

Ref: MHL/Sec&Legal/2020-21/100

Date: May 29, 2020

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

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

Scrip Code: 542650

Scrip Symbol: METROPOLIS

Sub: Intimation under Regulation 30 of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 ("Listing Regulations")

Ref.: SEBI Circular No. SEBI/HO/CFD/CMD1/CIR/P/2020/84 dated May 20, 2020

Dear Sir/ Madam,

With reference to the captioned subject and pursuant to the SEBI Circular No. SEBI/HO/CFD/CMD1/CIR/P/2020/84 dated May 20, 2020, please find attached an update by the Company giving brief details of the Impact of CoVID-19 pandemic and the resultant lockdown, on the operations of the Company.

Thanking you,
Yours faithfully

For **Metropolis Healthcare Limited**


Ameera Sushil Shah
Managing Director
(DIN: 00208095)

Encl. a/a

BLOOD TESTS • DIAGNOSTICS • WELLNESS

METROPOLIS
The Pathology Specialist

Metropolis Healthcare Limited

Registered & Corporate Office: 250 D, Udyog Bhavan, Hind Cycle Marg, Worli, Mumbai - 400 030.
CIN: L73100MH2000PLC192798 Tel No.: 8422 801 801 Email: support@metropolisindia.com

Website: www.metropolisindia.com

Global Reference Laboratory: 4th Floor, Commercial Building-1A, Kohinoor Mall, Vidyavihar (W), Mumbai - 400 070.

COVID-19 Pandemic and related developments - Update

Following are the brief details relating to the Impact of the COVID-19 pandemic and the resultant lockdown, on the operations of the Company:

1. Impact of the COVID-19 pandemic, schedule, if any, for restarting the operations and steps taken to ensure smooth functioning of operations:

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

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

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

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

- b. **Operations in International Geographies:** On account of Covid-19, the international business has also been affected as most of labs and collection centre remained closed on account of precautionary reasons.
- c. **Offices in India:** Our Registered office in Mumbai is closed as per the lockdown directives by the Government of Maharashtra. All other offices are also following directives from the respective State Governments and functioning accordingly. We had initiated Work from Home since mid-March and have ensured normalcy in daily operations.
- d. **Customers:** Due to lockdown situation in India, we had reduced samples across our B2B & B2C channels in March which continued till Mid-April 2020. In end April, full resumption of operations has started which has gradually increased in May 2020 and the movement of samples and customer walk-ins are ramping up on a steady state basis.
- e. **Employees:** Amidst the crisis, the safety of our employees has been our top-most priority and the Company has taken several measures to ensure their well-being. All employees in our offices have been working from home in accordance with the guidelines issued by the Central/State/Municipal authorities. The safety of employees, who were required to step out for home collection of samples, is being ensured and they have been mandated to use protective gear and take all safety precautions. We have curtailed the number of employees working at all the Offices and currently majority of employees continue to work from home.

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- f. **Financial resources, profitability and liquidity position:** The Company has comfortable liquidity position being a net cash company with zero debt. There may be some impact on receivable cycle from B2B business, however, the company foresees no major risk on receivables. Our B2C business doesn't carry risk of recovery of assets since large part of the business is on cash and carry model.
2. **Estimation of the future impact of COVID-19 on its operations:** We believe there will be impact in revenue and profitability for Q1FY21 as our operations were partially operating in April 2020 and were gradually ramping up in May 2020.

Last 15 days of March 2020, we witnessed sharp revenue degrowth of 46% on YoY basis wherein clocked revenues of Rs. 21 Cr against our expectation of approximately Rs. 46 Cr. In April 2020, we achieved approximately 40% of the revenue we clocked in April 2019. With improving logistics, improving engagement with doctors and Covid-19 testing scaling up, we have been able to achieve approximately 60-65% of May 2019 revenues in May 2020 (till 28th May 2020). We expect improvement to continue in June 2020 as well, as we continue to drive specialized tests, Covid-19 testing and doctors clinic open up for getting access to routine samples.

Accordingly, April 2020 witnessed negative EBITDA followed by Breakeven EBITDA in May so far and we expect to clock positive EBITDA in June 2020. We have also commenced operations at 50% of the network. Further we have initiated cost rationalization measures and have been successful in reducing fixed and semi-variable costs by more than 20%.

Considering that the situation is exceptional and is changing dynamically, the Company is not in a position to gauge with certainty, the future impact on its operations. However, the Company is confident about adapting to the changing business environment and respond suitably to fulfil the needs of its customers. With strong balance sheet having cash and cash equivalents in excess of Rs. 200cr, asset light business and leadership position in markets of our operations, we are well placed to tide over the current crisis and emerge stronger.

3. **Existing contracts/agreements where non-fulfilment of the obligations by any party will have significant impact on the listed entity's business:** The Company is well positioned to fulfil its obligations and existing contracts/arrangements.

This update is dynamic and may change as the situation changes. The company will provide an update on the situation in case of any major change.

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