

Ref: MHL/Sec&Legal/2019/25

Date: August 1, 2019

To,

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

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

Scrip Code: 542650

Script Symbol: METROPOLIS

Sub: Clarification on recommendations of Agenda Items of 19th Annual General Meeting of Metropolis Healthcare Limited in proxy advisory report issued by Stakeholders Empowerment Services (SES)

Dear Sir,

This has with reference to the 19th Annual General Meeting (AGM) of the Company scheduled on 6th August 2019. The Company has dispatched the AGM Notice ("Notice") along with the Annual Report to the shareholders of the Company and the same is available on the Company website.

In the Notice, the Company has proposed three ordinary resolutions, comprising of two Ordinary Business and one Special Business for voting of the members.

These two ordinary resolutions pertain to ordinary business are:

- "To receive, consider and adopt the Audited Financial Statements (including the Audited Consolidated Financial Statements) of the Company for the year ended March 31, 2019 and the reports of the Board of Directors and Auditors thereon."
- To "appoint a Director in place of Dr. Sushil Kanubhai Shah (DIN: 00179918), who retires by rotation, and, being eligible, seeks re-appointment."

The SES (Stakeholders Empowerment Services) Proxy Advisory firm which recommend their clients on voting on resolutions have taken the following view:

- The Proxy Advisory firm has recommended to vote '**Against**' the resolution pertaining to reappointment of Dr. Sushil Kanubhai Shah, since he is an Executive Director on the Board and also the Chairman of the Board.
- The Proxy Advisory firm has also recommended Shareholders to seek more information with respect to the resolution to consider and adopt the Audited Financial Statements, since the Auditors of the Company has issued a qualified report on Consolidated Financials since the Metropolis Healthcare Limited, 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.

Jayant Prakash



INNER HEALTH REVEALED

Metropolis Healthcare Limited

Registered Office: 250 D. Udyog Bhavan, Hind Cycle Marg, Worli, Mumbai - 400 030
CIN: U73100MH2000PLC192798. Tel: +91-22-3399 3939 / 6650 5555.

Email: support@metropolisindia.com | Website: www.metropolisindia.com

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

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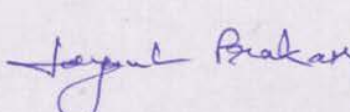

In this regard, we would like to clarify as follows:

➤ **The proposed re-appointment of Dr. Sushil Kanubhai Shah**

- Dr. Sushil Kanubhai Shah, is the founder member of Metropolis Healthcare Limited. 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 has over 40 years of experience in the field of Medical & Pathology. Dr. Sushil Kanubhai Shah brings with himself immense understanding of Diagnostics industry which allows the management team to build its strategy over the medium to long term. Dr. Sushil Kanubhai Shah's counsel and vast experience in the field of Diagnostics and Healthcare, will be extremely valuable for the company's growth, business strategies and guidance in years to come.
- Further, SEBI Listing Regulations mandates that 'Chairperson shall be a Non-Executive Director from 1st April 2020 for the top 500 listed companies (other than professionally managed entities) Hence, the proposed re-appointment of the Executive Director currently is in compliance with the requirements of SEBI Listing Regulations. The Company is aware about the regulations and timelines and will take adequate steps in this regard.
- The Board of Directors has unanimously supported for re-appointment of Dr. Sushil Kanubhai Shah as an Executive Director of the Board.

➤ **Consider and adopt the Audited Financial Statements (including the Audited Consolidated Financial Statements) of the Company for the year ended March 31, 2019**

- 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. 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 has disengaged from providing necessary information, including financial information, to our Company. We have not been receiving board meeting notices of the shareholders or the supervisory board. It is therefore on account of non-availability of adequate information that we have not been able to account for the financial results of Star Metropolis since Fiscal 2012.
- SEBI has, by way of its letter dated January 31, 2019, exempted our Company from classifying Star Metropolis as a Group Company. The value of our investment in Star Metropolis was Rs. 12.98 million as of December 31, 2018. Our Company has made provisions in relation to Star Metropolis, including provision for doubtful trade receivables for Rs. 59.85 million, provision for doubtful advances for Rs. 4.23 million and provision for diminution in the value of investments for Rs. 12.98 million, in the Restated Consolidated Summary Statements as of December 31, 2018.
- The Statement above have been disclosed in our IPO Prospectus of the Company.

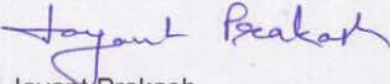
We request the Shareholders to consider the above clarifications while exercising their vote.

We request you to kindly take the same on record.

Thanking you,

Yours faithfully

For Metropolis Healthcare Limited



Jayant Prakash

Head Legal, Company Secretary & Compliance Officer

Membership No.: F6742

Address: Metropolis Healthcare Ltd., 250 D, Udyog Bhavan,
Hind Cycle Lane, Worli, Mumbai- 400030.



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