

TRANSCRIPT OF THE 20TH ANNUAL GENERAL MEETING HELD ON WEDNESDAY, 16TH SEPTEMBER, 2020 WHICH COMMENCED AT 9:00 A.M. IST AND CONCLUDED AT 9:28 A.M. IST

BOARD OF DIRECTORS PRESENT:

Dr. Sushil Kanubhai Shah
Chairman and Whole-time Director

Ms. Ameera Sushil Shah
Managing Director

Mr. Milind Sarwate
Independent Director

Mr. Vivek Gambhir
Independent Director

Mrs. Anita Ramchandran
Independent Director

KEY MANAGERIAL PERSONNEL PRESENT:

Mr. Vijender Singh
Chief Executive Officer

Mr. Rakesh Kumar Agarwal
Chief Financial Officer

Ms. Poonam Tanwani
Company Secretary & Compliance Officer

Ms. Poonam Tanwani – Company Secretary & Compliance Officer, Metropolis Healthcare Limited :

Good Morning Dear shareholders. This is Poonam Tanwani, Company Secretary of Metropolis Healthcare Limited and I welcome you all to the 20th Annual General meeting of the Company. This meeting is being held through video conference or other audio-visual means in view of the restrictions due to outbreak of COVID-19 and considering the social distancing norms. The meeting is being convened in accordance with the circulars issued by Ministry of Corporate Affairs (MCA) and Securities and Exchange Board of India (SEBI). Before I hand over the proceedings to the Chairman to declare the meeting as open, as the meeting is being held through online mode, I would like to take you through certain points. The Company has tied up with NSDL to provide facility for e-voting and participation in the AGM through Video Conference or Other Audio-Visual Means. Members are encouraged to join the meeting through their laptops and headphones for a better experience and use internet with a good speed to avoid any disturbance during the meeting. As mentioned in the notice, the facility of participation at the AGM through video conferencing or other audio/visual means has been made available on first come first serve basis.

All the members joining this meeting are by default placed on mute mode to avoid any background disturbance and to ensure smooth and seamless conduct of the meeting.

During the question/answer session the names of the speaker shareholders who have registered themselves with the Company to express their views or ask any questions will be announced one by one and thereafter the host of the meeting shall unmute them and they shall be allowed to speak. Each speaker will be given 3 minutes and I request each speaker to adhere to this time limit. The speaker shareholders are requested to click the audio and video button while speaking. If the shareholders are unable to join through video mode due to any reason, they are advised to switch off the camera and join through the audio mode. The speaker shareholders are requested to minimize any background noise to avoid any disturbance.

In the event, if there is any connectivity problem at the speaker shareholder's end, the next speaker shareholder shall be called to speak and when the connectivity is improved, the previous shareholder shall be called back to speak.

During the meeting, if members face any technical issue he/she may call the helpline no of NSDL as mentioned in the notice of the AGM.

I now request Dr. Sushil Shah, the Chairman of our Company to address the Shareholders and conduct the proceedings of the meeting.

Dr. Sushil Shah (Chairman and Whole-time Director)

Thank You, Poonam.

Good Morning everyone. I have great pleasure in welcoming you to the 20th Annual General Meeting of the Company being held electronically for the first time through Video Conferencing mode. I hope you and your family members are safe and in good health.

Considering the health and safety of all our stakeholders and in particular, the shareholders and as per directions issued by Ministry of Corporate Affairs and Securities and Exchange Board of India, the 20th Annual General Meeting of the Company is being conducted through Video Conferencing to avoid the physical presence of members at a common venue. The soft copy of the Annual Report has been sent to all the Members through e-mail addresses as registered with the Company and RTA for communication purposes.

Let me now introduce the Directors, and Senior Executives of the Company attending the meeting through Video Conference from their respective locations.

1. *Ms. Ameera Shah, Managing Director of the Company*
2. *Mr. Milind Sarwate, Independent Director and Chairman of Audit Committee*
3. *Mr. Vivek Gambhir, Independent Director and Chairman of Stakeholder's Relationship Committee*
4. *Mrs. Anita Ramachandran, Independent Director*
5. *Mr. Vijender Singh, Chief Executive Officer of the Company*
6. *Mr. Rakesh Agarwal, Chief Financial Officer of the Company.*

Mr. Sanjay Bhatnagar, Independent Director of the Company, unfortunately is unable to join with us today.

I would furthermore like to inform the presence of:

Mr. Tarun Kinger	Partner of B S R & Co. LLP, Chartered Accountants, Statutory Auditors of the Company.
Mr. Manish Ghia and Mr. Harish Bora	Representatives of M/s Manish Ghia & Associates, Secretarial Auditors of the Company and Scrutinizers

The Company has received 4 letters along with the Board resolutions from 4 corporate shareholders appointing and authorizing representative under Section 113 of the Companies Act, 2013 in respect of **One Crore Sixty Four Lakh Twenty One Thousand Five Hundred eighty two only (1,64,21,582)** Equity shares representing **(32.24%)** of the paid up capital of the Company.

Participation of members through video conference is being reckoned for the purpose of quorum as per the circulars issued by MCA and Section 103 of the Companies Act, 2013. The requisite quorum being present, I call this meeting to order.

The Register of Directors and Key Managerial Personnel and their shareholding, maintained under Section 170 of the Act, and the Register of Contracts or Arrangements in which the directors are interested, maintained under Section 189 of the Act, and other documents as mentioned in the notice are available for inspection. As the AGM is being held through video conference, the facility for appointment of proxies by the members was not applicable and hence the proxy register for inspection is not available.

Ladies and Gentlemen,

Your presence is indeed a true testimony to your involvement with, and support for the Company.

The healthcare industry has been striving hard to save patient lives as the number of infections keep rising each day. The pathology industry has particularly come in to focus as patients are today aware on how labs operate, good quality labs, accuracy, and reliability in reports. We expect faster consolidation in the industry & positive changes in the regulatory framework. It is of utmost fulfilment and pride to me that patients, doctors, and healthcare institutions placed their trust in Metropolis during their most anxious times.

With **40 years of experience** behind us and **18 years' experience in RT PCR assays**, Metropolis today has **8 COVID approved Labs** across the country conducting thousands of COVID tests each day in Mumbai, Pune, Thane, Chennai, Bangalore, Cochin, Coimbatore. We also take a lot of satisfaction from the fact that we have scaled up our capacity to conduct COVID tests in a short time.

I am incredibly proud of the 4500-member Metropolis family who have worked day in and out to ensure that COVID and NON COVID testing continues unhindered.

Our team of doctors, phlebotomists, lab technicians, the scientific team, customer care and logistics associates deserve a special mention who have gone beyond their line of duty and sacrificed personal priorities to be able to service patients in this hour of need. As an organization, we have remained empathetic to all our stakeholders and we will continue to put people first as we navigate this unprecedented health crisis.

A total of 100+ new tests were validated and added to the test menu in FY 2019-2020, thus, expanding our capabilities to conduct more specialized tests. We strongly believe that an exhaustive pathology test menu with a good repertoire of specialized and super-specialized tests is our biggest forte and we will continue our efforts to add more tests needed for the patients.

At a macro level, we strongly believe Covid-19 will change the operating dynamics for Indian Diagnostics industry and the organized and capable testing laboratories will be the biggest beneficiary of this change. There is no doubt in my mind that Metropolis will continue to post market leading performance while keeping its patients and people as the topmost priority.

We have been working on multiple strategies like building capabilities for home testing services, a number of Digital initiatives, scaling up our presence through various routes like B2B & B2C and similar other activities.

I am also happy to share that Citibank Foundation has placed their trust in us executing their CSR program titled **Ummeed**. Under this partnership, Metropolis has successfully completed over 1,00,000 COVID-19 tests across Maharashtra. The program was executed together with Cipla Foundation and United Way of India.

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

I now request Poonam to provide information to the members on e-voting instructions.

POONAM TANWANI

As per the provisions of Section 108 of the Companies Act, 2013 read with Companies (Management and Administrative) Rules, 2014 as amended from time to time and the SEBI (LODR) Regulations, 2015, the Company has provided remote electronic voting facility to its members administered by NSDL in respect of the resolutions to be passed at the Meeting. The remote e-voting commenced at 9.00 am on Sunday, September 13, 2020 and ended at 5.00 pm on Tuesday, September 15, 2020.

Further, the facility for voting through e-voting system is available during the continuance of this Meeting for Members who had not cast their vote prior to the Meeting. Members may please note that as the meeting is being conducted by Video Conference and Other Audio Visual means, the resolutions mentioned in the notice convening this meeting have already been put to vote through remote e-voting and also the facility of voting is available during the proceedings of this AGM, there would be no proposing and seconding of the resolutions.

M/s. Manish Ghia & Associates, Company Secretaries, Mumbai have been appointed as Scrutinizer to scrutinize the process of remote e-voting held prior and during the AGM in a fair and transparent manner and provide the consolidated result.

Over to you Chairman Sir.

Dr. SUSHIL SHAH

The Statutory Auditors, B S R & Co. LLP, Chartered Accountants, and Secretarial Auditor, Manish Ghia and Associates, Company Secretaries have expressed unqualified opinions in the respective audit reports for the financial year 2019-2020. There were no qualifications, observations or adverse comments on financial

statements and matters, which have any material bearing on the functioning of the Company. Hence, the said reports are not required to be read.

As the Notice has already been circulated to all the members, I take the Notice convening the meeting as read.

We now take up the resolutions as set forth in the Notice. We will open the floor for any questions by the members after I read out the agenda and resolutions as mentioned in the Notice of AGM for the information of members.

ORDINARY BUSINESS

ITEM NO.1

The first item of agenda is to receive, consider and adopt the Audited Financial Statements (including the Consolidated Audited Financial Statements) of the Company for the year ended 31st March, 2020, together with the Board's Reports and Auditors' Report thereon.

ITEM NO. 2

The Second item of agenda is relating to the confirmation of the payment of Interim Dividend of Rs. 8 per equity share for the Financial Year ended March 31, 2020.

ITEM NO. 3

The Third item of agenda is to re-appoint Ms. Ameera Sushil Shah, Managing Director of the Company, retiring by rotation and being eligible, has offered herself for re-appointment.

SPECIAL BUSINESS items of the Notice are:

ITEM NO.4

The Fourth item of agenda is relating to ratifying the remuneration payable to M/s. Joshi Apte & Associates, Cost Auditors of the Company for the Financial Year 2020-2021. The text of the resolutions along with explanatory statement is provided in the Notice circulated to the members.

ITEM NO.5

The Fifth item of the agenda is relating to appointment of Ms. Anita Ramachandran (DIN: 00118188) as a Non-Executive Independent Director of the Company. The text of the resolutions along with explanatory statement is provided in the Notice circulated to the members.

ITEM NO. 6

The Sixth item of the agenda is in relation to the approval of the re-appointment of Dr. Sushil Kanubhai Shah (DIN: 00179918), as Whole Time Director of the Company. The text of the resolutions along with explanatory statement is provided in the Notice circulated to the members.

I now request Poonam to open the floor for the speaker shareholders who have registered their names to ask questions or express their views.

Poonam, please.

POONAM TANWANI

Thank you, Sir,

I will read out the names of the shareholders one by one who have registered themselves as the speaker shareholders and would request once again to them to adhere to the time limit of 3 minutes.

We would take up all the questions first from each shareholder and would then reply all the questions together thereafter.

The first name is Mr. Sharadkumar Shah.

MR. SHARADKUMAR SHAH : Hello, Can you hear me Madam?

POONAM TANWANI: Yes, Mr. Sharadkumar Shah, yes yes, we can hear you.

MR. SHARADKUMAR SHAH : Can I start my video?

POONAM TANWANI: Yes, Mr. Shah.

MR. SHARADKUMAR SHAH : See, I am very happy with your Company Secretary, because it is my first meeting, she joined some 7-8 months back and as far as Metropolis is concerned, it is her first meeting. And now, I will refer page number 58 and what is I am very happy with the Managing Director because of her vision. See in IPO she has not sold any shares, so it's a good vision MD is having. She knows that the Company will do well after IPO, the price will go up, so looking at this, and her vision is excellent. And another thing, she has not pledged her shares at all, so that is one more thing. Another thing, looking at IPO price, the highest price, 2110, I am very happy with the Company and what I am looking now the price has in the month of March, it has fallen down to Rs. 993, in such cases what I felt that, it should go for split of shares and what Company Secretary informed me that the Board will discuss this and take appropriate decision. Now looking at the, basically our performance, the financial performance is not very good inspite of a good cash flow and the tax benefit and in such cases, what I am looking here at our share capital is very low, only 10.1 crore, in such cases what I felt that in addition to the split, we should go for right issue also, so that during this difficult period, we will have liquidity. And looking at the answers given by the Company Secretary, EBIDTA to PAT, how EBIDTA to PAT it falls, that information she has not passed on, ask her to pass on that information in course of time. Another thing that I have seen in your balance sheet is that per patient how much we receive, per test how much we receive, but what is happening that we are hiring number of outlets and if you just see in the retail business, this is also a retail business sort of. Another thing, what is our market share? At least you can guess, and from your experience of so many years, you can tell us what is our present market share? And I have received some information from Phrama Companies and what they are saying, Fabiflu, this medicine made by Glenmark the sale is 91% and revenue of Glenmark is 91% from this. Looking at this, what I felt because if the good medicine is available, nobody will come for testing and our business will go down, is it correct that I would like to know. Another thing, because now the shares are demat, if anybody needs money we can sell the shares and whenever the need is over, we can again purchase the shares, so it is very simple. And looking at this, you have paid us a dividend of 8 Rupees and tax on this is 0.74 paise so it is very negligible and I have written to Finance Minister from 7th February till today, around 40 mails, I said that the shareholders who hold shares they are 96% who own only 4% shares in any Company. Looking at this angle, why Companies are not insisting that upto 10,00,000, whatever earlier benefit, was there that should continue and one minute.

POONAM TANWANI: Mr. Shah, Mr. Shah
I am sorry to interrupt.

MR. SHAH: No, No, that is okay, okay, okay, thank you.

POONAM TANWANI: Ok ok. Thank you, Mr. Shah. Thanks a lot. We have taken note of your questions. Thank you.

So the next speaker shareholder is Mr. Yusuf Rangwala.

MR. YUSUF RANGWALA: Good Morning Madam. Good Morning, can you hear me?

POONAM TANWANI: Yes yes we can hear you Mr. Rangwala. We can hear you Mr. Rangwala.

MR. YUSUF RANGWALA: Good Morning Dr. Chairman, Sushil Shah and his team for preparing a very excellent balance sheet and I am also very thankful to Poonam Madam who is giving us very excellent services and very helpful madam. I am very thankful for your cooperation to join this meeting. This is the first time I am joining a meeting. Our share price was Rs. 1020 and now it is Rs. 1400 and today in market 2020, how our company is growing and Madam 8 rupees dividend, that is very excellent Madam. Sir, I would like to know our healthcare must be Covid-19, our business must be very good and my humble request is to let me know where is the metropolis lab in Grant Road, Bombay? If there is lab, please give us discounts, because your lab is excellent. My relative had gone to your lab and result is very excellent in Covid-19, so my humble request is you can send us discount coupons, you can give 50%, which will help us in Covid-19 Madam. And Madam, I would like to say that after Covid-19, I request on get together anywhere, we can come meet our Chairman and have some discussion Madam. Nothing to add more, I will end my speech because I have only 2 minutes. Who is RTA for the Company? Karvy or Link Intime Madam?

POONAM TANWANI: Link Intime. Link Intime is our RTA.

MR. RANGWALA: Very Good Madam. Thank you Madam.

POONAM TANWANI: Thank you Mr. Rangwala for joining us. Thank you, Mr Rangwala. Thank you.

POONAM TANWANI: So the next name and the third name is Mr. Sanjay Kular

MR. SANJAY KULAR: Yes, I am here Poonam. Can you hear me?

POONAM TANWANI: Yes we can hear you, Mr. Kular. How are you Mr. Sanjay?

MR. SANJAY KULAR: I am good. I have a question and you have replied to almost all the questions. So on the basis of that I have framed another question, so I just put to Ms. Ameera Shah. We have said that our market price difficult right now, so what is the market price in organized business? Top 4-5 brands accounts for how much market share in the organized business in India? Second question is, we do 10 million patients visits and revenue of 800 crore, so revenue per patient is 800 rupees, so can we say so? Or do we figure out that way? per patient need to approximately 20 years to scale to 100 crore business. What is Company's strategy to make another 800 crore and in how many years? In USA, insurance is extended to tests and diagnostics, so can we expect the insurances to extend to tests and diagnostics in India? And can you please give market capitalization of labs? I think I have completed all questions.

POONAM TANWANI: Okay, sure. Thank you Mr. Kular for joining us today. Thank you Mr. Sanjay.

AMEERA SHAH: Thank you to all our speaker shareholders for asking these questions, I will address them together. There were some suggestions on split of shares and right issue, so we will take it up with the board and consider it and come back to you.

There was a question regarding per square foot in a retail business, ours is why it is a Healthcare Retail Business, it is not linked to space at all because they are stopping product. And therefore this is not a KPI which is relevant for our industry. KPI industry is average realization per patient which is what we track and which we work on an annual basis so I would request you to look at that.

There were two questions on market share, the organized industry, and the top four-five labs chains today, it is an estimated market share of about 10 to 15%, the reason we say estimated is because there is no hard data available. And therefore it is very inappropriate for us to put any single market share for any Company including ours because there is no third party data available. But we believe that labs in the US which took about 20 years for the top chains to increase their market share, India is going in the same direction.

There was a question on if to have medicines, good medicines and Diagnostics go down, and that is not the case here. Usually we find that if medicines are available, diagnostics goes up, the reason for that is only if you have some way of treating the patient then it is worth diagnosing the patient, otherwise awesome if you get a

diagnosis, but there is no way to treat. Often doctors will say why do the test? So actually this is beneficial to the organization and could be to the industry.

Regarding the question of Covid, as you know the Government has already mandated prices and the company or other companies, Industry does not have a choice to deviate away from these crisis, and therefore we are sticking to the prices that is mandated by each state. The question is on the future another 800 crores in how many years, very difficult for us to give a forward-looking statement Sir, but as you know the company is being giving market leading performance in the last few years compared to many of the peers and we are very hopeful and confident that our team will be able to continue to give our best and the deliver the best as we go forward.

Back to the industry in your question on US and Insurance Diagnostics. You're right in the US, Insurance covers diagnostics and India does not so far, which is outside the hospital diagnostics and we are hopeful that in the next short time, this will change and the insurance companies will start to cover diagnostics as well, which will help the volumes and the specialized tests quite significantly.

Thank you to all for your questions.

Dr. SUSHIL SHAH

I think with this, we come to end of the meeting.

Members may note that the voting on the NSDL platform will continue to be available for the next 15 minutes and thereafter it shall be disabled.

The voting results will be announced on or before 18th September, 2020 i.e. (within 48 hours of the conclusion of the Meeting). The same shall be intimated to Stock exchanges and will also be available on the website of the Company and on the website of NSDL.

As we have dealt with all the items of agenda, I declare the meeting as concluded.

I thank all the Shareholders, directors, senior management and Auditors of the Company for attending this meeting. I also thank our Company Secretary and her team for all their efforts on the Annual Report and AGM of the Company. I along with the other directors would leave the meeting now.

Thank you very much.
