they shall to the extent necessary, cause the change, amendment or modification of the Articles of Association to eliminate any such inconsistency.

SECTION IX – OTHER INFORMATION

MATERIAL CONTRACTS AND DOCUMENTS FOR INSPECTION

The following contracts (not being contracts entered into in the ordinary course of business carried on by our Company or entered into more than two years before the date of this Draft Red Herring Prospectus) which are, or may be deemed material, have been entered or to be entered into by our Company. These contracts, copies of which will be attached to the copy of the Red Herring Prospectus delivered to the RoC for registration, and also the documents for inspection referred to hereunder may be inspected at our Registered Office, from 10:00 am to 5:00 pm on Working Days from the date of the Red Herring Prospectus until the Bid/Offer Closing Date.

Any of the contracts or documents mentioned in this Draft Red Herring Prospectus may be amended or modified at any time if so required in the interest of our Company or if required by the other parties, without reference to the Shareholders, subject to compliance of the provisions contained in the Companies Act and other applicable laws.

Material Contracts to the Offer

1. Offer Agreement dated September 27, 2018 entered into among our Company, the Selling Shareholders and the BRLMs.
2. Registrar Agreement dated September 27, 2018 entered into among our Company, the Selling Shareholders and the Registrar to the Offer.
3. Escrow Agreement dated [●] entered into among our Company, the Selling Shareholders, the BRLMs, Bankers to the Offer and the Registrar to the Offer.
4. Share Escrow Agreement dated [●] entered into among the Selling Shareholders, our Company and a share escrow agent.
5. Syndicate Agreement dated [●] entered into among the members of the Syndicate, our Company and the Selling Shareholders.
6. Underwriting Agreement dated [●] entered into among our Company, the Selling Shareholders and the Underwriters.

Material Documents

1. Certified copies of our Memorandum of Association and Articles of Association, as amended.
2. (i)'Certificate of Incorporation' dated November 10, 2000; (ii) 'Fresh Certificate of Incorporation Consequent upon Change of Name on Conversion to Public Limited Company' dated July 1, 2009; and (iii) 'Fresh Certificate of Incorporation Consequent upon Change of Name' dated September 23, 2009.
3. Copy of scheme in respect of Scheme of Amalgamation 2009 and Scheme of Amalgamation 2018.
4. Certified copies of board resolutions of our Company passed in the meeting held on September 24, 2018 and September 27, 2018, authorising the Offer and other related matters.
5. Certified copies of resolutions of our Board dated September 27, 2018 approving this Draft Red Herring Prospectus.
6. Consent letter of Promoter Selling Shareholder dated September 24, 2017, authorising participation in the Offer for Sale.
7. Consent letter of Investor Selling Shareholder dated September 27, 2017 and certified copy of board of directors' authorisation of the Investor Selling Shareholders dated September 7, 2018, authorising participation in the Offer for Sale.
8. Shareholders' Agreement dated September 8, 2015 amongst Ameera Sushil Shah, Dr. Sushil Kanubhai Shah, Dr. Duru Sushil Shah, Bacchus Hospitality Services and Real Estate Private Limited, Metz Advisory LLP, CA Lotus Investments and our Company, as amended by amendment agreement to the shareholders' agreement dated March 6, 2018 and amendment agreement to the shareholders' agreement dated September 24, 2018, a termination agreement dated September 24, 2018 and a deed of adherence dated February 16, 2016 executed by Metz Advisory LLP.
9. Agreement dated September 8, 2015, subsequently amended on October 21, 2015, executed between our

Company, Ameera Sushil Shah, Dr. Sushil Kanubhai Shah, Dr. Duru Sushil Shah, Bacchus Hospitality Services and Real Estate Private Limited (which has subsequently merged with our Company pursuant to the Scheme of Amalgamation 2018), Metz Advisory LLP and CA Lotus Investments.

10. Share Purchase Agreement dated September 27, 2018 entered into between Ameera Sushil Shah, Dr. Sushil Kanubhai Shah, Dr. Duru Sushil Shah, Metz Advisory LLP, CA Lotus Investments and our Company.
11. Agreement dated September 27, 2018 entered into between Ameera Sushil Shah, Dr. Sushil Kanubhai Shah, Dr. Duru Sushil Shah, Metz Advisory LLP and CA Lotus Investments.
12. Copies of annual reports of our Company for the preceding five Fiscals.
13. The examination reports of the Statutory Auditor each dated September 24, 2018, on our Restated Summary Statements included in this Draft Red Herring Prospectus.
14. Statement of tax benefits dated September 24, 2018 issued by our Statutory Auditor.
15. Consent dated September 24, 2018, from the Statutory Auditors namely, B S R & Co. LL.P, Chartered Accountants, to include its name in this Draft Red Herring Prospectus and as an “expert” as defined under Section 2(38) of the Companies Act, 2013 to the extent and in its capacity as a statutory auditor, in respect of its examination reports on the Restated Consolidated Summary Statements and Restated Standalone Summary Statements, each dated September 24, 2018 and the statement of tax benefits dated September 24, 2018, included in this Draft Red Herring Prospectus. However, the term “expert” shall not be construed to mean an “expert” as defined under the U. S. Securities Act.
16. Consents of bankers to our Company, the BRLMs, the Registrar to the Offer, Bankers to the Offer, lenders of Metz Advisory LLP, legal counsels appointed for the Offer, Syndicate Members, Frost & Sullivan Inc., Directors of our Company and Company Secretary and Compliance Officer, as referred to act, in their respective capacities.
17. Industry report titled “*Indian Diagnostic Industry Report*” dated September 20, 2018 prepared by from Frost & Sullivan.
18. In-principle listing approvals dated [●] and [●] from BSE and NSE, respectively.
19. SEBI observation letter bearing reference number dated [●].
20. Tripartite Agreement dated October 6, 2016 among our Company, NSDL and the Registrar to the Offer.
21. Tripartite Agreement dated September 11, 2018 among our Company, CDSL and the Registrar to the Offer.
22. Due diligence certificate to SEBI from the BRLMs, dated [●].

DECLARATION

We hereby certify and declare that all relevant provisions of the Companies Act and the rules, regulations and guidelines issued by the Government of India, or the rules, regulations or guidelines issued by the Securities and Exchange Board of India, as the case may be, have been complied with and no statement made in this Draft Red Herring Prospectus is contrary to the provisions of the Companies Act, the Securities Contracts (Regulation) Act, 1956, the Securities Contracts (Regulation) Rules, 1957, the Securities and Exchange Board of India Act, 1992, each as amended or the rules, regulations or guidelines issued thereunder, as the case may be. We further certify that all the statements in this Draft Red Herring Prospectus are true and correct.

SIGNED BY THE DIRECTORS OF OUR COMPANY

Name: Dr. Sushil Kanubhai Shah
Designation: Chairman and Executive Director

Name: Ameera Sushil Shah
Designation: Managing Director

Vivek Gambhir

Name: Mihir Jagdish Doshi
Designation: Non-Executive and Non-Independent Director

Name: Vivek Gambhir
Designation: Independent Director

SBhatnagar

Name: Sanjay Bhatnagar
Designation: Independent Director

Name: Milind Shripad Sarwate
Designation: Independent Director

SIGNED BY THE CHIEF FINANCIAL OFFICER OF OUR COMPANY

Name: Tushar Karnik
Designation: Chief Financial Officer

Date: 27/09/2018
Place: Mumbai

DECLARATION BY DR. SUSHIL KANUBHAI SHAH

The undersigned, Dr. Sushil Kanubhai Shah certifies that all statements and undertakings specifically made or confirmed by him in this Draft Red Herring Prospectus, about or in relation to himself as a Selling Shareholder and his respective Offered Shares, are true and correct. Provided however, Dr. Sushil Kanubhai Shah as a Selling Shareholder, assumes no responsibility for any other statements, including any of the statements made or confirmed by the Company or any expert or any other person(s) in this Draft Red Herring Prospectus.

Signed by the Selling Shareholder

Name: Dr. Sushil Kanubhai Shah

Date: 27/09/2018

DECLARATION BY CA LOTUS INVESTMENTS

The undersigned, CA Lotus Investments certifies that all statements and undertakings specifically made or confirmed by it in this Draft Red Herring Prospectus, about or in relation to itself as a Selling Shareholder and its respective Offered Shares, are true and correct. Provided however, CA Lotus Investments assumes no responsibility for any other statements, including any of the statements made or confirmed by the Company or any expert or any other person(s) in this Draft Red Herring Prospectus.

Signed by the Selling Shareholder

For and on behalf of CA Lotus Investments

Authorised Signatory

Name: Tej Kumar Gujadhur

Designation: Director

Date: 27/09/2018