

BOARDS' REPORT

Dear Members,

Your Directors take pleasure in presenting the 23rd Annual Report on the business and operations of the Company, along with the Audited Financial Statements for the financial year ended March 31, 2023.

FINANCIAL RESULTS:

The key highlights of the Standalone and Consolidated Audited Financial Statements of the Company for the financial year ended March 31, 2023 in comparison with the previous financial year ended March 31, 2022 are summarized below:

(Rs. in Lakhs)

Particulars	Standalone		Consolidated	
	For the year ended March 31, 2023	For the year ended March 31, 2022*	For the year ended March 31, 2023	For the year ended March 31, 2022*
Revenue from Operations	106,604.07	115,701.27	114,821.02	122,833.60
Other income	2,128.26	1,614.72	1,522.46	1,762.30
Total Income	108,732.33	117,315.99	116,343.48	124,595.90
Less: Total expenses	90,837.81	91,751.49	97,593.14	96,850.94
Profit before exceptional items and tax	17,894.52	25,564.50	18,750.34	27,744.96
Exceptional items	—	(1,590.15)	—	(1,590.15)
Profit before share of profit for equity accounted investees and tax	17,894.52	27,154.65	18,750.34	29,335.11
Share of loss for equity accounted investees (net of tax)	—	—	—	—
Profit Before Tax	17,894.52	27,154.65	18,750.34	29,335.11
Less: Tax Expenses	3,999.79	7,201.24	4,410.94	7,866.50
Profit after Tax	13,894.73	19,953.41	14,339.40	21,468.61
Basic Earning per share of face value of Rs. 2/- each	27.14	39.00	27.91	41.87
Diluted Earning per share of face value of Rs. 2/- each	27.05	38.81	27.81	41.66

* Amount of previous year are restated after including Dr. Ganesan's Hitech Diagnostic Centre Private Limited Amounts.

OPERATIONAL PERFORMANCE & FUTURE OUTLOOK

During the year under review, the Standalone income of your Company decreased to Rs. 108,732.33 Lakhs compared to Rs. 117,315.99 Lakhs in the previous year, registering a decline of 7.32% decrease. The Standalone profit after tax for the year decreased to Rs. 13,894.73 Lakhs as compared to Rs. 19,953.41 Lakhs in the previous year, registering a decrease of 30.36%.

Further, the consolidated income of the Group decreased to Rs. 116,343.48 Lakhs compared to Rs. 124,595.90 Lakhs in the previous year, registering a decline of 6.62%. The consolidated profit after tax for the Group decreased to Rs. 14,339.40 Lakhs as compared to Rs. 21,468.61 Lakhs in the previous year, registering a decline of 33.21%.

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

CONSOLIDATED FINANCIAL STATEMENTS

The Consolidated financial statements of your Company for the Financial Year 2022-23 are prepared in accordance with the provisions of the Companies Act, 2013 ("the Act") and Ind AS 110 – Consolidated Financial Statements read with IND AS 28 – Investment in Associates and IND AS 31 – Interests in Joint Ventures, and SEBI (Listing Obligations Disclosures Requirements) Regulations, 2015. The Audited Consolidated Financial Statements form part of the Annual Report.

DIVIDEND

During the year under review, the Board of Directors at its meeting held on February 10, 2023 declared an interim dividend of Rs. 8 per equity share (face value of Rs. 2/- each) on 5,12,10,664 fully-paid up equity shares aggregating to total outflow of Rs. 40,96,85,312/-.

BOARDS' REPORT (Contd.)

The Interim Dividend was paid to those shareholders whose names appeared in the Register of Members as on the record date, i.e., February 23, 2023.

In order to conserve the resources for business requirements, your Board of Directors do not recommend final dividend for the financial year 2022-23.

The Dividend Payout is in accordance with your Company's Dividend Distribution Policy, which is available on the website of the Company which can be accessed through the following web link:

<https://www.metropolisindia.com/newdata/Investors/code-of-conduct/MHL-Dividend-Distribution-Policy.pdf>

RESERVES

Your Directors do not propose to transfer any amount to General Reserves for the financial year 2022-23.

CHANGE IN NATURE OF BUSINESS

During the year under review, there was no change in the nature of the business or any activity of business of your Company.

MATERIAL CHANGES AND COMMITMENTS AFFECTING THE COMPANY

There have been no material changes affecting the financial position of your Company between the end of the financial year and date of this report.

However, during the year under review, following mentioned are the material changes that took place, affecting the financial position of your Company

- The Members of Dr. Ganesan's Hitech Diagnostic Centre Private Limited ('Hitech') Subsidiary of the Company in their meeting held on April 01, 2022 accorded their approval for the Voluntary Liquidation of the Company and the consolidation of the business of Hitech through voluntary liquidation. Hitech has transferred its entire business undertaking to the Company on a going concern basis on and with effect from June 04, 2022. Hitech has filed petition with NCLT, Chennai for its voluntary liquidation.
- The Business operations of Metropolis Healthcare Uganda Limited, wholly owned subsidiary of the Company have commenced with effect from August 24, 2022.
- The Income Tax Department ('IT Department') conducted a search/ inquiry under the powers conferred

to them by the Income Tax Act, 1961 at the premises of the Company. The proceedings had no impact on the operational performance of the Company.

SCHEME OF ARRANGEMENT AND AMALGAMATION

The National Company Law Tribunal, Mumbai Bench ("NCLT") on June 02, 2022 pronounced the order sanctioning the Scheme of Amalgamation and Arrangement of Merger by Absorption of M/s. Bokil Golwilar Metropolis Healthcare Private Limited, M/s. Desai Metropolis Health Services Private Limited, M/s. Dr. Patel Metropolis Healthcare Private Limited, M/s. Lab One Metropolis Healthcare Services Private Limited, M/s. Micron Metropolis Healthcare Private Limited, M/s. R. V. Metropolis Diagnostic & Health Care Center Private Limited, M/s. Raj Metropolis Healthcare Private Limited and M/s. Sudharma Metropolis Health Services Private Limited ("Subsidiary Companies") with M/s. Metropolis Healthcare Limited ("Holding Company") and their respective Shareholders which came into effect from July 11, 2022.

CHANGES IN CAPITAL STRUCTURE

The paid-up equity share capital of the Company has increased from Rs. 10,23,44,238 (Rupees Ten Crores Twenty-Three Lakhs Forty-Four Thousand Two Hundred and Thirty-Eight Only) to Rs. 10,24,21,328/- (Rupees Ten Crores Twenty-Four Lakhs Twenty-One Thousand Three Hundred and Twenty-Eight Only). The face value of each share is Rs. 2 (Rupees Two Only).

The said increase in the paid-up equity share capital is pursuant to the allotment of equity shares under the Metropolis Employee Stock Options Scheme-2015 (MESOS 2015) and Metropolis Restrictive Stock Unit Plan, 2020 (MHL-RSU Plan, 2020) to the eligible employees of the Company / Subsidiaries.

The details of allotment made under MESOS 2015 and MHL-RSU Plan, 2020 during the year under review is as follows:

Date of Allotment	No. of Equity Shares allotted under MESOS 2015	No. of Equity Shares allotted under MHL – RSU Plan, 2020
April 14, 2022	–	128
May 02, 2022	2,500	–
July 14, 2022	–	25,502
October 13, 2022	–	6,043
January 07, 2023	–	4,372
TOTAL	2,500	36,045

BOARDS' REPORT (Contd.)

During the year under review,

- The Company did not issue any shares with differential voting rights
- The Company did not buy back any shares,
- The Company did not issue any sweat equity shares
- The Company did not have any scheme to fund its employees to purchase the equity shares of your Company.

DEPOSITS

During the year under review, your Company has not accepted/invited deposits from the public falling within the ambit of section 73 of the Companies Act, 2013 and the Companies (Acceptance of Deposits) Rules, 2014 and has not taken any loan from the Promoter Directors.

MATERIAL SUBSIDIARY

Your Company has formulated a Policy for determining Material Subsidiaries. Further, as per the Policy, your Company does not have any Material Subsidiary as on March 31, 2023.

The Policy is available on the website of your Company which can be accessed through the following weblink:

https://www.metropolisindia.com/newdata/Investors/Disclosures%20under%20Regulation%2046%20of%20LODR/9+MHL_Policy+for+determination+of+Material+Subsidiary.pdf

SUBSIDIARY, JOINT VENTURES AND ASSOCIATE COMPANIES

The Subsidiary Companies of your Company continued to perform in their respective areas as per the plan and thus contributed firmly to the revenue and profits of your Company.

As on March 31, 2023, your Company has 4 domestic subsidiaries and 7 overseas subsidiaries (including five step-down overseas subsidiaries), 1 Foreign branch (which is considered as a foreign Company in the respective country) and 1 overseas Associate Company.

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

During the year under review, Bokil Golwilkar Metropolis Healthcare Private Limited, Desai Metropolis Health Services Private Limited, Dr. Patel Metropolis Healthcare Private Limited, Lab One Metropolis Healthcare Services Private Limited, Micron Metropolis Healthcare Private Limited, R. V. Metropolis Diagnostic & Health Care Center Private Limited, Raj Metropolis Healthcare Private Limited and Sudharma Metropolis Health Services Private Limited ceased to be

subsidiaries on account of merger with Metropolis Healthcare Limited w.e.f. July 11, 2022.

BOARD OF DIRECTORS

As on March 31, 2023, the Board of your Company consists of 7 (Seven) Directors, of which 5 (Five) are Non-Executive Directors & 2 (Two) are Executive Directors. The constitution of the Board of your Company is in accordance with Section 149(6) of the Companies Act, 2013 and Regulation 17 of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015.

On the basis of the written representations received from the Directors, none of the above-mentioned directors are disqualified under Section 164 (2) of the Companies Act, 2013 and are also not debarred by SEBI or any other Statutory authority for holding office as a Director.

KEY MANAGERIAL PERSONNEL

As per the provisions of Section 203 of the Companies Act, 2013, the Key Managerial Personnel of the Company as on March 31, 2023 were as under:

1. Dr. Sushil Shah, Chairman & Whole-time Director;
2. Ms. Ameera Shah, Managing Director;
3. Mr. Surendran Chemmenkotil, Chief Executive Officer
4. Mr. Rakesh Kumar Agarwal, Chief Financial Officer;

During the financial year under review,

- Mr. Vijender Singh, Chief Executive Officer, resigned from the Company with effect from August 17, 2022
- Mr. Surendran Chemmenkotil was appointed as Chief Executive Officer with effect from January 02, 2023.
- Mrs. Simmi Singh Bisht, Company Secretary designated as Head – Legal and Secretarial has resigned from the Company with effect from January 07, 2023 and Ms. Neha Shah was appointed as an Interim Compliance Officer w.e.f. January 08, 2023.

RE-APPOINTMENT OF INDEPENDENT DIRECTOR

The first term of office of Mr. Vivek Gambhir and Mr. Sanjay Bhatnagar as Independent Directors will cease on September 06, 2023.

The Board on the recommendation of Nomination and Remuneration Committee has recommended their reappointment as Independent Director of the Company for a second term of 5 (five) consecutive years w.e.f. September 07, 2023. Appropriate resolutions for their re-appointment have being placed for the approval of the Members of the Company at the ensuing AGM. The brief resume of the Director and other related information has been detailed in the Notice convening the 23th AGM of the Company.



BOARDS' REPORT (Contd.)

DIRECTORS RETIRING BY ROTATION

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

Mr. Hemant Sachdev, a Non-Executive Non-Independent Director of the Company, is liable to retire by rotation and being eligible, he has offered himself for re-appointment. The Board of Directors recommended his re-appointment in their meeting held on May 16, 2023 and the same is being placed before the Members for their approval at the ensuing 23rd Annual General Meeting of the Company. Pursuant to Regulation 36 of the SEBI (Listing Obligations Disclosures Requirements) Regulations, 2015 read with Secretarial Standards – 2 on General Meetings, a brief profile of Mr. Hemant Sachdev is provided as an Annexure to the Notice of the 23rd Annual General Meeting.

DECLARATION OF INDEPENDENCE

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

Further, the Company has received the declarations from the Independent Directors confirming that they meet with the criteria of Independence as prescribed under the provisions of Regulation 16(1)(b) of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 and the same has been taken on record by Company.

There has been no change in the circumstances affecting their status as Independent Directors of the Company.

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

FAMILIARIZATION PROGRAMME FOR THE INDEPENDENT DIRECTORS

Pursuant to the SEBI Regulations, the Company has worked out, a Familiarization Programme for the Independent Directors, with a view to familiarize them with their role, rights, and responsibilities in the Company, the nature of the Industry in which the Company operates, its business plans, business model, corporate strategy etc.

The Directors are also informed about the financial performance, annual budgets, internal control system, statutory compliances the Company's vision, core values, ethics, and corporate governance practices.

Details of the Familiarization Programme of Independent Directors with the Company are available on the website of the Company and can be accessed through the following weblink:

<https://www.metropolisindia.com/newdata/Investors/code-of-conduct/Summary%20of%20familiarization%20programs%20imparted%20to%20Independent%20Directors.pdf>

PERFORMANCE EVALUATION OF THE BOARD

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

- (i) Their own performance as a whole;
- (ii) Individual Directors Performance; and
- (iii) Performance of all Committees of the Board for the Financial Year 2022-23.

The performance of the Board as a Whole and of its Committees was evaluated by the Board through a structured questionnaire which covered various aspects such as the composition, quality and performance of the Board, meetings and procedures, contribution to Board processes, effectiveness of the functions allocated, relationship with Management, professional development, adequacy, appropriateness, and timeliness of information etc.

Taking into consideration the responses received from the Individual Directors the performance of the Board and its Committees was evaluated. The Directors expressed their satisfaction with the evaluation process.

In terms of the requirements of Schedule IV of the Act, a separate meeting of Independent Directors of the Company was held on February 04, 2023 to review:

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

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

BOARDS' REPORT (Contd.)

NOMINATION AND REMUNERATION POLICY

The brief on the policy of nomination and remuneration and other matters provided in Section 178(3) of the Act have been disclosed in the Corporate Governance Report, which forms part of the Annual Report of the Company. The Nomination and Remuneration Policy is also available on the website of the Company and can be accessed through the following weblink:

https://www.metropolisindia.com/newdata/Investors/code-of-conduct/MHL_Nomination-and-Remuneration-Policy.pdf

DIRECTORS' RESPONSIBILITY STATEMENT

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

- (a) in the preparation of the Annual Accounts, the applicable accounting standards had been followed along with proper explanation relating to material departures;
- (b) the Management had selected such accounting policies and applied them consistently and made judgments and estimates that are reasonable and prudent so as to give a true and fair view of the state of affairs of the Company at the end of the financial year and of the profit and loss of the Company for that period;
- (c) the Management had taken proper and sufficient care for the maintenance of adequate accounting records in accordance with the provisions of this Act for safeguarding the assets of the Company and for preventing and detecting fraud and other irregularities;
- (d) the Management had prepared the Annual Accounts on a going concern basis; and
- (e) the Management had laid down internal financial controls to be followed by the Company and that such internal financial controls are adequate and were operating effectively. (For the purposes of this clause, the term "internal financial controls" means the policies and procedures adopted by the Company for ensuring the orderly and efficient conduct of its business, including adherence to the Company's policies, the safeguarding of its assets, the prevention, and detection of frauds and errors, the accuracy and completeness of the accounting records, and the timely preparation of reliable financial information);
- (f) the Management had devised proper systems to ensure compliance with the provisions of all applicable laws and that such systems were adequate and operating effectively.

BUSINESS RESPONSIBILITY AND SUSTAINABILITY REPORT

Business Responsibility and Sustainability Report as per clause (f) of sub regulation (2) of Regulation 34 of SEBI (Listing Obligations Disclosures Requirements), Regulations, 2015 is applicable to the Company.

The Business Responsibility and Sustainability Report for the financial year ended March 31, 2023 is presented in a separate section and forms part of the Annual Report of the Company.

MANAGEMENT DISCUSSION AND ANALYSIS REPORT

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

COMMITTEES OF THE BOARD

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

In order to ensure focused attention on business, better governance and accountability, the Board has constituted the following committees:

- a) Audit Committee;
- b) Nomination and Remuneration Committee;
- c) Stakeholder Relationship Committee;
- d) Corporate Social Responsibility Committee;
- e) Risk Management Committee.

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

MEETINGS OF THE BOARD

During the year under review, the Board of Directors met 7 (Seven) times, the details of which are given in the Corporate Governance Report. The intervening gap between the Meetings was within the period prescribed under the Companies Act, 2013.

BOARDS' REPORT (Contd.)

The Dates of the Board Meeting are as follows

1. May 27, 2022
2. July 18, 2022
3. August 10, 2022
4. November 08, 2022
5. December 08, 2022
6. February 10, 2023
7. March 31, 2023

SIGNIFICANT AND MATERIAL ORDERS PASSED BY THE REGULATORS OR COURTS

During the year under review, no significant and material orders were passed by the Regulators or Courts or Tribunals impacting the going concern status and the company's operations in the future.

ANNUAL RETURN

The Annual Return in Form MGT-7 as required under Section 92(3) of the Companies Act, 2013 and Rule 12 of the Companies (Management and Administration) Rules, 2014 is available on the website of the Company and can be accessed through the following weblink: <https://www.metropolisindia.com/investors>

PARTICULARS OF LOANS, GUARANTEES, AND INVESTMENTS

Details of Loans, Guarantees, and Investments covered under the provisions of Section 186 of the Companies Act, 2013 and the rules made thereunder are given in the note no. 51 to the Financial Statements.

INSTANCES OF FRAUD, IF ANY, REPORTED BY THE AUDITORS:

During the year under review, the Auditors of the Company have not reported any fraud under Section 143 (12) of the Companies Act, 2013.

RELATED PARTY TRANSACTIONS

The Company has a Related Party Transaction Policy in place which is in accordance with the SEBI (Listing Obligation and Disclosure Requirements) Regulations, 2015. The said Policy is available on the Company's website which can be accessed through the following weblink:

https://www.metropolisindia.com/newdata/Investors/ Disclosures%20under%20Regulation%2046%20of%20LODR/ MHL_RPT%20Policy%20V2_final_for%20uploading.pdf

All the Related Party Transactions entered into during the year under review, were entered in the Ordinary course of business and on an arm's length basis. There were no materially significant Related Party Transactions made by the Company with its Promoters, Directors, Key Managerial Personnel or

other designated persons which may have a potential conflict with the interest of the Company at large.

Further, since the transactions with the related parties were in the ordinary course of business and at arm's length pricing, not material in nature and in accordance with the Related Party Transactions Policy, the particulars of such transactions with the related parties are not required to be reported by the Company in Form AOC-2.

All the Related Party Transactions are reviewed by the Audit Committee and the Board on a quarterly basis.

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

AUDITORS AND REPORTS

Statutory Auditors

M/s. BSR & Co. LLP, Chartered Accountants (ICAI Firm No. 101248W/W-100022), were re-appointed as the Statutory Auditors of the Company in the 22nd Annual General Meeting held on August 17, 2022 to hold office till the conclusion of the Annual General Meeting of the Company to be held in the Financial year 2026-27.

Secretarial Auditor

Pursuant to Section 204 read with Section 134(3) of the Companies Act, 2013 along with the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014, the Board of Directors had appointed M/s. Manish Ghia & Associates, Practising Company Secretaries, Mumbai, to undertake the Secretarial Audit of the Company for the Financial Year ended March 31, 2023. The Secretarial Audit Report in the prescribed Form No. MR-3 is annexed as "**Annexure 2**" and forms a part of this report.

There is no qualification, reservation, adverse remark or disclaimer made by the Statutory Auditors or Secretarial Auditors in their Report.

The Company has ensured that books of accounts and other relevant books & papers are always maintained in an electronic mode and accessible in India. However, the Company's server of the ERP system is on the cloud which is located outside India and daily back-up was started effective March 29, 2023 instead of August 11, 2022.

INTERNAL AUDITOR

The Company has a robust internal audit system for assessment of audit findings and its mitigation. The Internal Audit function covers all the labs, inventory audit, stock take, audit for project related accounts, corporate accounts etc.

Pursuant to the provisions of Section 138 of the Companies Act, 2013 along with the Companies (Accounts) Rules, 2014, and based on the recommendation of the Audit Committee, M/s. Suresh Surana & Associates LLP, were appointed by the

BOARDS' REPORT (Contd.)

Board of Directors to conduct internal audit reviews of the Company and they directly report to the Audit Committee for functional matters.

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

RECONCILIATION OF SHARE CAPITAL

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

RISK MANAGEMENT POLICY

The Company has adopted a Risk Management Policy wherein all material risks faced by the Company are identified and assessed. The Company has formed a Risk Management Committee which defines the risk management approach, does collective identification of risks which are impacting the Company's business and documents, and ensures mitigation and optimization of such risks. The Risk Management Policy is available on the website of the Company and can be accessed through the following weblink:

https://www.metropolisindia.com/newdata/Investors/code-of-conduct/MHL_Risk-Management-Policy.pdf

INTERNAL FINANCIAL CONTROL AND THEIR ADEQUACY

During the year under review, the Company had an effective and robust internal control system in place which included financial controls as well. The systems were assessed at regular intervals to identify any weakness and services of professional consultants were obtained to remove such weaknesses wherever required.

Further, the members of the Audit Committee on regular basis communicates with the Statutory Auditors, Internal Auditors and management to deal with the matters within their terms of reference.

The Company is complying with all the applicable Indian Accounting Standards (Ind AS). The accounting records are maintained in accordance with generally accepted accounting principles in India. This ensures that the financial statements reflect the true and fair financial position of the Company.

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

MAINTENANCE OF COST RECORDS

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

COST AUDITOR

Pursuant to the provisions of Section 148 of the Companies Act, 2013, the Company is required to conduct an audit of its Cost records. The aforementioned audit is required to be conducted by a Cost Accountant. Accordingly, the Board of Directors of the Company, based on the recommendation of the Audit Committee, have approved the appointment of M/s. Joshi Apte & Associates (Registration No. 00240) as the Cost Auditors of the Company to conduct Cost audit as prescribed under the Companies (Cost Records and Audit) Rules, 2014 for the Financial Year 2023-24 at a remuneration of Rs. 1,50,000/- plus applicable GST and reimbursement for travelling and out-of-pocket expenses, subject to the ratification of their remuneration by the Members of the Company at the ensuing AGM.

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

M/s. Joshi Apte & Associates, have vast experience in the field of Cost audit and have conducted the audit of the Cost records of the Company for the past several years.

DISCLOSURE OF REMUNERATION OR COMMISSION RECEIVED BY A MANAGING OR WHOLE-TIME DIRECTOR FROM THE COMPANY'S HOLDING OR SUBSIDIARY COMPANY

The Managing Director and Whole Time Director have not received any remuneration from the Subsidiary Companies.

CORPORATE SOCIAL RESPONSIBILITY (CSR) INITIATIVES

In compliance with the requirements of Section 135 of the Act read with the Companies (Corporate Social Responsibility) Rules, 2014, the Board of Directors have constituted a Corporate Social Responsibility (CSR) Committee. The details such as the constitution, terms of reference, etc. of the Committee and the meetings held during the year are detailed in the Corporate Governance Report, which forms a part of the Annual Report of the Company.



BOARDS' REPORT (Contd.)

The CSR Policy of the Company as approved by the Board, based on the recommendation of the CSR Committee are available on the website of the Company and can be accessed through the following web link:

https://www.metropolisindia.com/newdata/Investors/CSR/MHL-Revised+CSR+policy_wef+May+27-2021.pdf

The complete details on the CSR activities are annexed as **"Annexure 3"** to the Board's Report.

CORPORATE GOVERNANCE

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

CREDIT RATING

During the year under review, CRISIL, a Credit Rating agency has given a rating of 'CRISIL AA-/Positive' on the Non-Convertible Debentures and the long-term loan facility of the Company

Further, CRISIL has also reaffirmed its CRISIL A1+ rating to the short term bank facility of the Company.

The Company has not issued any Non- convertible debentures and the Company has an outstanding bank loan of Rs. 7916.67 Lakhs for the financial year ended March 31, 2023.

EMPLOYEE STOCK OPTIONS / RSU PLAN

The Nomination and Remuneration Committee of the Company, inter alia, administers and monitors the Employees' Stock Option Plan as well as the Metropolis – Restrictive Stock Unit Plan, 2020, of the Company in accordance with the Securities and Exchange Board of India (Share Based Employee Benefits) Regulations, 2014 ("SEBI Regulations").

During the year under review, there was an addition of 100,000 (One Lakh) RSU's in the existing pool under the MHL-RSU Plan, 2020. The said addition increased the RSU pool from 2,70,000 (Two Lakhs Seventy Thousand) to 3,70,000 (Three Lakhs Seventy Thousand) RSU's.

During the year under review, the following allotment of shares took place pursuant to MESOS 2015 and RSU Plan, 2020:

Date of Allotment	No. of Equity Shares allotted under MESOS 2015	No. of Equity Shares allotted under MHL – RSU Plan, 2020
April 14, 2022	–	128
May 02, 2022	2,500	–
July 14, 2022	–	25,502
October 13, 2022	–	6,043
January 07, 2023	–	4,372
TOTAL	2,500	36,045

The details of Employee Stock Options / Units pursuant to Section 62 of the Companies Act, 2013 read with Rules made thereunder and SEBI (Share Based Employee Benefits) Regulations, 2014 are annexed to this report as **"Annexure 4"**.

INDUSTRIAL RELATIONS

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

PARTICULARS OF EMPLOYEES

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

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

DEMATERIALIZATION OF SHARES

All the Shares of your Company are in Dematerialization mode. The ISIN of the Equity Shares of your Company is INE112L01020.

STATUTORY DISCLOSURES

The information on conservation of energy, technology absorption and foreign exchange earnings and outgo pursuant to Section 134(3)(m) of the Companies Act, 2013 read with the Rule 8(3) of The Companies (Accounts) Rules, 2014 is as follows:

BOARDS' REPORT (Contd.)

A CONSERVATION OF ENERGY	
i)	<p>Steps taken or impact on conservation of energy</p> <p>Your Company accords highest priority to energy conservation and is committed to energy conservation measures, including regular review of energy consumption and effective control of utilization of energy. The Company has designed its facilities keeping in view the objective of minimum energy loss. The Company has taken all steps to conserve Energy in the work place by educating and training the employees to conserve energy.</p> <p>The Company has installed inverter AC in areas which are operating at extended hours. Energy saving LED lights are installed at various laboratories and collection centres.</p> <p>Every year, an energy audit is conducted at the Central Laboratory of the Company, which is carried out by an Independent Professional Agency.</p>
ii)	<p>Steps taken by the Company for utilizing alternate sources of energy</p> <p>The Company, being in the service industry, does not have any power generation units and did not produce/generate any renewable or conventional power</p>
iii)	<p>Capital investment on energy conservation equipment</p> <p>The Capital investment on energy conservation equipment is insignificant.</p>
B TECHNOLOGY ABSORPTION	
i)	<p>Efforts made towards technology absorption</p> <p>The Company being in the Service Sector has adopted all new technology in terms of new software and hardware and latest machinery with automated processes, available in the current Techno-environment which commensurate to the size, scale, and complexity of its operations.</p>
ii)	<p>Benefits derived from technology absorption</p> <p>Technology absorption has helped the Company to provide better and more accurate service to the Customers.</p>
iii)	<p>Details of Imported technology (last three years)</p> <p>--</p>
	<p>- Details of technology imported</p> <p>Nil</p>
	<p>- Year of Import</p> <p>N.A.</p>
	<p>- Whether technology being fully absorbed</p> <p>N.A.</p>
	<p>- If not fully absorbed, areas where absorption has not taken place and reasons thereof</p> <p>N.A.</p>
iv)	<p>Expenditure incurred on Research and development</p> <p>Nil</p>
C FOREIGN EXCHANGE EARNINGS AND OUTGO	
(Rs. in Lakhs)	
i)	<p>Foreign Exchange inflow</p> <p>1,822.50</p>
ii)	<p>Foreign Exchange outflow</p> <p>502.76</p>



BOARDS' REPORT (Contd.)

VIGIL MECHANISM/ WHISTLEBLOWER

The Company has in place a vigil mechanism in place in accordance with Section 177 of the Companies Act, 2013 and the SEBI (Listing Obligations and Disclosures Requirements) Regulations, 2015, for Director and employees to report their genuine concerns about unethical behaviour, actual or suspected fraud and violation of the Company's code of conduct, the details of which are given in the Corporate Governance Report.

The Policy on Vigil Mechanism and Whistleblower is available on the website of the Company and can be accessed through the following weblink:

https://www.metropolisindia.com/newdata/Investors/code-of-conduct/Whistle_Blower_Policy.pdf

DISCLOSURE UNDER THE SEXUAL HARASSMENT OF WOMEN AT WORKPLACE (PREVENTION, PROHIBITION AND REDRESSAL) ACT, 2013

The Company has adopted a policy on prevention, prohibition and redressal of sexual harassment at the workplace in line with the provisions of the Sexual Harassment of Women at Workplace (Prevention, Prohibition and Redressal) Act, 2013 and the rules framed thereunder. The Company has an Internal Complaints Committee, providing a redressal mechanism pertaining to sexual harassment of women employees at the workplace, the details of which are given in the Corporate Governance Report

During the year under review, 2 (two) complaints were received out of which 1 (one) was resolved during the year and 1(one) after the closure of the financial year. Both Complaints were

resolved in accordance with Company's Policy on prevention of Sexual Harassment.

COMPLIANCE WITH SECRETARIAL STANDARDS

The Company has devised proper systems to ensure compliance with the applicable Secretarial Standards issued by the Institute of Company Secretaries of India. Further, during the year under review, the Company has complied with all the applicable provisions, laws and secretarial standards.

CAUTIONARY STATEMENT

The statements in this Report, particularly those which relate to Management Discussion and Analysis as explained in a separate Section in this Report, describing the Company's objectives, projections, estimates, and expectations may constitute 'forward-looking statements' within the meaning of applicable laws and regulations. Actual results might differ materially from those either expressed or implied in the statement, depending on the circumstances.

APPRECIATIONS

Your Directors acknowledge the valuable contribution of all its employees at all levels in the continuous growth of the Company and making it a dominant player in the market.

The Directors would also like to thank the Company's Joint Venture Partners, Banks, and other Stakeholders for their continued co-operation and support in the Company's growth and in its operations.

For and On Behalf of the Board of Directors
Metropolis Healthcare Limited

Sd/-

Dr. Sushil Shah

Chairman & Executive Director

DIN: 00179918

Place: Mumbai

Date: May 16, 2023

ANNEXURE 1

FORM AOC-1

(Pursuant to first proviso to sub-section (3) of Section 129 read with rule 5 of Companies (Accounts) Rules, 2014)

Statement containing salient features of the financial statement of subsidiaries/associate companies/joint ventures

PART "A": SUBSIDIARIES

(Information in respect of each subsidiary presented with amounts in Rs. in Lakhs)

Sr. No.	Name of Subsidiary	Date since when subsidiary was acquired	Reporting period for the subsidiary concerned, if different from the holding company's reporting period	Reporting currency and Exchange rate as on the last date of the relevant Financial year in the case of foreign subsidiaries	Share Capital & surplus	Total Reserves	Total assets	Total Liabilities	Investments	Turnover/ Op. Income	Profit before taxation	Provision for taxation	Profit after taxation	Proposed Dividend (inclusive tax)	% of share-holding
1	Amin's Pathology Laboratory Private Limited	October 15, 2012	March 31, 2023	Rs.	10.00	1,199.18	1,631.89	422.71	-	1,480.81	349.51	84.95	264.56	-	100.00%
2	Ekopath Metropolis Lab Services Private Limited	February 14, 2013	March 31, 2023	Rs.	51.00	539.73	865.55	274.82	-	753.22	171.03	43.52	127.51		60.00%
3	Centralab Healthcare Services Private Limited	October 22, 2021	March 31, 2023	Rs.	435.00	223.77	1,030.25	371.48	-	1,209.29	231.58	57.16	174.42		100.00%
4	Metropolis Histoxpert Digital Services Private Limited	November 26, 2021	March 31, 2023	Rs.	300.00	(322.73)	32.74	55.47	-	-	(5.00)	-	(5.00)		100.00%
5	Metropolis Healthcare (Mauritius) Limited	September 11, 2012	March 31, 2023	1 USD= Rs. 82.1106(BS) Rs. 80.3015(PL)	125.69	(387.08)	1754.17	2,015.56	380.76	1,128.14	108.08	-	108.08		100.00%
6	Metropolis Bramser Lab Services (Mitus) Limited	June 08, 2012	December 31, 2022	1 MUR=Rs. 1.8810(BS) Rs. 1.7795(PL)	0.19	155.58	218.88	63.11	-	-	31.61	(0.39)	32.00		100.00%
7	Metropolis Star Lab Kenya Limited	February 25, 2013	December 31, 2022	1 KSHS= Rs. 0.6721(BS) Rs. 0.6663(PL)	5.44	3,637.57	4,466.32	823.31	-	4,551.51	1,435.01	434.54	1,000.47		100.00%

ANNEXURE 1 (Contd.)

Sr. No.	Name of Subsidiary	Date since subsidiary was acquired	Reporting period for the subsidiary concerned, if different from the holding company's reporting period	Reporting currency and Exchange rate as on the last date of the relevant Financial year in the case of foreign subsidiaries	Share Capital	Reserves & surplus	Total assets	Total Liabilities	Investments	Turnover/ Op. Income	Profit before taxation	Provision for taxation	Profit after taxation	Proposed Dividend (inclusive tax)	% of share-holding
8	Metropolis Healthcare Ghana Limited	May 02, 2014	December 31, 2022	1 GHC = Rs. 8.1057(BS) Rs. 9.2320(PL)	182.40	(585.08)	735.71	1,138.39	-	910.63	(544.22)	(173.01)	(371.21)		100.00%
9	Metropolis Healthcare Lanka Private Limited (Formerly known as Nawaloka Metropolis Laboratories Private Limited)	June 08, 2005	March 31, 2023	1 SLR = Rs. 0.2486(BS) Rs. 0.2254(PL)	11.04	(80.17)	463.14	532.27	-	89.43	(0.43)	-	(0.43)		100.00%
10	Metropolis Healthcare (Tanzania) Limited	August 19, 2018	December 31, 2022	1 Tshs = Rs. 0.0354(BS) Rs. 0.0338(PL)	139.39	3.47	371.58	228.72	-	426.89	(1.30)	-	(1.30)		99.99%
11	Metropolis Healthcare Uganda Limited ^a	July 22, 2015	December 31, 2022	1 Ushs = Rs. 0.0222(BS) Rs. 0.0216(PL)	5.56	(59.95)	216.27	270.66	-	20.35	(84.01)	(26.41)	(57.60)		100.00%

ANNEXURE 1 (Contd.)

ANNEXURE "B": FORM AOC-I

(Pursuant to first proviso to sub-section (3) of section 129 read with rule 5 of Companies (Accounts) Rules, 2014)

Statement containing salient features of the financial statement of subsidiaries/associate companies/joint ventures

PART "B": ASSOCIATES AND JOINT VENTURES

(Information in respect of each Associate/Joint Venture Companies presented with amounts in Rs. for the year ended March 31, 2023)

	Name of Associates/Joint Ventures	Star Metropolis Health Services Middle East LLC#
1	Latest audited Balance Sheet Date	Unaudited
2	Shares of Associate/Joint Ventures held by the Company on the year end	
	(i) Number	1020
	(ii) Amount of Investment in Associates/Joint Venture	34%
	(iii) Extend of Holding %	
3	Description of how there is significant influence	Shareholding
4	Reason why the Associate/Joint Venture is not consolidated	Non-availability of Financial information
5	Networth attributable to Shareholding as per latest Audited Balance Sheet	
6	Profit / (Loss) for the year	
	(i) Considered in Consolidation	
	(ii) Not Considered in Consolidation	
1	Names of Associates or Joint Ventures which are yet to commence operations.- N.A.	
2	Names of Associates or Joint ventures which have been liquidated or sold during the year.- N.A.	

Entity no longer an Associate (Refer note no 52)

For and on behalf of the Board of Directors
Metropolis Healthcare Limited
 L73100MH2000PLC192798

Sd/-
Dr. Sushil Shah
 Chairman & Executive Director
 DIN: 00179918
 Place : Mumbai

Sd/-
Ameera Shah
 Managing Director
 DIN: 00208095
 Place : Mumbai

Sd/-
Surendran Chemmenkotil
 Chief Executive Officer
 Place : Mumbai

Sd/-
Rakesh Agarwal
 Chief Financial Officer
 Place : Mumbai

Place: Mumbai
 Date: May 16, 2023

ANNEXURE 2

SECRETARIAL AUDIT REPORT

FOR THE FINANCIAL YEAR ENDED MARCH 31, 2023

[Pursuant to Section 204(1) of the Companies Act, 2013 and Rule 9 of the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014]

To,

The Members,

Metropolis Healthcare Limited

Mumbai

We have conducted the secretarial audit of the compliance of applicable statutory provisions and the adherence to good corporate practices by **Metropolis Healthcare Limited** (L73100MH2000PLC192798) and having its registered office at 250 D, Udyog Bhavan, Worli, Mumbai-400030 (hereinafter called 'the Company'). Secretarial Audit was conducted in a manner that provided us a reasonable basis for evaluating the corporate conducts/statutory compliances and expressing our opinion thereon.

Based on our verification of the Company's books, papers, minute books, forms and returns filed and other records maintained by the Company and also the information provided by the Company, its officers, agents and authorized representatives during the conduct of secretarial audit, We hereby report that in our opinion, the Company has, during the audit period covering the financial year ended on March 31, 2023 complied with the statutory provisions listed hereunder and also that the Company has proper Board-processes and compliance-mechanism in place to the extent, in the manner and subject to the reporting made hereinafter:

We have examined the books, papers, minute books, forms and returns filed and other records maintained by the Company for the financial year ended on March 31, 2023 according to the provisions of:

- (i) The Companies Act, 2013 (the Act) and the rules made thereunder;
- (ii) The Securities Contracts (Regulation) Act, 1956 ('SCRA') and the rules made thereunder;
- (iii) The Depositories Act, 1996 and the Regulations and Bye-laws framed thereunder;
- (iv) Foreign Exchange Management Act, 1999 and the rules and regulations made thereunder to the extent of Foreign Direct Investment, Overseas Direct Investment and External Commercial Borrowings;
- (v) The following Regulations and Guidelines prescribed under the Securities and Exchange Board of India Act, 1992 ('SEBI Act'):
 - (a) The Securities and Exchange Board of India (Substantial Acquisition of Shares and Takeovers) Regulations, 2011;
 - (b) The Securities and Exchange Board of India (Prohibition of Insider Trading) Regulations, 2015;

- (c) The Securities and Exchange Board of India (Issue of Capital and Disclosure Requirements) Regulations, 2018; **(Not applicable to the Company during the audit period);**
- (d) The Securities and Exchange Board of India (Share Based Employee Benefits and Sweat Equity) Regulations, 2021;
- (e) The Securities and Exchange Board of India (Issue and Listing of Non-Convertible Securities) Regulations, 2021 **(Not applicable to the Company during the audit period);**
- (f) The Securities and Exchange Board of India (Registrars to an Issue and Share Transfer Agents) Regulations, 1993 regarding the Companies Act and dealing with client;
- (g) The Securities and Exchange Board of India (Delisting of Equity Shares) Regulations, 2021 **(Not applicable to the Company during the audit period);**
- (h) The Securities and Exchange Board of India (Buyback of Securities) Regulations, 2018 **(Not applicable to the Company during the audit period);** and
- (i) The Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015;
- (vi) The Clinical Establishments (Registration and Regulation) Act, 2010 and rules made thereunder; Preconception and The Atomic Energy Act 1962 and rules made there under; and Bio Medical Waste (Management and Handling) Rules, 1988 framed under Environment (Protection) Act, 1986 being laws that are specifically applicable to the Company based on their sector/industry.

We have also examined compliance with the applicable clauses of the Secretarial Standards issued by The Institute of Company Secretaries of India;

During the period under review the Company has complied with the provisions of the Act, Rules, Regulations, Standards, Guidelines etc. mentioned above.

We further report that

The Board of Directors of the Company is duly constituted with proper balance of Executive Directors, Non-Executive Directors and Independent Directors. There were no changes in the composition of the Board of Directors during the year under review.

ANNEXURE 2 (Contd.)

Adequate notice is given to all directors to schedule the Board Meetings, agenda and detailed notes on agenda were sent at least seven days in advance except that some of the Board Meetings of the Company during the year under review, were held at a shorter notice, and a system exists for seeking and obtaining further information and clarifications on the agenda items before the meeting and for meaningful participation at the meeting.

Majority decision is carried through while the dissenting members' views, if any, are captured and recorded as part of the minutes. However, in the minutes of the meetings of Board and its Committees, for the period under review, no dissents were noted and hence we have no reason to believe that decisions by the Board were not approved by all the directors present.

As mentioned in the Report of Statutory Auditors dated May 16, 2023, the Company has not kept backup of the books of account and other relevant books and papers in electronic mode on a daily basis on servers physically located in India during the period August 11, 2022 to March 29, 2023.

We further report that there are adequate systems and processes in the Company commensurate with the size and operations of the Company to monitor and ensure compliance with applicable laws, rules, regulations, standards, guidelines and directions.

We further report that during the audit period:

1. the Company allotted -
 - (a) 128 Equity Shares of Rs. 2/- each on April 14, 2022, pursuant to units exercised by unit holders under "Metropolis-Restrictive Stock Unit Plan, 2020 ("MHL-RSU Plan, 2020"); the said shares have been listed at NSE and BSE and admitted to dealings w.e.f. May 25, 2022;
 - (b) 2,500 Equity Shares of Rs. 2/- each on May 02, 2022, pursuant to units exercised by unit holders under "Metropolis Employees Stock Option Scheme, 2015 ("MESOS 2015"); the said shares have been listed at NSE and BSE and admitted to dealings w.e.f. June 24, 2022;
 - (c) 25,502 Equity Shares of Rs. 2/- each on July 14, 2022, pursuant to units exercised by unit holders under MHL-RSU Plan, 2020; the said shares have been listed at NSE and BSE and admitted to dealings w.e.f. August 29, 2022;
 - (d) 6,043 Equity Shares of Rs. 2/- each on October 13, 2022, pursuant to exercise of options by the unit holders under MHL-RSU Plan, 2020; subsequently the said shares got listed on NSE and BSE and admitted to dealings w.e.f. November 04, 2022; and
 - (e) 4,372 Equity Shares of Rs. 2/- each on January 07, 2023, pursuant to exercise of options by the unit holders under MHL-RSU Plan, 2020; subsequently the said shares got listed on NSE and BSE and admitted to dealings w.e.f. February 21, 2023.
2. the Company approved grant of 28,800, 66,850 and 7,000 Restricted Stock Units pursuant to the MHL-RSU Plan, 2020 to the eligible employees of the Company and Subsidiary(ies) on May 24, 2022, July 16, 2022 and August 10, 2022 respectively;
3. the Company has approved (as a member/shareholder) the voluntary liquidation of Dr. Ganesan's Hitech Diagnostic Centre Private Limited ("Hitech"), a wholly owned subsidiary of the Company, vide special resolution passed at the Extra Ordinary General Meeting of Hitech held on April 01, 2022. Further, pursuant to the voluntary liquidation process, the liquidator of Hitech has transferred the entire business undertaking of Hitech to the Company on a going concern basis on and with effect from June 04, 2022;
4. the Company had filed an application to National Company Law Tribunal, Mumbai Bench (NCLT) under the provisions of sections 230 to 232 of the Companies Act, 2013 for merger of its wholly owned subsidiaries viz., Bokil Golwilkar Metropolis Healthcare Private Limited; Desai Metropolis Health Services Private Limited; Dr. Patel Metropolis Healthcare Private Limited; Lab One Metropolis Healthcare Services Private Limited; Micron Metropolis Healthcare Private Limited; R.V. Metropolis Diagnostic & Health Care Center Private Limited; Raj Metropolis Healthcare Private Limited and Sudharma Metropolis Health Services Private Limited (collectively referred to as Transferor Companies) with itself by a Scheme of merger which was approved by Board of Directors in its meeting held on August 06, 2021; the said merger has been sanctioned by Hon'ble National Company Law Tribunal, Mumbai bench, vide its order dated June 02, 2022; the Certified True Copy of the said order, which was received on July 05, 2022, and has been filed with the respective Registrar of Companies by the Transferor companies on and the Company on July 11, 2022;
5. the Board of Directors at their meetings held on May 24, 2022, July 18, 2022, and members vide Special Resolution passed at the 22nd Annual General Meeting held on August 17, 2022, approved amendments to the MHL-RSU Plan, 2020 for i) increasing the existing pool size of the Scheme from 2,70,000 options to 3,70,000 options; and ii) alteration of certain other existing clauses of the scheme; and the in-principle approval for the increase in existing pool size was received on October 21, 2022 from BSE and NSE;



ANNEXURE 2 (Contd.)

6. MHL-RSU Plan, 2020 has been extended to the eligible employees of the Subsidiary(ies) and/or Associate Company(ies) with the approvals of the Nomination and Remuneration Committee of the Board of Directors and Board of Directors at its meeting held on July 16, 2022 and July 18, 2022, respectively and Special Resolution passed by the members at the 22nd Annual General Meeting held on August 17, 2022; and

7. the Board of Directors of Company at their Meeting held on February 10, 2023 declared an interim dividend of Rs. 8/- per equity share (face value Rs. 2/-) for the financial year 2022-23 aggregating to Rs. 40,96,85,312/-.

This report is to be read with our letter of even date which is annexed as 'Annexure-A' and forms an integral part of this report.

For **Manish Ghia & Associates**
Company Secretaries
(Unique ID: P2006MH007100)

Place: Mumbai
Date: May 16, 2023
UDIN: F006252E000306519

Sd/-
CS Mannish L. Ghia
Partner
M. No. FCS 6252, C.P. No. 3531
PR 822/2020

ANNEXURE 2 (Contd.)

'Annexure A'

To,
The Members,
Metropolis Healthcare Limited
Mumbai

Our report of even date is to read along with this letter.

1. Maintenance of secretarial record is the responsibility of the management of the Company. Our responsibility is to express an opinion on these secretarial records based on our audit.
2. We have followed the audit practices and processes as were appropriate to obtain reasonable assurance about the correctness of the contents of the Secretarial records. The verification was done on test basis to ensure that correct facts are reflected in secretarial records. We believe that the processes and practices, we followed provided a reasonable basis for our opinion.
3. We have not verified the correctness and appropriateness of financial records and Book of Accounts of the Company.
4. Where ever required, we have obtained the management representation about the compliance of laws, rules and regulations and happening of events etc.
5. The compliance of the provisions of corporate and other applicable laws, rules, regulation, standards is the responsibility of management. Our examination was limited to the verification of procedures on the test basis.
6. The Secretarial Audit Report is neither an assurance as to the future viability of the Company nor of the efficiency or effectiveness with which the management has conducted the affairs of the Company.

For **Manish Ghia & Associates**
Company Secretaries
(Unique ID: P2006MH007100)

Place: Mumbai
Date: May 16, 2023
UDIN: F006252E000306519

Sd/-
CS Mannish L. Ghia
Partner
M. No. FCS 6252, C.P. No. 3531
PR 822/2020

ANNEXURE 3

ANNUAL REPORT ON CORPORATE SOCIAL RESPONSIBILITY (CSR) ACTIVITIES

[Pursuant to clause (o) of sub-Section (3) of Section 134 of the Act and Rule 9 of the Companies (Corporate Social Responsibility) Rules, 2014]

1. Brief outline on CSR Policy of the Company

Giving back to the society is embedded in the value system of Metropolis and we believe and aim to bring about a positive change in the nation. For the past 3 decades, Metropolis has been at the forefront in conducting impactful camps and driving numerous workshops for different sections of the Society. As an integral part of our commitment to Good Corporate Citizenship, we at Metropolis Healthcare Limited, believe in actively assisting in improvement of the quality of life of people in our communities. We believe that we not only exist for doing good business but also for ensuring the betterment of the society.

We actively contribute to ensure that the people living in local areas around our business operations lead a good quality life. Towards achieving long-term stakeholder value, we shall always continue to respect the interests of and be responsive towards our key stakeholders - the communities, especially those from socially and economically backward groups, the underprivileged and the marginalized. Further it is a goal of the Company to uplift the quality of life and well-being of people.

The CSR Policy ('the Policy') of the Company as approved by the Board is available on the Company's website. The Company's CSR is in alignment with the initiatives undertaken by it. The foundation set up by the Committee is empowering & developing young girls who are below poverty line and providing reproductive health education to the masses. Also, various skills are being provided for financial independence and imparting knowledge and training to the underprivileged.

For details of the CSR Policy along with projects and programs, kindly refer to the following weblink: https://www.metropolisindia.com/newdata/Investors/CSR/MHLRevised+CSR+policy_wef+May+27-2021.pdf

2. Composition of CSR Committee:

Sr. No.	Name of Director	Designation / Nature of Directorship	Number of meetings of CSR Committee held during the year	Number of meetings of CSR Committee attended during the year
1.	Ms. Anita Ramachandran (Chairperson)	Non-Executive Independent Director	3	3
2.	Ms. Ameera Shah (Member)	Managing Director	3	3
3.	Ms. Milind Sarwate (Member)	Non-Executive Independent Director	3	3

3. Provide the web-link where Composition of CSR committee, CSR Policy and CSR projects approved by the board are disclosed on the website of the Company.

The details of the constitution of the CSR Committee, the CSR Policy and the CSR projects approved by the Board of Directors is disclosed on the Company's website and can be accessed at <https://www.metropolisindia.com/investors>

4. Provide the executive summary along with web-link(s) of Impact Assessment of CSR Projects carried out in pursuance of sub-rule (3) of rule 8, if applicable.

The Company is not required to carry out the Impact Assessment as required as per sub-rule (3) of Rule 8 of the Companies (Corporate Social Responsibility Policy) Rules, 2014

5. (a) Average net profit of the Company as per Section 135(5) for spending during the Financial Year 2022-23.

The average Net profit of the Company as per Section 135 (3) for the Financial Year 2022-2023 was Rs. 256,81,73,035

(b) Two % of average net profit of the Company as per Section 135(5) for spending during the Financial Year 2022-23.

Two % of average net profit of the Company as per Section 135 (5) for the Financial Year 2022-23 is Rs. 5,13,63,600

(c) Surplus arising out of the CSR projects or programmes or activities of the previous financial years.

Not Applicable

(d) Amount required to be set off for the financial year, if any.

Not Applicable

(e) Total CSR obligation for the Financial Year (7b+7c-7d).

The Total CSR Obligation for the Financial Year 2022-2023 was Rs. 5,13,63,600

ANNEXURE 3 (Contd.)
6. (a) Amount spent on CSR Projects (both Ongoing Project and other than Ongoing Project).
(i) Details of CSR amount spent against ongoing projects for the financial year:

Sr. No.	Name of the Project	Item from the list of activities in Schedule VII to the Act	Local area (Yes/ No)	Location of the Project		Project Duration	Amount allocated for the project (in Rs.)	Amount spent in the current financial Year (in Rs.)	Amount transferred to Unspent CSR Account for the project as per Section 135(6) (in Rs.)	Mode of Implementation - Direct (Yes/ No)	Mode of Implementation Through Implementing Agency	
				State	District						Name	CSR Registration number
1	DSEU	Promoting education	yes	New Delhi	New Delhi	3 years	1,61,22,081	54,00,000	NA	Direct	NA	NA

(ii) Details of CSR amount spent against other than ongoing projects for the financial year.

Sr. No.	Name of the Project	Item from the list of activities in Schedule VII to the Act	Local area (Yes/ No)	Location of the Project		Amount spent for the project (in Rs.)	Mode of Implementation - Direct (Yes/ No)	Mode of Implementation Through Implementing Agency	
				State	District			Name	CSR Registration number
1	MedEngage	Promoting Education	yes	Pan India	Pan India	2,22,52,644	Direct	-	-
2	Too Shy to Ask	Promoting Health awareness	yes	Pan India	Pan India	2,15,56,223	Implementational agency	-	CSR00005533
3	Other projects	Promoting Health awareness	yes	Maharashtra	Maharashtra	61,36,606	Direct	-	-

(b) Amount spent in Administrative Overheads – Rs. 14,37,637
(c) Amount spent on Impact Assessment, if applicable - Not Applicable
(d) Total amount spent for the Financial Year 2022-23 (6a+6b+6c)

The total amount spent for the Financial Year 2022-23 was Rs. 5,13,83,110

(e) CSR amount spent or unspent for the Financial Year:

Total Amount Spent for the Financial Year (in Rs.)	Amount Unspent (in Rs.)				
	Total Amount (in Rs.) transferred to Unspent CSR Account as per section 135(6)		Amount transferred to any fund specified under Schedule VII as per second proviso to section 135(5)		
	Amount	Date of transfer	Name of the Fund	Amount	Date of transfer
5,13,83,110	NIL	NIL	NIL	NIL	NIL

(f) Excess amount for set off, if any – Not Applicable

Sr. No.	Particular	Amount (in Rs.)
(i)	Two percent of average net profit of the Company as per sub-section (5) of section 135	
(ii)	Total amount spent for the Financial Year (22-23)	
(iii)	Excess amount spent for the Financial Year [(ii)-(i)]	
(iv)	Surplus arising out of the CSR projects or programmes or activities of the previous Financial Years, if any	
(v)	Amount available for set off in succeeding Financial Years [(iii)-(iv)]	

ANNEXURE 3 (Contd.)

7. (a) Details of Unspent CSR amount for the preceding three financial years:

Sr. No.	Preceding Financial Year(s)	Amount transferred to Unspent CSR Account under section 135 (6) (in Rs.)	Balance Amount in Unspent CSR Account under sub section (6) of section 135 (in Rs.)	Amount spent in the Financial Year (in Rs.)	Amount transferred to any fund specified under Schedule VII as per section 135(6), if any			Amount remaining to be spent in succeeding financial years (in Rs.)	Deficiency, if any
					Name of the Fund	Amount (in Rs.)	Date of transfer		
1.	2021-22	-	-	-	-	-	-	-	-
2.	2020-21	1,61,22,081	1,05,10,230	194,02,061					
3.	2019-20*	-		76,97,212					
	Total								

*For financial year 2019-20, the Company has transferred the unspent amount of 1,69,11,386/- to WE Foundation to specifically spend the funds donated by the Company on activities to combat the COVID-19 pandemic.

(b) Details of CSR amount spent in the financial year for ongoing projects of the preceding financial year(s):

Sr. No.	Project ID	Name of the Project	Financial Year in which the project was commenced	Total amount allocated for the project (in Rs.)	Amount spent on the project in the reporting Financial Year (in Rs.)	Cumulative amount spent at the end of reporting Financial Year (in Rs.)	Status of the project - Completed / Ongoing
1.		DSEU	2021-22	1,61,22,081	54,00,000	56,11,851	Ongoing
	Total						

8. Whether any capital assets have been created or acquired through Corporate Social Responsibility amount spent in the Financial Year: Not Applicable.

9. Specify the reason(s), if the Company has failed to spend two % of the average Net Profit as per section 135(5): NIL

Sd/-

Ameera Shah

Managing Director and Member of CSR Committee

DIN: 00208095

Place: Mumbai

Date: May 16, 2023

Sd/-

Anita Ramachandran

Chairperson of CSR Committee

DIN: 00118188

Place: Mumbai

Date: May 16, 2023

ANNEXURE 4

DETAILS OF EMPLOYEE STOCK OPTION SCHEME

Disclosure pursuant to Regulation 14 of Securities and Exchange Board of India
(Share Based Employee Benefits) Regulations, 2014 as on March 31, 2023

DESCRIPTION OF ESOP SCHEMES:

The Company views Employee Stock Options as instruments that would enable the Employees to share the value they would create and contribute to the Company in the years to come.

The Company has framed and implemented the Metropolis Employee Stock Option Scheme 2015 ("MESOS 2015") as well as Metropolis – Restricted Stock Unit Plan – 2020 ("RSU 2020") for eligible employees. In terms of the said schemes, options to the employees have vest and shall continue to vest as given in the below table under point no. C.

A. Relevant disclosures in terms of the 'Guidance note on accounting for employee share-based payments' issued by Institute of Chartered Accountants of India ("ICAI") or any other relevant accounting standards as prescribed from time to time.

The disclosures are provided in the Note No. 48 to the Financial Statements of the Company for the year ended March 31, 2023.

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

27.05

C. Details related to ESOP / RSU:

Sr. No.	Particulars	MESOS 2015	RSU 2020
(i)	Description of each ESOP /RSU that existed during the year, including the general terms and conditions:		
1	Date of Shareholders' approval	<ul style="list-style-type: none"> ● March 28, 2015 ● September 18, 2017 ● February 28, 2018 ● September 10, 2018 ● September 14, 2018 	<ul style="list-style-type: none"> ● April 06, 2020 ● August 17, 2022
2	Total number of options / units approved under ESOP / RSU	12,21,324 [#] options convertible into equivalent no. of equity shares.	3,70,000 Units convertible into equivalent no. of equity shares.
3	Vesting requirement	<p>i) Options granted to Existing employees (person who is in continuous employment with the Company since January 01, 2016 or prior thereto) shall vest as below:</p> <p>a) 50% - on January 01, 2018;</p> <p>b) 25% -on January 01, 2019 and;</p> <p>c) 25% on January 01, 2020.</p> <p>ii) Options granted to New employees (person who is in continuous employment with the Company after January 01, 2016) shall vest as below:</p> <p>a) 50% of grant on completion of 2 years from date of joining;</p>	<p>i) 15% at the end of Year 1 of the grant</p> <p>ii) 20% at the end of Year 2 of the grant</p> <p>iii) 25% at the end of Year 3 of the grant</p> <p>iv) 40% at the end of Year 4 of the grant</p> <p>However, the above is subject to the attainment of the performance of the individual as well as the Company as defined in the MHL RSU Plan 2020.</p>



ANNEXURE 4 (Contd.)

Sr. No.	Particulars	MESOS 2015	RSU 2020
		b) 25% of grant on completion of 3 years from date of joining; and c) 25% of grant on completion of 4 years from date of joining.	
4	Exercise price or pricing formula	Rs. 705.77 per option [#]	As the Nomination and Remuneration Committee may decide at the time of each grant.
5	Maximum term of options / units granted (Years)	The exercising period will commence from the date of vesting to the Grantee. Accordingly, the maximum term of Options will be 4 (four) years from the date of vesting.	The exercising period will commence from the date of vesting to the Grantee. Accordingly, the maximum term of Units will be 5 years from the date of vesting.
6	Source of shares	Primary	Primary
7	Variation in terms of options / units	There was no variation in terms of Options outstanding during 2022-23.	The shareholders vide resolution dated August 17, 2022 had approved increase in RSU pool by 1,00,000. Further, various alterations are made in the terms & conditions of RSU including Power of Administrator, Vesting Schedule, Lock-In period, Transferability of Awards etc.
(ii)	Method used to account for ESOP / RSU:	Fair value	Fair Value
(iii)	Has the Company has opted for expensing of the options using the Fair Value of the Options: Yes		
1	Difference between the employee compensation cost so computed and the employee compensation cost that shall have been recognized if it had used the fair value	N.A.	N.A.
2	The impact of this difference on profits and on EPS of the Company	N.A.	N.A.
(iv)	Movement during the year.		
1	No. of options / units outstanding at the beginning of the period	5,000	2,42,594
2	No. of options / units granted during the year	-	1,02,650
3	No. of options / units forfeited/ lapsed during the year	-	1,68,528
4	No. of options / units vested during the year	2,500	35,249
5	No. of options / units exercised during the year	2,500	36,045
6	No. of shares arising as a result of exercise of options / units	2,500	36,045

ANNEXURE 4 (Contd.)

Sr. No.	Particulars	MESOS 2015	RSU 2020
7	Money realized by exercise of options / units (Rs.). If scheme is implemented directly by the Company	Rs.17,64,425/-	Rs. 72,090
8	Loan repaid by the Trust during the year from exercise price received	N.A.	N.A.
9	No. of options / units outstanding at the end of the year	2,500	1,40,671
10	No. of options / units exercisable at the end of the year	2,500	646
(v)	Weighted-average exercise prices ("WAEP") and weighted-average fair values("WAFV") of Options / Units		
1	Where the exercise price is less than the market price of the stock	Weighted Average exercise price is Rs. 705.77 & Weighted Average fair value is Rs. 1,174.34	Weighted Average exercise price is Rs. 2 & Weighted Average fair value is Rs. 1,424.57
2	Where the exercise price equals the market price of the stock	N.A.	N.A.
3	Where the exercise price is more than the market price of the stock	N.A.	N.A.
(vi)	Employee wise details (name of employee, designation, number of Options / Units granted during the year, exercise price) of Options / Units		
1	Senior Managerial Personnel	N.A.	Refer table below
2	Any other employee who receives a grant in any one year of option amounting to 5% or more of option granted during that year		Refer table below
3	Identified employees who were granted option, during any one year, equal to or exceeding 1% of the issued capital (excluding outstanding warrants and conversions) of the Company at the time of grant.		N.A.
(vii)	A description of the method and significant assumptions used during the year to estimate the fair value of options including the following information:		
1	Weighted-average Values of share price	As provided in notes to accounts no. 48	As provided in notes to accounts no. 48
	Exercise price		
	Expected volatility		
	Expected option life		
	Expected dividends		
	The risk-free interest rate		
	Any other inputs to the model		
2	The method used and the assumptions made to incorporate the effects of expected early exercise;	As provided in notes to accounts no 48.	As provided in notes to accounts no. 48



ANNEXURE 4 (Contd.)

Sr. No.	Particulars	MESOS 2015	RSU 2020
3	How expected volatility was determined, including an explanation of the extent to which expected volatility was based on historical volatility;	As provided in notes to accounts no. 48	As provided in notes to accounts no. 48
4	Whether and how any other features of the option grant were incorporated into the measurement of fair value, such as a market condition.	As provided in notes to accounts no. 48	

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

Details of RSUs granted to Senior Management Employees during the year:

Sr. No.	Name	Designation	No. of RSUs granted
1	Ishita Medhekar	Chief Human Resource Officer	5,000
2	Alangadan Kannan	Chief Operating Officer	9,000
3	Rakesh Kumar Agarwal	Chief Financial Officer	6,500
4	Puneet Kumar Nigam	Chief Scientific Officer	3,000
5	Kirti Z Kazi	Chief Quality Officer	4,000
6	Sriram Srinivasan Iyer	Chief Revenue Officer	31,800
7	Abdur Razzaque	Head- IT	2000
8	Avadhut Joshi	CEO (International)	3000

Details of RSUs granted to employees amounting to 5% or more of RSUs granted during the year:

1. Mr. Alangadan Kannan
2. Mr. Rakesh Agarwal
3. Mr. Sriram Iyer

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

Sd/-

Dr. Sushil Shah

Chairman & Executive Director

DIN: 00179918

Place: Mumbai

Date: May 16, 2023

ANNEXURE 5

DISCLOSURES REQUIRED UNDER SECTION 197(12) OF THE COMPANIES ACT, 2013 READ WITH RULE 5(1) OF COMPANIES (APPOINTMENT AND REMUNERATION OF MANAGERIAL PERSONNEL) RULES, 2014.

1. The percentage increase in the median remuneration of employees during the Financial Year:

Median remuneration of employees of the Company as at the end of the year under review was Rs. 2,55,103 which decreased by 6.23% over the previous year's median remuneration of Rs. 2,72,044.

2. The ratio of the remuneration of each Director to the median remuneration of employees for the Financial Year 2022-23; and

3. The percentage increase in remuneration of each Director, Chief Financial Officer, Chief Executive Officer, Company Secretary or Manager, during the Financial Year 2022-23:

(Amount in Rs)

Sr. No	Name	Designation	Remuneration for the financial year 2022-23	Percentage increase/ (decrease) in remuneration in the financial Year 2022-23 (%)	Ratio to median remuneration (in times)
Non-Executive Directors*					
1	Mr. Milind Sarwate	Independent Director			
2	Mr. Vivek Gambhir	Independent Director			
3	Mr. Sanjay Bhatnagar	Independent Director			
4	Ms. Anita Ramachandran	Independent Director			
5	Mr. Hemant Sachdev	Non Independent Director			
Executive Directors					
6	Dr. Sushil Kanubhai Shah	Chairman and Executive Director	1,80,00,000	0%	75
7	Mr. Ameera Shah	Managing Director	5,16,50,004	0%	189
Key Managerial Personnel					
8	Mr. Vijender Singh	Chief Executive Officer	3,14,46,124	0%	43
9	Mr. Rakesh Kumar Agarwal	Chief Financial Officer	1,73,76,026	30%	47
10	Ms. Simmi Singh Bisht [#]	Head - Legal and Secretarial	41,72,502	5%	13
11	Mr. Surendran Chemmenkotil [#]	Chief Executive Officer	1,30,61,291	0%	40

4. The number of permanent employees on rolls of the Company: 4289.

5. Average percentile increase already made in salaries of employees other than the managerial personnel in the last financial year and its comparison with the percentile increase in the managerial remuneration and justification thereof and point out if there are any exceptional circumstances for increase in the managerial remuneration. The percentage increase in the gross salaries paid to employees other than the managerial personnel in the last financial year is 28.34% as against an increase of 4.23% in the salary of Managerial Personnel. The increment given to each individual employee is based on the employee's potential, experience and also their performance and contribution to the Company's progress during the year and is benchmarked against similar companies in India.

Note: During the year under review, employees on the payroll of merged subsidiaries & Dr. Ganesan Hitech Diagnostic Centre Private Limited were transferred to Metropolis Healthcare Limited on account of amalgamation & liquidation respectively. Therefore, the percentage increase in the gross salaries paid to employees is higher in comparison to last year.

6. Affirmation that the remuneration is as per the Remuneration Policy of the Company.

The Company affirms that the remuneration paid is as per the Remuneration Policy of the Company.

For and on behalf of the Board of Directors

Sd/-

Dr. Sushil Shah

Chairman & Executive Director

DIN: 00179918

Place: Mumbai

Date: May 16, 2023