MedPlus Health Services Limited

September 05, 2023

The Listing Department
BSE Limited
Phiroze Jeejeebhoy Towers
Dalal Street, Fort,
Mumbai 400 001
BSE Scrip Code Equity: 543427

The Listing Department
National Stock Exchange of India Limited
Exchange Plaza,
Bandra Kurla Complex,
Bandra (East), Mumbai – 400 051
NSE Symbol: MEDPLUS

Dear Sir/ Madam,

Sub: Annual Report for the Financial Year 2022-23.

Pursuant to Regulations 30 and 34 of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, we hereby enclose the Annual Report of the Company for the financial year ended March 31, 2023 together with the Notice dated August 07, 2023 convening the 17th Annual General Meeting (AGM) of the Company. The same is also available on the Company's website i.e. www.medplusindia.com

You are requested to take the same on record.

Thanking You

Yours faithfully,
For MedPlus Health Services Limited

MANOJ KUMAR SRIVASTAVA
Digitally signed by MANOJ KUMAR SRIVASTAVA
Date: 2023.09.05 21:16:00 +05'30'

Manoj Kumar Srivastava
Company Secretary & Compliance Officer
FCS 7460

Encl: Aa

CC:

National Securities Depository Limited (NSDL)
Trade World, 4th Floor,
Kamala Mills Compound,
Senapati Bapat Marg, Lower Parel,
Mumbai - 400 013.

Registrar and Share Transfer Agent (RTA)
Selenium Tower B, Plot 31-32,
Gachibowli Financial District,
Nanakramguda, Serilingampally,
Hyderabad - 500032.

Central Depository Services (India) Limited (CDSL)
PhirozeJeejebhoy Towers,
28th Floor, Dalal Street,
Mumbai - 400023.

MedPlus

2022-23 ANNUAL REPORT

Opportunities | Growth | Progress

Content

Disclaimer:

This document contains statements about expected future events and financials of MedPlus Health Services Limited, which are forwardlooking. By their nature, forward-looking statements require the Company to make assumptions and are subject to inherent risks and uncertainties. There is a significant risk that the assumptions, predictions, and other forward-looking statements may not prove to be accurate. Readers are cautioned not to place undue reliance on forward-looking statements as several factors could cause assumptions, actual future results and events to differ materially from those expressed in the forward-looking statements. Accordingly, this document is subject to the disclaimer and qualified in its entirety by the assumptions, qualifications and risk factors referred to in the Management Discussion and Analysis section of this Annual Report.

Accelerating with Passion. Delivering with Purpose.

MedPlus Health Services Limited, known as MedPlus, has emerged as a prominent player in India's retail pharmaceutical sector since its establishment in 2006. With a mission to provide authentic medicines and enhance value through technology-driven supply chain efficiencies,

MedPlus offers a diverse range of products spanning pharmaceuticals, wellness items, and fast-moving consumer goods.

Recognizing the challenge of counterfeit drugs, MedPlus seized the opportunity to establish an organized retail model that sources directly from manufacturers, ensuring authenticity and quality. The company's growth journey has been marked by strategic expansion across states and territories, enabled by a cluster-based approach that fosters brand visibility and replicable growth. This expansion aligns with the company's commitment to offering convenience and building lasting customer relationships, thus driving progress in India's pharmaceutical landscape.

MedPlus

MedPlus at a Glance

MedPlus Health Services Limited, commonly known as MedPlus, stands as a prominent entity in India's retail pharmaceutical landscape. Since its inception in 2006, the company embarked on a mission to establish a retail pharmaceutical brand that not only provides authentic medicines but also enhances value for its customers through technology-driven supply chain efficiencies. The company's product portfolio spans across diverse categories, encompassing pharmaceuticals, wellness items, and fast-moving consumer goods (FMCG). This comprehensive range includes essential items such as medications, vitamins, medical devices, home and personal care products, toiletries, baby care essentials, soaps, detergents, as well as sanitizers, among various others.

Opportunities:

MedPlus recognized the national issue of counterfeit drugs and medications as a chance to make a positive impact. To tackle these concerns and provide reassurance to the people of India, MedPlus embarked on its journey as an organized retail entity. The primary goal was to establish a streamlined process where medicines and various products could be sourced directly from manufacturers and efficiently delivered to customers in their local communities. This approach was carefully designed to offer customers maximum value while addressing the genuine worries surrounding the authenticity of drugs. In addition to combating the issue of counterfeit drugs, MedPlus ensured that the medications it provided were stored under optimal conditions, further enhancing the quality and safety of the products available to its customers.

Growth:

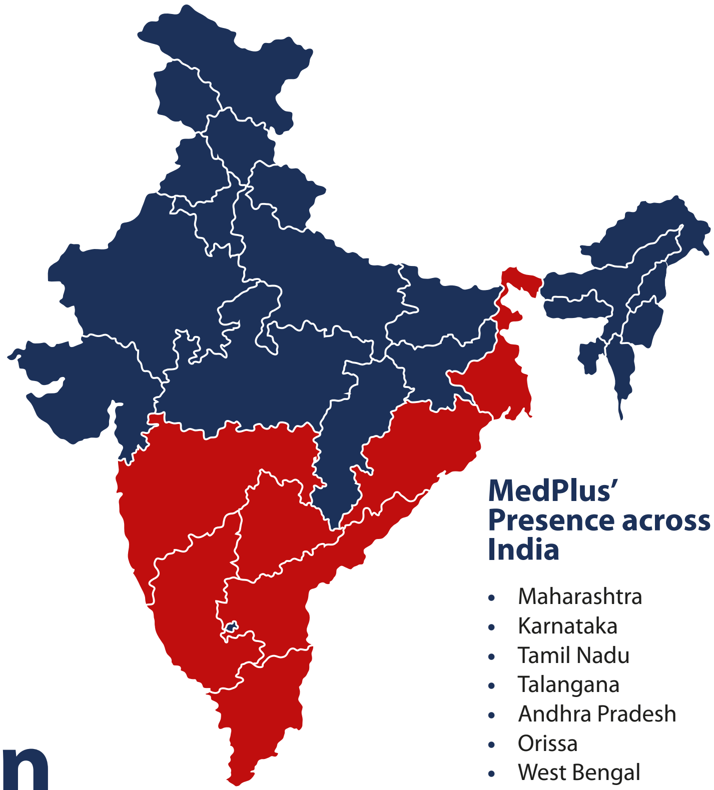
MedPlus Has started in 2006 with 48 stores in Hyderabad, Now MedPlus is offering its services in 7 states and one union territory through 3,882 stores which are spread across Telangana, Andhra Pradesh, Karnataka, Tamil Nadu, West Bengal, Maharashtra, Orissa and Puducherry. Medplus employs a data analytics driven cluster-based expand store network. The cluster-based approach to store network expansion is also driven by our understanding of the catchment demographics, market dynamics, and our ability to support store expansion with back-end infrastructure, such as warehouses and distribution centres. This approach and understanding allow us to:

- Create brand visibility within the cities where we operate, through focused implementation of marketing and advertising initiatives,
- Increase our market share in the cities where we operate,
- Replicate our growth model in adjacent underserved cities and towns, as we develop our presence in those clusters
- Generate cost efficiencies due to operating leverage achieved in our supply chain and inventory management.

Our cluster-based expansion approach and replicable store roll-out strategy have allowed us to achieve and maintain attractive and healthy store level economics

Progess:

MedPlus has consistently pursued continuous growth by embracing contemporary business methodologies, refining processes, and nurturing a positive organizational culture. These efforts harmoniously converge to empower us in expanding our market presence and reinforcing a stronger brand recognition. Our unwavering commitment extends towards amplifying our customer outreach across both physical store locations and digital platforms, where our primary focus remains on offering 'convenience' as a fundamental customer-centric principle. This strategic approach not only aids in broadening our customer base but also fosters a lasting connection that keeps customers engaged within our ecosystem.



MedPlus' Presence across India

- Maharashtra
- Karnataka
- Tamil Nadu
- Talangana
- Andhra Pradesh
- Orissa
- West Bengal
- Puducherry

Our Potential in Numbers

Marked presence of **17** years with **3,882** Physical stores

Second largest Pharma retailer in the country w.r.t. store strength

Wider geographical presence in **7** states and 1 Union territory covering **552** cities

Empowered with **44k+** SKUs across pharma and non-pharma segment with **10** regional warehouses and **21k+** employee strength

640+ Private Label Products covered under pharma category including Chronic, Acute, OTC & Other Pharmaceutical products

262+ Private Label Products covered in non-pharma segment including packaged food, baked goods, dry goods, cleaning products, cosmetics and toiletries

The **first entity** in the country to introduce an omni-channel presence with **Digital** and **Neighbourhood** stores

Diagnostic Services
Launched Diagnostic Services with 3 Full service centres, 4 level 2 centres, 100+ collection centres and One central Path lab.

Chairman's Message

Since inception in 2006, your company has been dedicated to providing medicines and related products guided by three core principles: the provision of genuine products, ensuring superior storage conditions, and offering unparalleled convenience, all while maintaining competitive pricing.

MedPlus

Dear Shareholders,

As we reflect on the past seventeen years, we can proudly acknowledge the strides we have taken in delivering value to all stakeholders. Our reach now extends to over 552 cities across Telangana, Andhra Pradesh, Karnataka, Tamil Nadu, West Bengal, Orissa, and Maharashtra.

While our success story in the pharmaceutical retail sector continues to unfold, we recognize the potential of exploring new horizons in the adjacent market of diagnostics. Many of our customers are individuals with chronic conditions requiring regular diagnostic tests. In response to their needs, we have initiated a pilot project in Hyderabad. This endeavor includes the establishment of three integrated radiology centers, four low-end radiology centers, a central laboratory, and over 100 collection centers. The results of this pilot phase have met our expectations and reinforced our belief in the value of expanding into the diagnostics sector.

The Indian retail pharmacy market is projected to experience a robust compound annual growth rate (CAGR) of around 9% between FY20 and FY25, reaching a value of USD 36 billion by FY25. Notably, the penetration of organized pharmacy services is expected to rise to approximately 19.6% by FY25, a significant increase from the 10% recorded in FY20. This anticipated growth outpaces that of other retail formats, including food, jewelry, and footwear. Despite the rise of online pharmacies with their attractive discounts, your company continues to flourish profitably. Our success is attributed to our innovative approach, leveraging both an omni-channel presence and a tiered discounting structure within the expanding organized retail pharmacy landscape.

During the financial year:

- We registered ₹45,575. 8 million revenue from operations in 2022- 23, recording a 20.6% growth as compared to the previous year's revenue of ₹37,792.8 million
- Our EBITDA stood at ₹3,117.5 million in 2022-23, compared to the previous year when it stood at ₹3,037.3 million

As we navigate the future, we remain committed to our core values, the pursuit of excellence, and our mission of enhancing healthcare accessibility and affordability. Through our unwavering dedication, we are poised to continue making a positive impact on the lives of countless individuals and the larger healthcare ecosystem.

I am truly touched and thankful to each and every individual who has entrusted us with their well-being. Serving as your companion on this transformative journey toward improved health and wellness is a privilege that I deeply cherish.

To the distinguished members of our Board, I want to express my profound gratitude for their enduring trust and unwavering support. Your guidance has been the cornerstone of our progress, and your belief in our mission has been instrumental in propelling us forward.

I extend my heartfelt appreciation to our esteemed shareholders, whose unwavering faith in our vision has been a driving force behind our accomplishments. Your confidence empowers us to push the boundaries of healthcare delivery and set new benchmarks for excellence.

My gratitude knows no bounds for my MedPlus , whose unwavering support provides us with the confidence to boldly venture into uncharted territories of healthcare services. Together, we have cultivated an environment of unity and warmth that defines us. This unity fuels our determination to make a lasting, positive impact on the lives of countless individuals.

In embracing the challenges and opportunities that lie ahead, let us stand united, bound by our shared vision and the unwavering support that has brought us this far. With a heart full of gratitude, I look forward to the continued journey of elevating healthcare and enriching lives together.

Thanks,

Gangadi Madhukar Reddy

Chairman, MD & CEO

Lucrative Pharma Industry

Operating Context

The pharmaceutical market in India is highly fragmented, posing challenges for both distribution and retail. With a vast number of distributors and retailers, many struggle due to limited working capital and storage space. Unorganized pharmacies, often under 500 sq. ft, can't hold many products. The fragmented distributor base compounds this issue, leading to poor availability of pharmaceuticals. The prevalence of counterfeit drugs adds to health risks. Poor digitization and quality issues persist in healthcare services. The rising of organized players able to address these concerns by leveraging the scale and technology.

With the rise of digitalization and increased consumer exposure to information, organized pharmacy chains have gained significant traction in urban and semi-urban regions. These chains have effectively integrated modern business practices such as doorstep delivery, round-the-clock services, and other offerings, thereby enhancing the overall customer experience.

Key Growth Drivers

- Enhancements in medical infrastructure, increasing per capita income, and higher adoption of health insurance are driving the growth of the domestic pharmaceutical sector.
- The prevalence of lifestyle-related diseases is increasing due to stressful routines and unhealthy eating habits. This will establish a need for regular prescription-based medication, contributing to the expansion of India's retail pharmacy sector.
- Clear and visible discounts are also serving as significant facilitators for organized market participants in this industry.

Transition of Business Practice

In the pharmaceutical sector, there is a noticeable trend among consumers to prefer organized players over other options. This shift is primarily attributed to the improved accessibility of medicines and the assurance of promised prescription fill rates offered by these organized entities.

One key advantage of organized players in the pharmaceutical industry is their ability to address concerns related to the authenticity and quality of medicines. They achieve this by directly consolidating purchases from manufacturers, thereby establishing a transparent and accountable supply chain. This consolidation process ensures that the medicines stocked by these players are sourced directly from trusted manufacturers, minimizing the risk of counterfeit or substandard products entering the market. This step enhances consumer trust and confidence in the medicines available through organized retail channels.

Moreover, organized players leverage technology to optimize the availability of medicines and efficiently cater to customers' prescription needs. Through advanced inventory management systems and data analytics, these players can anticipate demand patterns, track the movement of medicines, and maintain optimal stock levels. This technological integration enables them to minimize instances of medicine shortages or stockouts, ensuring that customers can readily access the prescribed medications they require.

Additionally, the utilization of technology enables organized players to streamline their operations, offer convenient services such as online ordering and doorstep delivery, and enhance customer engagement. This contributes to an overall improved customer experience, as individuals can easily access medicines without facing the inconvenience of visiting physical stores.

In summary, the pharmaceutical sector is witnessing a shift towards organized players due to their superior availability of medicines, commitment to promised prescription fill rates, and efforts to address authenticity and quality concerns through direct manufacturer purchases. The integration of technology further empowers these players to optimize medicine availability and provide convenient services, ultimately benefiting both the industry and its customers.

MedPlus' Take

MedPlus commands a leadership position in the Indian pharmacy market. Leveraging its position, the Company intends to expand in the untapped regions. It applies a cluster-based approach to drive its store network expansion. This approach is driven by the understanding of catchment demographics, market dynamics, and ability to support store expansion with back-end infrastructure, such as warehouses and distribution centres. This supports the Company in increasing market share in the cities where it operates and replicate the same in adjacent areas or clusters to retain its leadership position.

Furthermore, to keep up with the industry trends and practices, MedPlus has adapted an omni-channel approach to serve its customers better. With this, the customers can fetch their medicines by visiting MedPlus stores as well as by putting an order through the dedicated mobile application or website.

Additionally, the Company is also venturing into the pathology diagnostic laboratory testing business which will be broadly functioning from the next year onwards. This will give an extra edge over the traditional business practices and enable MedPlus to put forward a complete set of services in terms of healthcare and widen its perspective in terms of revenue and market presence.

MedPlus

Levers of Growth

Our growth pillars are built on our strong foundations that ensure a sustainable growth of the enterprise in the long-run. We have identified five pillars of growth which will help us achieving our goals in the future while preparing us today so that we drive ourselves in the right path.

Deeper than wider

MedPlus is capitalizing on the transformation within India's pharmaceutical retail sector, shifting from unorganized to organized. With a focus on Tier 2 and beyond locations, the company has strategically expanded its presence. This approach entails opening 50% of its stores in these areas, leveraging the trend of increasing consumer familiarity with organized retail and the improved availability of medicines. MedPlus is utilizing a proven technology framework, allowing efficient replication across different cities. This not only optimizes operational processes and inventory management but also enhances customer engagement through digital channels. By standardizing its technology deployment, MedPlus achieves economies of scale, reducing the incremental cost of expansion. This strategy ensures efficient setup and smoother operations in new locations while also reinforcing their position in existing clusters. In this way, MedPlus is effectively navigating the evolving landscape of the pharmaceutical market and broadening its customer reach with operational effectiveness.

Increasing the private label share

By capitalizing on its scale, MedPlus is effectively expanding its product range in both the pharmaceutical and FMCG categories, providing customers with high-quality offerings at optimal value. The company is actively increasing the sale of private label products, which in turn generates higher gross margins. This strategic approach aims to enhance the proportion of private label products in MedPlus's offerings.

Given the substantial purchasing capacity at its disposal, MedPlus is well-positioned to introduce a broader range of private label products. This shift towards greater private label participation will manifest through the introduction of FMCG items under private labels within the nutrition and wellness sector. Moreover, the expansion will encompass private label pharmaceutical products, particularly tailored to sub-chronic and chronic medical conditions.

This strategic evolution not only diversifies the product mix but also enables MedPlus to curate an improved selection of products for its customers.

Boosting Revenue and Expanding Customer Engagement

Our strategic neighborhood presence uniquely positions us to tap into this advantage by introducing an extended array of products in closely related categories such as Wellness and FMCG. This strategic move allows us to seamlessly serve as a convenient refill hub for our valued customers' immediate requirements. For instance, items like infant food and supplements can be made easily accessible, ensuring our customers receive top-notch value for their needs.

By strategically leveraging our local presence, we're not only enhancing our revenue streams but also deepening our connection with customers through a diversified range of offerings. This approach aligns with our commitment to being a reliable destination where customers can fulfill their diverse requirements conveniently and cost-effectively.

- Deeper than wider
- Increasing the private label share
- Boosting Revenue and Expanding Customer Engagement
- Strengthening operating efficiency

Strengthening operating efficiency

An integral element of our ongoing expansion strategy involves enhancing our supply chain framework and bolstering operational efficiency through targeted infrastructure enhancements. By investing in the automation of our warehouses, we are poised to unlock heightened operational efficacy and cost-effectiveness. Additionally, our direct procurement approach from pharmaceutical manufacturers will play a pivotal role in realizing elevated gross margins.

These combined initiatives synergistically contribute to an improved profitability outlook, serving as a solid foundation for our future ventures and undertakings.

MedPlus now offers its Diagnostic services to Customers in Hydearbad on Pilot basis

Leveraging the Pharmacy Platform

By leveraging pharmacy network and customer base MedPlus offering comprehensive diagnostic services to its customers. This move aims to provide accessible and varied medical examinations, tests, and screenings, enhancing the healthcare experience. By integrating diagnostics into its network, MedPlus aims to create a seamless and convenient healthcare ecosystem for customers, complementing its pharmaceutical offerings. This expansion aligns with MedPlus's commitment to holistic healthcare solutions and streamlining the healthcare journey for customers.

Value Proposition

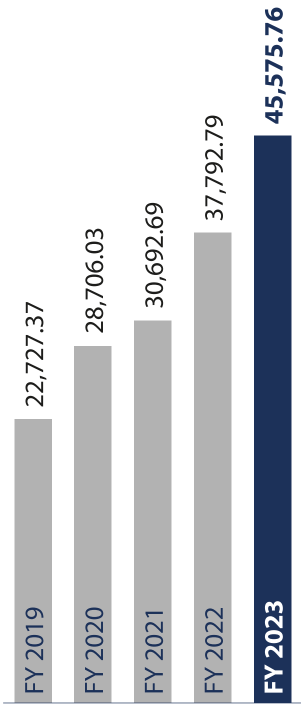
Expanding its reach into major urban centers including Hyderabad, Chennai, Bangalore, Kolkata, Pune, Nagpur, and Bhubaneswar, MedPlus is actively endeavoring to extend diagnostic services to its customer base. This strategic move aligns with MedPlus's commitment to comprehensive healthcare accessibility.

By establishing a broader and more extensive presence in these prominent cities, MedPlus is strategically positioned to provide a wider range of diagnostic services to customers. These services encompass various medical examinations, tests, and screenings that cater to a spectrum of health concerns. This expansion is designed to empower customers with easier access to timely and accurate medical diagnostics, enhancing their overall healthcare experience.

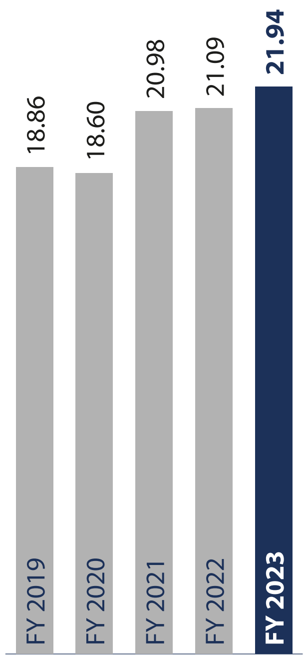
Moreover, this initiative aligns with MedPlus's mission to offer holistic healthcare solutions by complementing its pharmaceutical offerings with essential diagnostic services. By integrating these services into its existing network, MedPlus aims to create a seamless and convenient healthcare ecosystem for customers. Ultimately, this expansion allows customers to access vital diagnostic support within the familiar and trusted MedPlus environment, streamlining their healthcare journey and ensuring a more comprehensive approach to their well-being.

Our Financial Snapshot

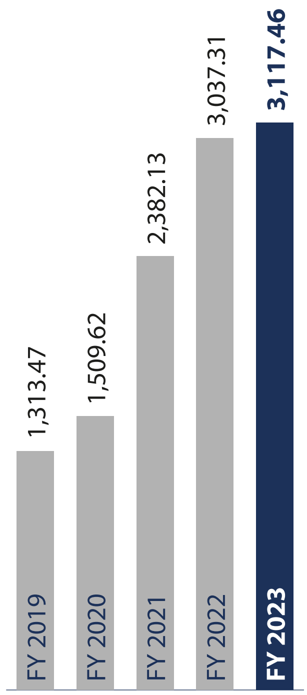
Revenue
(₹ in millions)



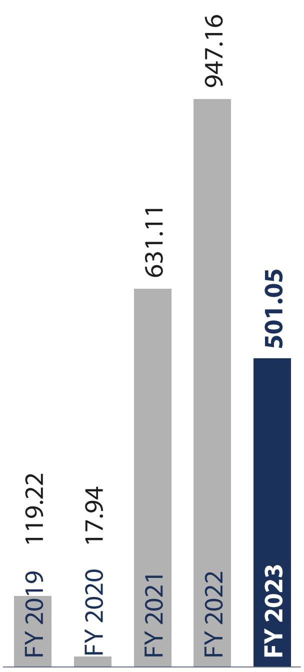
Gross Margin
(%)



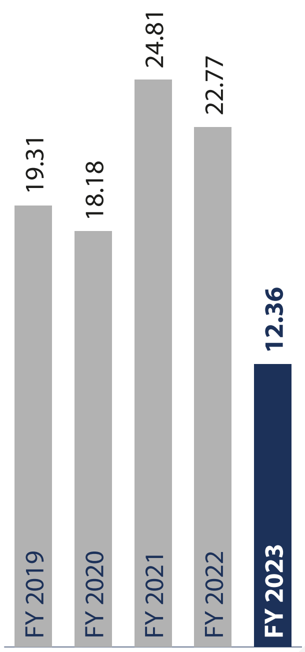
EBITDA
(₹ in millions)



PAT
(₹ in millions)



ROCE
(%)



MedPlus

The Board of Directors

Mr. Gangadi Madhukar Reddy

Chairman, Managing Director and Chief Executive Officer

Mr. Gangadi Madhukar Reddy is one of the Promoters of the Company and has been a Director since the incorporation of MedPlus. He holds a Bachelor's degree in Medicine and Surgery from the Sri Venkateswara University and a Master's degree in Business Administration from the Wharton School, University of Pennsylvania.

Ms. Hiroo Mirchandani

Non-Executive Independent Director

Ms. Hiroo Mirchandani holds a Bachelors degree in Commerce from Shri Ram College of Commerce and an MBA from Faculty of Management Studies, Delhi University. She is a Chevening Gurukul scholar from the London School of Economics. She has held customer-facing roles for over thirty years in P&L Management, Marketing and Sales largely in Pfizer,Dabur and Asian Paints.Ms. Mirchandani has served on twelve diverse boards and is currently a Non-Executive Independent Director on the boards of Crompton Greaves Consumer Electricals Limited, Tata Teleservices (Maharashtra) Limited and Piem Hotels Limited.

Mr. Anish Kumar Saraf

Non-Executive Director

Mr. Anish Kumar Saraf is a Chartered Accountant from the Institute of Chartered Accountants of India. He holds a Post-Graduate Diploma in Management from the Indian Institute of Management, Ahmedabad. He is currently the Managing Director of Warburg Pincus India Private Limited and has been associated with them from more than 15 years. He is involved in the firm's Investment Advisory activities in India and evaluates opportunities in Real estate, Industrial, and Consumer sectors in India.

The Board of Directors

Mr. Madhavan Ganesan

Non-Executive Independent Director

Mr. Madhavan Ganesan holds a Bachelor's degree in Engineering from the Birla Institute of Technology & Science, Pilani and a Post-Graduate Diploma in Management from the Indian Institute of Management, Calcutta. He was previously associated with Reliance Retail, SPI Technologies, Wipro Limited, Spectramind, Tata Information Systems Limited and Tata Industries Limited. He has over 34 years of experience in various companies in the Retail, Technology and the Industrial sectors.

Mr. Atul Gupta

Non-Executive Director

Mr. Atul Gupta holds a bachelor's degree in technology from the Indian Institute of Technology, Bombay and a master's degree in business administration from the Walter A. Haas School of Business, University of California, Berkeley. He is employed as an investment partner at Premji Invest and leads investments in technology enabled sectors including consumer-tech, health-tech, fin-tech and enterprise tech. He has more than 14 years of experience in the investment industry.

Mr. Murali Sivaraman

Non-Executive Independent Director

Mr. Murali Sivaraman is a Chairman/Independent Director in multiple listed Boards and is also an advisor to Private Equity. After more than three decades of global leadership roles based out of Singapore, Shanghai, Toronto, London and Delhi, he is now based in Mumbai, India focusing on enterprise value and governance via multiple Board and Advisory roles. Recent Global Roles: President for Growth Markets: Philips Lighting - Signify (Singapore) and CEO Global Domestic Appliance - Royal Philips (Shanghai) - Scale US$ 1.5 to 2 BN, Managing Director - Philips India. Current board / advisory roles include Huhtamaki India, Bharat Forge, ICICI Lombard General Insurance, Medplus Health Services, Hamilton Houseware (Milton), Private Equity advisory for Branded Consumer Durables - Advent International India - Eureka Forbes. Mr. Sivaraman is a qualified Chartered Accountant, Cost & Works Accountant, MBA from IIM Ahmedabad and has done Advanced Management Program from Harvard Business School.

The Management Team

Mr. Cherukupalli Bhaskar Reddy

Chief Operating Officer

Mr. Surendranath Mantena

Chief Operating Officer, MedPlus Mart

Mr. Sujit Kumar Mahato

Chief Financial Officer

Mr. Chetan Dikshit

Chief Strategy Officer

Mr. Lakshman Kandarpa

Chief Retail Officer

Mr. Kandasamy

Head of Supply Chain

Mr. Venugopal Siripuram

Chief Technology Officer

Mr. Manoj Kumar Srivastava

Company Secretary & Compliance Officer

Corporate Information

Statutory Auditors:

BSR & Associates LLP
Salarpuriya Knowledge City,
Orwell, B Wing, 6th Floor, Unit-3
S. No. 83/1, Plot No. 02, Raidurg
Hyderabad - 500081, India

Secretarial Auditors:

R & A Associates

T 202, Technopolis, 1-10-74/B Above Ratnadeep
Super Market, Chikoti Gardens, Begumpet
Hyderabad - 500016, India
Phone No: +91 40-4003 2244 – 47
info@rna-cs.com
www.rna-cs.com

Internal Auditors:

Ernst & Young LLP
The SKYVIEW 10 " SOUTH LOBBY"
18th Floor, Survey No. 83/1
Raidurgam, Hyderabad -50032 IN

Registrar & Share Transfer Agent:

KFin Technologies Limited

Selenium Tower B, Plot 31-32,
Gachibowli Financial District,
Nanakramguda, Serilingampally,
Hyderabad - 500 032, Telangana, India
Phone No: (+91) 040 6716 2222
(+91) 040 2300 1153
Email: einward ris@kfintech.com

Registered & Corporate Office:

MedPlus Health Services Limited

H. No: 11-6-56, Survey No: 257 & 258/1
Opp: IDPL Railway Siding Road (Moosapet)
Kukatpally, Hyderabad - 500 037
Telangana, India.
CIN: L85110TG2006PLC051845

E-mail Address:

cs@medplusindia.com
ir@medplusindia.com

Website:

www.medplusindia.com

MedPlus

NOTICE

NOTICE is hereby given that **Seventeenth Annual General Meeting** ('17th AGM') of MedPlus Health Services Limited ('the Company') will be held on **Friday, September 29, 2023 at 15:30 Hrs (IST),** through Video Conferencing ("VC")/ Other Audio-Visual Means ("OAVM") facility to transact the following businesses-

ORDINARY BUSINESS:

1. **To receive, consider and adopt the Audited Standalone & Consolidated Financial Statements of the Company for the Financial Year ended March 31, 2023 and the Reports of the Board of Directors and Auditors thereon.**
2. **To appoint a Director in place of Mr. Atul Gupta, non-executive Director of the Company, who retires by rotation and, being eligible, offers himself for re-appointment.**
3. **Appointment of M/s. BSR and Co, Chartered Accountants as statutory auditors of the Company**

To consider and if thought fit to pass, with or without modification(s), the following resolution as an Ordinary Resolution:

"RESOLVED THAT pursuant to Sections 139, 142 and all other applicable provisions, if any, of the Companies Act, 2013 ('the Act') read with the Companies (Audit and Auditors) Rules, 2014, (including any statutory modification(s) or re-enactment thereof) and pursuant to the recommendations of the Audit Committee and the Board of Directors of the Company, M/s. BSR and Co, Chartered Accountants (Firm's Registration No 128510W), be and is hereby appointed as the Statutory Auditors of the Company for the a term of five consecutive years, who shall hold office from the conclusion of ensuing 17th Annual General Meeting till the conclusion of the 22nd Annual General Meeting of the company to be held in the year 2028, on such remuneration as may be mutually agreed by the Board of Directors and the Statutory Auditors of the Company.

RESOLVED FURTHER THAT the Board of Directors of the Company be and is hereby authorised to do all acts, deeds and things as may be considered necessary, proper, expedient, to give effect to this Resolution."

SPECIAL BUSINESS:

4. **Alteration in Articles of Association of the Company – Insertion of Article 102 A for Nomination Rights of Promoters**

To consider and if thought fit to pass, with or without modification(s), the following resolution as a Special Resolution:

"**RESOLVED THAT** pursuant to provisions of section 14 of the Companies Act, 2013 (including any amendments thereto or re-enactment thereof) ("theAct"), Regulation 31B of the SEBI (Listing Obligation and Disclosure Requirements) Regulations 2015, and other applicable provisions of the Act and the Articles of Association ("AOA") of the Company,approval of shareholders be and is hereby accorded to alter the present AOA of the Company by insertion of Article 102A in relation to the nomination rights of the Promoters (as defined in AOA to mean Mr. Gangadi Madhukar Reddy, Agilemed Investments Private Limited and Lone Furrow Investments Private Limited) as Article 102A in the AOA of the Company, and wherein Article 102A be read as under:

102 A: Notwithstanding anything to the contrary contained in these Articles, the Board of the Company shall at all times be constituted in compliance with applicable Law including the provisions of the Act and the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015, the Promoters jointly holding at least 10% (ten percent) of the Share Capital on a Fully Diluted Basis, shall at all times, be entitled to nominate 01 (one) person for appointment as Director on the Board (the "Promoter Nominees")as a wholetime/ executive director of the Company.

RESOLVED FURTHER THAT the Board of Directors of the Company be and is hereby authorised to do all acts, deeds and things as may be considered necessary, proper, expedientto give effect to this Resolution."

By Order of the Board
For **MedPlus Health Services Limited**

Sd/-
Manoj Kumar Srivastava
Company Secretary & Compliance Officer
Membership No. FCS 7460

Registered Office:
H. No: 11-6-56, Survey No: 257 & 258/1,
Opp: IDPL Railway Siding Road,
Moosapet, Kukatpally,
Hyderabad - 500037, Telangana

Place: Hyderabad
Date: August 7, 2023

The proceedings of the 17th AGM shall be deemed to be conducted at the Registered Office of the Company at H. No: 11-6-56, Survey No: 257 & 258/1, Opp: IDPL Railway Siding Road, Moosapet, Kukatpally, Hyderabad - 500037, Telangana, India which shall be the deemed venue of the AGM.

Notes:

1. In continuation of Ministry of Corporate Affairs ("MCA") General Circular No. 14/2020 and 17/2020 dated April 8, 2020 and April 13, 2020 respectively, in relation to "Clarification on passing of ordinary and special resolutions by companies under the Companies Act, 2013, and the rules made thereunder on account of the threat posed by Covid-19", General Circular No. 20/2020, dated May 5, 2020, the MCA has vide General Circular No. 10/2022 dated December 28, 2022 in relation to "Clarification on holding of Annual General Meeting ("AGM") through Video Conferencing ("VC") or Other Audio Visual Means ("OAVM")" (collectively referred to as "MCA Circulars") and SEBI vide its circular dated May 12, 2020 in relation to "Additional relaxation in relation to compliance with certain provisions of SEBI (Listing Obligations and Disclosure Requirements) Regulations 2015 – Covid-19 pandemic" and circular dated January 15, 2021, and January 5, 2023 ("SEBI Circulars"), permitted the holding of the AGM through VC/OAVM, without the physical presence of the Members at a common venue. Accordingly, in compliance with the provisions of the Companies Act, 2013 (the "Act"), SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 ("Listing Regulations"), MCA Circulars and SEBI Circulars, **the 17th AGM of the Company is scheduled to be held through VC/OAVM on Friday, September 29, 2023, at 15:30 hrs (IST). This notice of 17th AGM ("Notice") is approved by Board of directors on August 7, 2023.**

   KFin Technologies Limited, Registrar & Transfer Agent of the Company, (earlier known as KFintech Private Limited) ("KFintech") shall be providing facility for voting through remote e-voting, for participation in the AGM through VC/OAVM facility and e-voting during the AGM. The procedure for participating in the meeting through VC/OAVM is explained at Note No.23 below.

2. Pursuant to the above-mentioned MCA Circulars, **physical attendance of the Members is not required at the AGM, and attendance of the Members through VC/OAVM will be counted for the purpose of reckoning the quorum under section 103 of the Companies Act, 2013.**

3. PURSUANT TO THE SECTION 105 OF THE COMPANIES ACT, 2013, A MEMBER ENTITLED TO ATTEND AND VOTE AT THE AGM IS ENTITLED TO APPOINT A PROXY TO ATTEND AND VOTE ON HIS/HER BEHALF AND THE PROXY NEED NOT BE A MEMBER OF THE COMPANY. SINCE THIS AGM IS BEING HELD THROUGH VC/OAVM PURSUANT TO THE APPLICABLE MCA AND SEBI CIRCULARS, PHYSICAL ATTENDANCE OF MEMBERS HAS BEEN DISPENSED WITH. ACCORDINGLY, THE FACILITY FOR APPOINTMENT OF PROXIES BY THE MEMBERS WILL NOT BE AVAILABLE FOR THE AGM AND HENCE THE PROXY FORM AND ATTENDANCE SLIP ARE NOT ANNEXED TO THIS NOTICE.

4. Members of the Company under the category of Institutional Shareholders are encouraged to attend and participate in the AGM through VC/OAVM and vote thereat. Corporate/Institutional Members are entitled to appoint authorised representatives to attend the AGM through VC/OAVM on their behalf and cast their votes through remote e-voting or at the AGM. Corporate/Institutional Members intending to authorize their representatives to participate and vote at the Meeting are requested to send a certified copy of the Board resolution / authorization letter to the Scrutiniser at e-mail ID rashida@rna-cs.com with a copy marked to evoting@kfintech.com and to the Company at cs@medplusindia.com, authorising its representative(s) to attend and vote through VC/OAVM on their behalf at the Meeting, pursuant to Section 113 of the Act.

5. In accordance with the Secretarial Standard-2 on General Meetings issued by the Institute of Company Secretaries of India ("ICSI") read with Clarification/Guidance on applicability of Secretarial Standards - 1 and 2 dated 15thApril, 2020 issued by the ICSI, the proceedings of the AGM shall be deemed to be conducted at the Registered Office of the Company which shall be the deemed venue of the AGM. Since the AGM will be held through VC/OAVM, the Route Map is not annexed to this Notice.

6. As per the provisions of Clause 3.A.II of the General Circular No. 20/2020 dated May 5, 2020, the matter of Special Business as appearing under Item No. 4 of the accompanying Notice, are considered to be unavoidable by the Board and hence, form part of this Notice. The Explanatory Statement as required under section 102 of the Act, with respect to Item No.

4, is annexed hereto. Pursuant to Section 152 of the Act, Mr. Atul Gupta, non-executive director retire by rotation at this AGM. The brief profile including nature of his expertise, functional areas, names of the companies in which he holds directorships, membership/chairmanships of Board Committees and shareholding in the Company as stipulated under Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 and Secretarial Standard on General Meetings issued by ICSI are forming part of the Notice as annexure A and appended to this Notice.

7. Copies of the existing Memorandum of Association and Articles of Association will be available for inspection by shareholders during business hours at the registered office of the Company for 21 days before the Annual General Meeting and can also be viewed on the Company's website at www.medplusindia.com.

8. M/s. B S R & Associates LLP, Chartered Accountants, were appointed as Statutory Auditors of the Company at the 13th Annual General Meeting held on Tuesday, 30th October, 2018. Pursuant to the Notification issued by the Ministry of Corporate Affairs on 7thMay, 2018 amending section 139 of the Act and the Rules framed thereunder, the mandatory requirement for ratification of appointment of Auditors by the Members at every Annual General Meeting has been omitted, and hence the Company is not proposing an item on ratification of appointment of Auditors at this AGM.

9. The Register of Directors and Key Managerial Personnel and their shareholding maintained under section 170 of Companies Act, 2013 and Register of Contracts or arrangements in which directors are interested maintained under section 189 of the Companies Act, 2013 and relevant documents referred to in this Notice of AGM and explanatory statement, will be available electronically for inspection by the members during the AGM. All documents referred to in the Notice will also be available for electronic inspection without any fee by the members from the date of circulation of this Notice up to the date of AGM, i.e., September 29, 2023. Members seeking to inspect such documents can send an email to cs@medplusindia.com.

10. The Company's Registrar and Transfer Agents for its Share Registry Work (Physical and Electronic) is KFin Technologies Limited having their office at Selenium, Tower-B, Plot No. 31 & 32, Gachibowli, Financial District, Nanakramguda, Hyderabad, Telangana – 500032.

11. **NOMINATION:** Members can avail of the facility of nomination in respect of shares held by them in physical form pursuant to the provisions of section 72 of the Act. Members desiring to avail of this facility may send their nomination in the prescribed Form No. SH-13 duly filled in to KFintech at the abovementioned address. Members holding shares in electronic form may contact their respective Depository Participants for availing this facility.

12. **TRANSFER OF SHARES PERMITTED IN DEMAT FORM ONLY:** As per Regulation 40 of the Listing Regulations, as amended securities of listed companies can be transferred only in dematerialised form with effect from 1st April, 2019, except in case of transmission or transposition of securities. In view of the above and to eliminate risk associated with physical shares and to avail various benefits of dematerialisation, Members are advised to dematerialise their shares held in physical form.

13. **Members are accordingly requested to get in touch with any Depository Participant having registration with SEBI to open a Demat account or alternatively, contact the nearest branch of KFintech to seek guidance in the demat procedure.** Members may also visit web site of depositories viz. National Securities Depository Limited viz. https://nsdl.co.in/faqs/faq.php or Central Depository Services (India) Limited viz. https://www.cdslindia.com/investors/open-demat.html for further understanding of the demat procedure. Members may also refer to Frequently Asked Questions ("FAQs") on Company's website www.medplusindia.com.

14. **ELECTRONIC DISPATCH OF NOTICE AND ANNUAL REPORT:** In accordance with the MCA General Circular No. 20/2020dated 5th May, 2020 and SEBI Circular No. SEBI/ HO/CFD/CMD1/CIR/P/2020/79 dated 12th May, 2020, in view of the prevailing situation and owing to the difficulties involved in dispatching physical copies of the financial statements (including Board's Report, Auditor's Report or other documents required to be attached therewith) for the Financial Year ended 31st March, 2023 pursuant to section 136 of the Act and Notice calling the 17th AGM pursuant to section 101 of the Act read with the Rules framed thereunder, such statements including the Notice of AGM are being sent only in electronic mode to those Members whose e-mail addresses are registered

with the Company/ KFintech or the Depository Participant(s). In case of the shares held jointly by two or more persons, the Notice shall be given to the person whose name appears first as per the record of the Depository or the Company, as the case may be. The Company will not be dispatching physical copies of such statements and Notice of AGM to any Member.

15. Members are requested to register/update their email addresses, in respect of electronic holdings with the Depository through the concerned Depository Participants and in respect of physical holdings with KFintech by following due procedure.

16. A copy of the Notice of this AGM along with Annual Report for the Financial Year 2022-2023 is available on the website of the Company at www.medplusindia.com, website of the Stock Exchanges where the shares of the Company are listed i.e. BSE Limited and National Stock Exchange of India Limited at www.bseindia.com and www.nseindia.com respectively and on the website of KFintech at https://evoting.kfintech.com.

17. Members are requested to:
    - intimate to KFintech, changes, if any, in their registered addresses at an early date, in case of Shares held in physical form;
    - intimate to the respective Depository Participant, changes, if any, in their registered addresses at an early date, in case of Shares held in dematerialised form;
    - quote their folio numbers/Client ID/DP ID in all correspondence;
    - consolidate their holdings into one folio in case they hold Shares under multiple folios in the identical order of names; and
    - register their PAN with their Depository Participants, in case of Shares held in dematerialised form and KFintech/ Company, in case of Shares held in physical form, as directed by SEBI.

18. **SCRUTINISER FOR E-VOTING:** Ms. Rashida Adenwala, Practicing Company Secretary (Membership No. FCS 4020) has been appointed as the Scrutiniser to scrutinise the e-voting process in a fair and transparent manner.

19. **SUBMISSION OF QUESTIONS/QUERIES PRIOR TO AGM:**

    For ease of conduct of AGM, members who wish to ask questions/express their views on the items of the businesses to be transacted at the meeting are requested to write to the Company's investor email-id ir@medplusindia.com,/cs@medplusindia.com at least 72 hours before the time fixed for the AGM i.e. by 4:00 PM (IST) on 27th September 2023, mentioning their name, demat account no./folio number, email ID, mobile number etc. The queries may be raised precisely and in brief to enable the Company to answer the same suitably depending on the availability of time at the AGM.

    Alternatively, Members holding shares as on the cut-off date i.e. September 22, 2023, may also visit https://emeetings.kfintech.comand click on the tab "Post Your Queries" and post their queries/ views/questions in the window provided, by mentioning their name, demat account number/ folio number, email ID and mobile number. The window shall be closed 72hours before the time fixed for the AGM by 4:00 PM (IST) on 27th September 2023.

    Members can also post their questions during AGM through the "Ask A Question" tab, which is available in the VC/OAVM facility as well as in the one way live webcast facility.

    The Company will, at the AGM, endeavour to address the queries received till 4:00 PM (IST) on 27th September 2023 from those Members who have sent queries from their registered email IDs. Please note that Members' questions will be answered only if they continue to hold shares as on the cut-off date.

20. **SPEAKER REGISTRATION BEFORE AGM:** Members of the Company, holding shares as on the cut-off date i.e. 22nd September 2023 and who would like to speak or express their views or ask questions during the AGM may register themselves as speakers by visiting https://emeetings.kfintech.com and clicking on "Speaker Registration" during the period from 25th September 2023(10:00 AM IST) up to 27th September 2023 (4:00 PM IST). Those Members who have registered themselves as a speaker will only be allowed to speak/express their views/ask questions during the AGM. The Company reserves the right to restrict the number of speakers depending on the availability of time at the AGM.

21. **INSTRUCTIONS FOR MEMBERS ATTENDING THE AGM THROUGH VC/OAVM ARE AS UNDER:**

    a) **ATTENDING THE AGM:** Members will be provided with a facility to attend the AGM through video conferencing platform provided by KFintech. Members are requested to login at https://emeetings.

kfintech.com and click on the "Video Conference" tab to join the Meeting by using the remote e-voting credentials.

b) Please note that Members who do not have the User ID and Password for e-voting or have forgotten the User ID and Password may retrieve the same by following the instructions provided in Note No. 22.

c) Members may join the Meeting through Laptops, Smartphones, Tablets or iPads for better experience. Further, Members will be required to use Internet with a good speed to avoid any disturbance during the Meeting. Members will need the latest version of Chrome, Safari, Internet Explorer 11, MS Edge or Firefox. Please note that participants connecting from Mobile Devices or Tablets or through Laptops connecting via mobile hotspot may experience Audio/Video loss due to fluctuation in their respective network. It is therefore recommended to use stable Wi-Fi or LAN connection to mitigate any glitches. Members are encouraged to join the Meeting through Laptops with latest version of Google Chrome for better experience.

d) Members can join the AGM in the VC/OAVM mode 30 minutes before the scheduled time of the commencement of the Meeting by following the procedure mentioned at Note No. 23 (a) and (b) in the Notice, and this mode will be available throughout the proceedings of the AGM.

e) In case of any query and/or help, in respect of attending AGM through VC/OAVM mode, Members may refer to the Help & Frequently Asked Questions (FAQs) and 'AGM VC/OAVM' user manual available at the download Section of https://evoting.kfintech.com or contact at ir@medplusindia.com/cs@medplusindia.com, or Sri Sai Karthik Tikkisetti, Manager - Corporate Registry, KFintech at Selenium, Tower B, Plot No. 31-32, Gachibowli, Financial District, Nanakramguda, Hyderabad, Telangana – 500 032 or at the email ID evoting@kfintech.com or on phone No.: 040-6716 1500 or call KFintech's toll free No.: 1800-3454-001 for any further clarifications.

22. PROCEDURE FOR REMOTE E-VOTING

In compliance with the provisions of section 108 of the Act read with Rule 20 of the Companies (Management and Administration) Rules, 2014, as amended and the provisions of Regulation 44 of the Listing Regulations, Members are provided with the facility to cast their vote electronically, through the e-voting services provided by KFintech on all resolutions set forth in this Notice, through remote e-voting.

Members are requested to note that the Company is providing facility for remote e-voting and the business may be transacted through electronic voting system. It is hereby clarified that it is not mandatory for a Member to vote using the remote e-voting facility. A Member may avail of the facility at his/her/its discretion, as per the instructions provided herein:

Instructions:

a) Member will receive an e-mail from KFintech [for Members whose e-mail IDs are registered with the Company/ Depository Participant(s)] which includes details of E-Voting Event Number ("EVEN"), USER ID and password:

   i. Launch internet browser by typing the URL: https:// evoting.kfintech.com.

   ii. Enter the login credentials (i.e. User ID and password). In case of physical folio, User ID will be EVEN followed by folio number. In case of Demat account, User ID will be your DP ID and Client ID. However, if you are already registered with KFintech for e-voting, you can login by using your existing User ID and password for casting your vote.

   iii. After entering these details appropriately, click on "LOGIN".

   iv. You will now reach password change Menu wherein you are required to mandatorily change your password. The new password shall comprise of minimum 8 characters with at least one upper case (A-Z), one lower case (a-z), one numeric value (0-9) and a special character (@,#,$, etc.). The system will prompt you to change your password and update your contact details like mobile number, email ID etc. on first login. You may also enter a secret question and answer of your choice to retrieve your password in case you forget it. It is strongly recommended that you do not share your password with any other person and that you take utmost care to keep your password confidential.

   v. You need to login again with the new credentials.

vi. On successful login, the system will prompt you to select the "EVENT" i.e. MedPlus Health Services Limited.

vii. On the voting page, enter the number of shares (which represents the number of votes) as on the cut-off date under "FOR/AGAINST" or alternatively, you may partially enter any number in "FOR" and partially "AGAINST" but the total number in "FOR/AGAINST" taken together shall not exceed your total shareholding as on the cut-off date. You may also choose the option ABSTAIN. If the Member does not indicate either "FOR" or "AGAINST" it will be treated as "ABSTAIN" and the shares held will not be counted under either head.

viii. Voting has to be done for each item of the notice separately. In case you do not desire to cast your vote on any specific item, it will be treated as abstained.

ix. Members holding multiple folios/ demat accounts shall vote separately for each folio/demat account.

x. You may then cast your vote by selecting an appropriate option and click on "Submit".

xi. A confirmation box will be displayed. Click "OK" to confirm else "CANCEL" to modify. Once you have voted on the resolution(s), you will not be allowed to modify your vote.

xii. Corporate/Institutional Members (i.e. other than Individuals, HUF, NRI etc.) are required to send scanned certified true copy (PDF Format) of the Board Resolution/Authority Letter etc., duly authorising their authorized representative(s) to attend the AGM through VC/ OAVM on its behalf and to vote through remote e-voting to the Scrutiniser at her e-mail ID rashida@rna-cs.com with a copy marked to evoting@kfintech.com and to the Company at cs@medplusindia.com.

It should reach the Scrutiniser and the Company by email not later than September 28, 2023 (05:00 PM IST). In case if the authorized representative attends the Meeting, the above mentioned documents shall be submitted before the commencement of AGM.

b) In case e-mail ID of a Member is not registered with the Company/ Depository Participant(s), then such Member is requested to register/update their e-mail addresses with the Depository Participant (in case of Shares held in dematerialised form) and inform KFintech at the email ID evoting@kfintech.com (in case of Shares held in physical form):

i. Upon registration, Member will receive an e-mail from KFintech which includes details of E-Voting Event Number (EVEN), USER ID and password.

ii. Please follow all steps from Note. No. 22(a) (i) to (xii) above to cast your vote by electronic means.

23. OTHER INSTRUCTIONS:

a) In case of any query and/or grievance, in respect of voting by electronic means, Members may refer to the Help & Frequently Asked Questions (FAQs) and E-voting user manual available at the download section of https://evoting.kfintech.com or contact at investors@medplusindia.com, or Corporate Registry, KFin Technologies Limited, Selenium, Tower B, Plot No. 31-32, Gachibowli, Financial District, Nanakramguda, Hyderabad, Telangana – 500 032 or at the email ID evoting@kfintech.com or call KFintech's toll free No.: 1800-309 4001 454-001 for any further clarifications.

b) You can also update your mobile number and e-mail ID in the user profile details of the folio which may be used for sending future communication(s).

c) The remote e-voting period commences on September 26, 2023 (09:00 AM IST) and ends on September 28, 2023 (05:00 PM IST). During this period, Members of the Company, holding shares either in physical form or in dematerialised form, as on the cut-off date September 22, 2023 (3:30 PM IST) may cast their votes electronically. The remote e-voting module shall be disabled for voting thereafter. Once the vote on a resolution(s) is cast by the Member, the Member shall not be allowed to change it subsequently.

d) A person who is not a Member as on the cut-off date should treat this Notice for information purposes only.

e) The voting rights of Members shall be in proportion to their share in the paid-up equity share capital of the Company as on September 22, 2023, being the cut-off date. Members are eligible to cast vote only if they are holding shares as on that date.

f) In case a person has become a Member of the Company after dispatch of AGM Notice but on or before the cut-off date for E-Voting, i.e. September 22, 2023, he/she/it may obtain the User ID and Password in the manner as mentioned below:

i. If the mobile number of the Member is registered against Folio No./DP ID Client ID, the Member may send SMS: MYEPWD <space> Folio No. or DP ID Client ID to +91 9212993399. In case of physical holding, prefix Folio No. with EVEN.

Example for NSDL: MYEPWD <SPACE> IN12345612345678

Example for CDSL: MYEPWD <SPACE> 1402345612345678

Example for Physical: MYEPWD <SPACE> XXXX1234567890 (XXXX being EVEN)

ii. If e-mail address or mobile number of the Member is registered against Folio No./DP ID Client ID, then on the home page of https://evoting.kfintech.com, the member may click "Forgot Password" and enter Folio No. or DP ID Client ID and PAN to generate a password.

iii. Member may call KFintech's toll free number 1800-3094-001.

iv. Member may send an e-mail request to evoting@kfintech.com.

KFintech shall send User ID and Password to those new Members whose e-mail IDs are available.

24. VOTING AT THE AGM:

a. The procedure for e-voting during the AGM is same as the instructions mentioned above for remote e-voting since the Meeting is being held through VC/OAVM.

b. The e-voting window shall be activated upon instructions of the Chairman of the Meeting during the AGM.

c. E-voting during the AGM is integrated with the VC/OAVM platform and no separate login is required for the same.

d. Only those Members/ Shareholders, who will be present in the AGM through VC/OAVM facility and have not cast their vote on the Resolutions through remote e-voting and are otherwise not barred from doing so, shall be eligible to vote through e-voting system in the AGM.

e. Members who have already cast their votes by remote e-voting are eligible to attend the Meeting through VC/ OAVM; however, these Members are not entitled to cast their vote again during the Meeting. A Member can opt for only single mode of voting i.e. through Remote e-voting or voting through VC/OAVM mode during the AGM.

f. The results shall be declared not later than forty-eight hours from conclusion of the Meeting. The results declared along with the Scrutiniser's Report will be placed on the website of the Company at https://www.medplusindia.com and the website of KFin: https://evoting.kfintech.com immediately after the results are declared and will simultaneously be forwarded to BSE Limited and National Stock Exchange of India Limited, where Equity Shares of the Company are listed and shall be displayed at the Registered Office as well as at the Corporate Office of the Company.

25. PROCEDURE FOR REGISTERING THE EMAIL ADDRESSES AND OBTAINING THE AGM NOTICE AND E-VOTING INSTRUCTIONS BY THE MEMBERS WHOSE EMAIL ADDRESSES ARE NOT REGISTERED WITH THE DEPOSITORIES (IN CASE OF MEMBERS HOLDING SHARES IN DEMAT FORM) OR WITH KFINTECH (IN CASE OF MEMBERS HOLDING SHARES IN PHYSICAL FORM):

a. Those Members who have not yet registered their email addresses are requested to get their email addresses registered by following the procedure given below:

i. Members holding shares in demat form can get their email ID registered by contacting their respective Depository Participant.

ii. Members holding shares in physical form may register their email address and mobile number with KFin Technologies Private Limited by sending the prescribed ISR form as per the SEBI circular date November 03, 2021 (SEBI/HO/MIRSD/MIRSD_RTAMB/P/CIR/2021/655) The required ISR forms can be obtained by following the link: https://ris.kfintech.com/clientservices/isc/default.aspx

The Members may also visit the website of the Company www.medplusindia.com and click on the "email registration" and follow the registration process as guided thereafter.

Please note that in case of shareholding in dematerialised form, the updation of email address will be temporary only upto AGM.

b. After successful updation of the email address, KFintech will email a copy of this AGM Notice along with the e-voting user ID and password. In case of any queries, Members are requested to write to KFintech.

c. Those Members who have already registered their email addresses are requested to keep their email addresses validated/updated with their DPs/ KFintech to enable serving of notices/documents/ Annual Reports and other communications electronically to their email address in future.

26. KPRISM – Mobile service application by KFintech:

Members are requested to note that KFintech has launched a mobile application – KPRISM and a websitehttps://kprism.kfintech.comforonlineservice to Shareholders.

Members can download the mobile application, register themselves (one time) for availing host of services viz., view of consolidated portfolio serviced by KFin, requests for change of address, change/update Bank Mandate. Through the Mobile application, Members can download Annual Reports, standard forms and keep track of upcoming General Meetings. The mobile application is available for download from Android Play Store. Members may alternatively visit the link https://kprism.kfintech.com/app/ to download the mobile application.

27. Webcast:

Your Company will be providing the facility of live webcast of proceedings of AGM. Members who are entitled to participate in the AGM can view the proceeding of AGM by logging on the website of KFintechat https://emeetings.kfintech.com using their secure login credentials. Members are encouraged to use this facility of webcast. During the live webcast of AGM, Members may post their queries in the message box provided on the screen.

By Order of the Board
For **MedPlus Health Services Limited**

Sd/-
Manoj Kumar Srivastava
Company Secretary & Compliance Officer
Membership No. FCS 7460

Registered Office:
H. No: 11-6-56, Survey No: 257 & 258/1,
Opp: IDPL Railway Siding Road,
Moosapet, Kukatpally,
Hyderabad - 500037, Telangana

Place: Hyderabad
Date: August 7, 2023

Explanatory Statement in respect of the Special Business pursuant to section 102 of the Companies Act, 2013

ITEM NO. 3

The Company has received the consent from M/s. BSR and Co, Chartered Accountants (Firm's Registration No 128510W), for their appointment as Statutory Auditors and have issued a certificate confirming that their appointment, if made, will be within the limits prescribed under the provisions of Section 139 of the Act. M/s. BSR and Co, Chartered Accountants have confirmed that they are eligible for the proposed appointment under the Act, the Chartered Accountants Act, 1949 and the rules or regulations made thereunder. As confirmed to the Audit Committee and stated in their report on financial statements, the Auditors have reported their independence from the Company and its subsidiaries according to the Code of Ethics issued by the Institute of Chartered Accountants of India ('ICAI') and the ethical requirements relevant to audit.

Based on the recommendations of the Audit Committee and the Board of Directors, it is hereby proposed to appoint M/s. BSR and Co, Chartered Accountants (Firm's Registration No 128510W) as the Statutory Auditors of the Company for a term of five consecutive years, to hold office from the ensuing 17th AGM till the conclusion of the 22nd AGM of the Company. Besides the audit services, the Company would also obtain certifications from the statutory auditors under various statutory regulations and certifications required by clients, banks, statutory authorities and audit related services as required from time to time, for which they will be remunerated separately as mutually agreed by the Board of Directors/ Audit Committee and the Statutory Auditors of the Company.The Board of Directors in consultation with the Audit Committee may alter and vary the terms and conditions of appointment, including remuneration and manner of payment thereof in such manner and to such extent as may be mutually agreed with the Statutory Auditors.

Brief Profile of M/s. BSR and Co. Chartered Accountant

B S R and Co ('the firm') was constituted on 01 September 2007 as a partnership firm having firm Registration No. as 128510W. The registered office of the firm is at 14th Floor, Central B Wing and North C Wing, Nesco IT Park 4, Nesco Centre, Western Express Highway, Goregaon (East), Mumbai-400063. B S R and Co is a member entity of B S R & Affiliates, a network registered with the Institute of Chartered Accountants of India. B S R and Co is registered in Mumbai, Gurgaon, Bangalore and Hyderabad. B S R and Co together with its member firms has around 4000+ staff and 200+ Partners. B S R member firms audits various companies listed on stock exchanges in India including companies in the Retail Sector.

The Board recommends the resolution set out at Item No. 3 of the Notice for approval by the Members by way of an Ordinary Resolution.

None of the Directors or Key Managerial Personnel of the Company or their relatives are interested or concerned, financially or otherwise, in the resolution.

ITEM NO. 4

Being the key stakeholders of the Company, the promoters bring out significant alignment with the Company's core values and vision. The Company can leverage their expertise and insights in its decision-making process by granting nomination rights on the board which would substantially align their interests with those of the Company's long-term growth and profitability. The Company hereby proposes to give nomination rights on its board jointly to the promoters, namely Mr. Gangadi Madhukar Reddy, Agilemed Investments Private Limited and Lone Furrow Investments Private Limited, of the Company.

The Board of Directors at its meeting held on August 7, 2023 has approved and recommends the alteration of Articles for approval by the Members, through insertion of Article 102A, under Sub Article of 102 ('Number of Directors') in the AOA.

The consent of the Members is being sought by way of Special Resolution as set out at Agenda Item No. 4 of the accompanying Notice. Except Mr. Gangadi Madhukar Reddy, and his relatives, none of the Directors, Key Managerial Personnel and their relatives are, in anyway, concerned or interested, financially or otherwise, in this resolution.

By Order of the Board
For **MedPlus Health Services Limited**

Sd/-
Manoj Kumar Srivastava
Company Secretary & Compliance Officer
Membership No. FCS 7460

Place: Hyderabad
Date: August 7, 2023

ANNEXURE A: Profile of Director

Pursuant to Regulation 36(3) of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 and Secretarial Standard on General Meetings issued by the Institute of Company Secretaries of India, the details of the Director proposed to be appointed/re-appointed is as given below:

Name of Director	Mr. Atul Gupta
Date of Birth; Age	October 28, 1971; 52 Years
Date of Appointment	February 06, 2021
Terms and conditions of appointment	Nominee Director in terms of the PI Opportunities Fund I
Qualification	Bachelor's degree from technology from the Indian Institute of Technology, Bombay and a master's degree in business administration from the Walter A. Haas School of Business, University of California, Berkeley.
Nature of expertise in specific functional areas	He is employed as an investment partner at Premji Invest and leads investments in technology enabled sectors including consumer-tech, health-tech, fin-tech and enterprise tech. He has more than 14 years of experience in the investment industry.
Remuneration Last Drawn	Nil
Remuneration to be Drawn	Nil
No of Board Meeting attended during FY 22-23	Refer Corporate Governance Report of the Annual report.
Shareholding in the Company	0.01% (22,914 shares)
Relationship with other Directors and KMPs	Not related to any director/Key Managerial Personnel of the Company
Directorships held in other Companies	• Amagi Media Labs Private Limited • Merittrac services Private Limited • Lenskart Solutions Private Limited • Koye Pharmaceuticals Private Limited • Globalbees Brands Private Limited • Brainbees Solutions Private Limited • Manash Lifestyle Private Limited • Next SCM Solutions Private Limited
Chairperson/membership held in other Companies	Nil
Listed Entities from which the person has resigned in the past 3 years	NA

MANAGEMENT DISCUSSION AND ANALYSIS

Indian Economy

The previous financial year started with runaway inflation, anxiety of worldwide recession, aggressive monetary policy tightening, and soaring commodity prices that threatened to push the world economy into a tailspin. However, by the end of thatvolatile period, almost all the major economies adjusted to the new situation, and consumer confidence and spending rebounded, even though the world is not out of the woods yet.

Meanwhile, the latest MoSPI (Ministry of Statistics and Programme Implementation) data suggests that the Indian economy grew by 6.1% in the March quarter of FY23 pulling the annual GDP number to 7.2%, 200 bps, higher than earlier estimates.

The Government of India's capex continues to be a key growth driver as the GFCF (Gross Fixed Capital Formation) grew by 11.4% in the financial year.

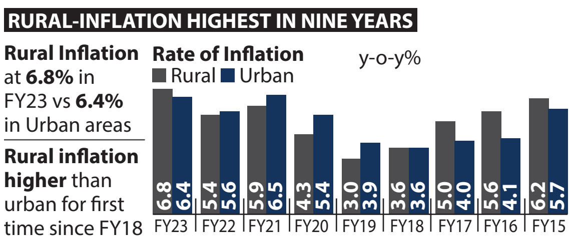
The overall growth pattern remains broad-based, with sectors such as construction and agriculture witnessing better-than-expected growth.Moreover, strong manufacturing growth was evident in the last quarter of the financial year.

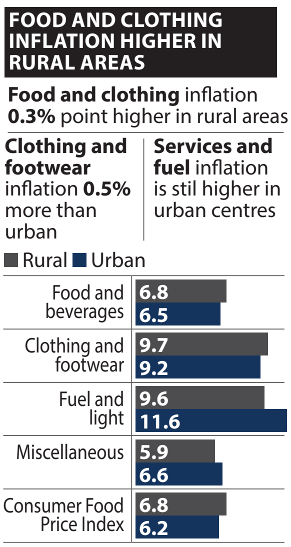
Private final consumption showed a healthy growth of 7.5% last fiscal, touching almost the pre-pandemic trend.But it was mostly urban in nature, whereas rural consumption remained weak owing to highrural inflation of 6.8% against 6.4% in urban centers in FY23.

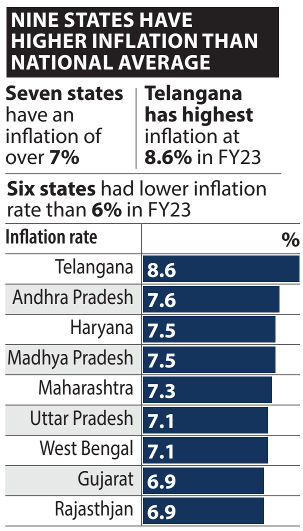
By the end of the last financial year inflation dropped significantly because of a cumulative repo rate hike of 250 bpsasit fell within the periphery of RBI's tolerable limit.

Outlook:Most global and Indian agencies have projected the Indian economy to grow between 6-6.5% in FY24. A recent pickup in investment (government and private) in manufacturing and infrastructure may augur well for the Indian economy which may be looking at a multi-year growth cycle.

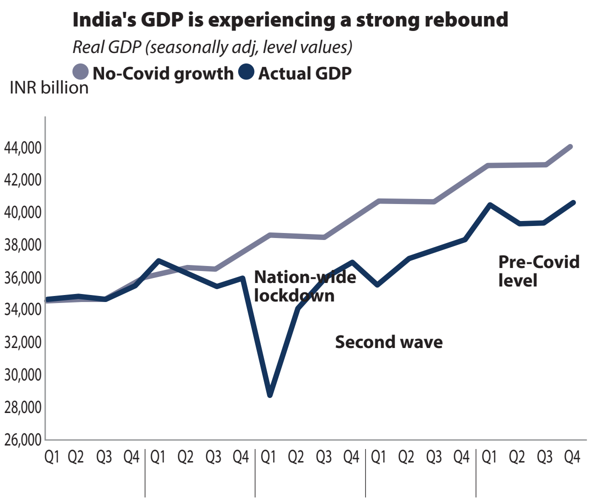
But variables like geopolitical fragmentation, weak global demand, persistent inflation and resultant monetary tightening by RBI, and high borrowing costs may cause a decline in growth and a reduction in investments as well.







(Source: MoSPI, RBI, ET analysis)



(Source: Center for Monitoring Indian Economy; Deloitte research) https://www.livemint.com/economy/bright-spot-in-global-economy-indias-gdp-has-touched-3-75-trillion-mark-in-2023-says-nirmala-sitharaman-11686564064530.html#:~:text=Recent%20government%20data%20revealed%20that,geopolitical%20conflicts%20and%20global%20headwinds.

https://www.financialexpress.com/economy/revival-in-private-consumption-still-some-time-away/3109540/

https://www.livemint.com/economy/rbi-mpc-meeting-governor-shaktikanta-das-announces-monetary-policy-rate-inflation-growth-of-india-fy2024-11691639852238.html

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Indian Pharmacy Retail Industry

Previously being traditional brick-and-mortar medicine shops, Indian pharmacies were a completely unorganized subset of the Indian pharma industry. But with the introduction of organized retail in the Indian market and the advent of technology, organized pharmacy chains have started cropping up in the country.Today, it commands a significant presence in most urban and semi-urban centres in India.

Compared to the older neighbourhood pharmacies, modern retail pharmacy chains have attractive displays with completely digitized work models selling 100% reliable goods. Additionally, they also provide value-added services to the customers like home delivery of medicine, etc.

They have mobile app support where customers can browse the products easily where they sell healthcare and wellness products too. Hence, these pharmacy chains operate on hyperlocal or omnichannel business models.

This sector is gaining traction in recent years primarily due to the deep discounts and convenience the companies are offering. Several companies including large conglomerates, leading E-commerce companies, brick-and-mortar shops and startups have entered this market.

E-pharmacies came into prominence during the Covid-19 pandemic which disrupted our traditional healthcare system but impacted online pharmacies in a positive way. The market witnessed a huge spike in sales during this time. These companies also collaborated with E-payment platforms for safe and convenient transactions.

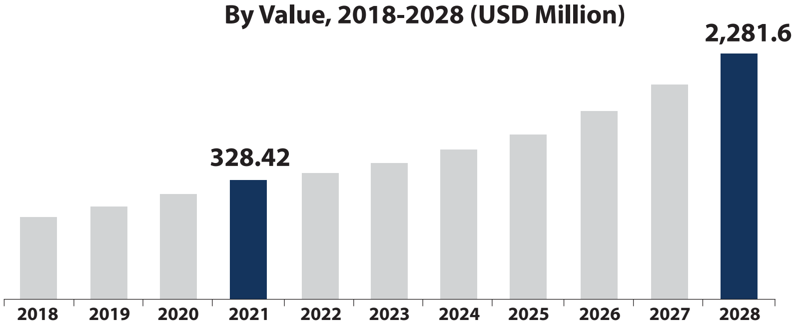
Growth drivers:

- Today a sizable amount of the population prefers doorstep delivery because firstly, not all medicines are available at all locations of the country. Secondly, it reduces the need for elderly and sick people to actually go to a medicine shop and buy them. Lastly, the younger generation heavily relies on online shopping rather than actually going to the physical store.
- Increasing smart phone and internet penetration is also helping the E-pharmacy market to grow. In 2023, the penetration rate of smart phones in India reached 71% and is estimated to reach 96% in 2040. (Source: Statista)

Growth drivers:

In 2020, the pharmacy retail market in India was valued at ₹1,783.83 Bn and is expected to reach ₹3,078.46 Bn by 2026, expanding at a CAGR of 12.02%. Owing to the growing population and patient pool as well as theaffordability of medicines, this market has witnessed significant growth in the last few years. Further, consumers have improved access to medicines because of advanced medical infrastructure and the launch of new patented drugs.

India E-Pharmacy Market
By Value, 2018-2028 (USD Million)



(Source: Blueweave Consulting)

https://www.blueweaveconsulting.com/report/india-epharmacy-market

Megatrends

Preventive healthcare: The approach towards health has changed since the pandemic which marked a shift from just remedial to preventive. To this effect, immunity-boosting drinks, food, vitamin and several diagnostic products& packagesare getting increasingly popular. Thus,modern healthcare sector is working on a 'predict and prevent' model.This increase in demand for better quality preventive healthcare is driving the growth in organized retail pharmacies in India.

Omni channel/Hyper local presence: E-pharmacies offer extreme convenience for consumersin ordering anddelivering products. But with an extremely diverse consumer pool, there is a requirement for pharmacies to offer all modes of service, physical and otherwise. These omnichannelmodels where pharmacies can offer a seamless experience be it an in-person, app/ website, phone delivery or other mode of service are also pushing the growth in the industry.

Technological advancements: Retail pharmacies are investing heavily in tools such as artificial intelligence (AI), big data analytics and thereby improving service, cutting costs and optimizing stock availability. The goal here is to enhance patient access to virtual care via mobile devices, to find the most efficient way to share information between patients, healthcare providers and treatment centres. As consumers continue to prioritise their health, these pharmacies can provide better convenience, informed advice, and quality services to the consumers.

Opportunities

Supply-demand gap: The number of organised retail chains in the pharma space in the country is limited. Right now, the organised pharma retail space in India largely has regional chains or popular standalone outlets within cities catering to a captive market which is a very small percentage of the overall pharma market.

Naturally, there is still a demand and supply gap for pharma products especially in rural and tier II cities. This presents an opportunity for all the organised players to expand their network and distribution channels through the length & breadth of the country.

The reason why, the country's top two organized retailers are also jumping the bandwagon to this large pharma retail market in India which can scale up the future of the industry.

Emergence of private-label products: Retail pharmacy chains are also witnessing the rise of private-label products. These products are mostly in health, beauty and wellness categories and offer significant margins to the retailers compared to the branded products.

Rising income, lifestyle, awareness & affordability: The growth in the annual income of the population, increasing affordability of medicines and increasing demand for e-commerce sites will provide beneficial opportunities for the pharmacy retail market.

Further, the rise in chronic diseases and increasing health awarenesswith growing healthcare expenditure, innovative marketing strategies, an upsurge in the development of hospital-based pharmacies and wellness stores, and a rising geriatric population are the factors that are likely to expand the pharmacy retail market in the future.

Threats

Trust factor: Though big companies are entering the pharmacy retail segment, it would be difficult for some time before the organized retail pharmacy playerscan actually replace the neighbourhood chemist, due to the sheer reach and size of the segment.

Increasing competition: With the growing popularity of organized retail pharmacies, many large companies are throwing their hat in the ring which intensifies competition and may hamper margins and profitability in the future.

Changing consumer preference: Indian consumers today expect medicine shopping to be a pleasurable experience. But this trend is more prevalent only in urban centers where people are ready to pay a premium price. However, things are very different in tier 2 and beyond where traditional shops are likely to stay longer than anticipated.

Counterfeit medicines: Because of gaps in the distribution system and proper regulatory oversight at each level of the logistics supply chain incidents of fake medicines entering the system are not very uncommon which can portray the industry in a bad light.

MedPlus' takes

Retail chain pharmacy is considered a sunrise sector in India that is still in its nascent stage and has tremendous scope to grow. But pharmacy retailing is a capital-intensive business and setting up involves scouting for strategic locations while operating within a fixed margin regulated as per government-stipulated prices.

So, the nature of the business dictates that only organisations in leadership positions with strong financial backgrounds can leverage the opportunities in the market and still grow effortlessly. MedPlus Health is one such organization.

Given our strong in-depth knowledge of the industry and market dynamics, our deep understanding of the demographics we serve and our solid back-end infrastructure (warehouses, distribution channels), we are in a perfect position to grow exponentially in the years to come.

Further, our vertically-integrated operations supported by technology, omnichannel presence and a step-up in store expansion will lead MedPlus to gain market share within the organized pharmacy retail space.

India Diagnostic Industry

The Indian diagnostic industry is a highly fragmented sector largely dominated by unorganized players. The domestic diagnostic industry is primarily a doctor-driven market which helps local players thrive. However, with large players entering tier 2 and tier 3 cities, there is an accelerated formalization of the industry.

The diagnostics part of the healthcare industry has been growing at a fast pace over the past couple of years – fuelled by the pandemic. In recent times, the domestic market is evolving from standalone centres to multiple diagnostic chains while continuously reinventing itself.

India Diagnostics Market was valued at USD 1,928.7 Million in 2022 and is projected to reach USD 6,347.9 Million by 2029 owing to a rise in healthcare awareness, increase in preventive healthcare check-ups, prevalence of cancer, infectious diseases , and also largely because of an increase in better health insurance penetration.

Company overview

MedPlus is an organized pharmacy retail company with both an online and offline presence.The Company was established in 2006 by our Founder, Managing Director and CEO ("MD & CEO") Mr. Gangadi Madhukar Reddy with a vision to deliver authentic quality medicine to the customers with the aid of technology while streamlining the inefficiencies in the supply chain.

The Company operates in retail and wholesale sales, import, distribution, manufacturing and contract manufacturing of private-label pharmaceuticals, wellness and FMCG products and full-fledged diagnostic centres only in Hyedrabad, Telangana. The Company has nearly 4000 stores across ten states in India with little more than 21,000 permanent full-time employees.

MedPlus' operations across the entire value chain are backwards-integrated and are managed in-house. It bodes well for the Company and has made us the second-largest pharmacy retailer chain in India in terms of revenue.

Segmental revenue

(₹ in Million)

Particulars	Revenue	
	FY23	FY22
Retail	45,268.70	37,718.03
Diagnostics	305.54	74.76
Others	1.52	0.00

In FY 23, the Company witnessed significant revenue growth, Stores older than 12 months rose by15.6% over FY 22, and Revenue from operations increased by 20.6% over FY 22.

The Company's mature outlets (>12m) maintained solid operational performance, with 9.5% Store Level EBITDA margin and 2.8% Store Level Operating Return on Capital Employed.

Private label share climbed from 12.7% to13.6% in FY 23, while gross margin improved from 21.1% to 21.9% in FY 23.

As of March 31, 2023, the Company had 3,822 pharmacy outlets. In FY 23, the business opened 1144 gross new pharmacy stores, up from 747 in FY 22. This marks a new high for MedPlus and demonstrates the strength of its supply chain and operational skills.

The Company has three full-service Diagnostic Centres and four Level-2 Diagnostic Centres and one full service Diagnostic centre and 4 Level-2 Diagnostics centres were yet to open as on March 31, 2023, and both its current and potential clients have embraced it enthusiastically.

Financial overview

Summarised consolidated Profit and Loss statement

Particulars		FY23	FY22	% change y-o-y
Total Income	₹ million	46,036.54	38,106.42	20.8%
Revenue from operations	₹ million	45,575.76	37,792.79	20.6%
Purchase of stock-in-trade, cost of materials consumed and changes in inventories ("Cost of goods sold")	₹ million	35,576.88	29,823.75	19.3%
	% of revenue	78.1%	78.9%	-1.1%
Employee benefits expense	₹ million	5,451.29	3,939.2	38.4%
	% of revenue	12.0%	10.4%	14.8%
Finance costs	₹ million	830.27	664.28	25.0%
	% of revenue	1.8%	1.8%	3.6%
Depreciation and amortisation expense	₹ million	1,815.56	1,193.6	52.1%
	% of revenue	4.0%	3.2%	26.1%
Other expenses	₹ million	1,890.91	1,306.16	44.8%
	% of revenue	4.1%	3.5%	20.0%
Total Expeneses	₹ million	45,564.91	36,926.99	23.4%
	% of revenue	100.0%	97.7%	2.3%
Profit before tax	₹ million	471.63	1,179.43	-60.0%
	% of revenue	1.0%	3.1%	-66.8%
Total Tax expense	₹ million	-29.42	232.27	-112.7%
	% of revenue	-0.1%	0.6%	-110.5%
Profit after tax	₹ million	501.05	947.16	-47.1%
	% of revenue	1.1%	2.5%	-56.1%

Total income

Total income is increased by 20.8% in FY 23 compared to FY 22. Growth has been contributed by Matured stores and New stores.

Revenue from operations

Revenue from operations has grown by 20.6% in FY 23 compared to FY 22. Stores greater than 12 months in age has grown by 15.6% during the same period.

Cost of goods sold

Increase in cost of goods is largely in line with the increase in revenue from operations. Cost of goods as % of revenue has decreased by 8 bps to 78.1% in FY 23 from 78.9% in FY 22.

Employee benefit expenses

Employee benefit expenses have increased by 38.4% in FY 23 in comparison to FY 22. This incremental cost is mainly driven by addition of 1144 stores in FY 23.

Finance costs

Finance costs increased by 25.0%, driven by increase in interest on lease liabilities primarily on account of new stores added during the year FY 23.

Depreciation and amortization expenses

Depreciation and amortisation expenses increased by 52.1% in FY 23 primarily due to depreciation and amortisation of plant and equipment in new stores and amortisation of lease asset in new stores.

Other expenses

Other expenses have been increased by 44.8% in FY 23 in comparison of FY 22, primarily driven by increase in electricity, communication expenses and other operational expenses primarily on account of New stores.

Total tax expenses

Tax expenses have decreased by 112.7% in FY 23 in comparison to FY 22 driven by deferred tax benefit on account of increase in claim under Section 80JJAA with increase in number of employees and reduction in non-deductible expenses compared to FY 22.

Profit after tax

As a result, Company's overall profit is decreased by 47.1% in FY 23 in comparison to FY 22.

Key balance sheet items

Particulars	FY2023	FY2022	% change yoy
Property, plant and equipment	2,883.35	1,618.69	78.1%
Inventory	11,440.87	9,149.84	25.0%
Cash and Bank balances including fixed deposits	2,874.87	6,575.60	-56.3%
Trade payable	2,601.44	2,462.32	5.6%
Trade receivables	86.51	60.36	43.3%
Total equity (Shareholders funds/ networth)	14,905.01	14,172.53	5.2%
Borrowings	-	1,426.82	-100.0%

The strength of the balance sheet in FY 23 is improved primarily on account of increase in inventory and additions to Property Plant and Equipment due to increase in new stores and repayment of borrowings.

Key financial ratios

Particulars	FY2023	FY2022	% change yoy
Inventory Turnover (Days)	91.63	88.37	3.69%
Interest Coverage Ratio	1.57	2.78	-43.50%
Current Ratio	3.11	2.92	6.44%
Debt Equity Ratio	-	0.10	-100.00%
Debtors Turnover (Days)	0.69	0.58	18.85%
Operating Profit Margin	2.86%	4.88%	-41.45%
Net Profit Margin	1.10%	2.51%	-56.13%
Return on Net Worth	3.45%	8.82%	-60.92%

Explanation of the ratios

Inventory turnover ratio measures the efficiency with which a Company utilises or manages its inventory. It establishes the relationship between revenue from operations and inventory held during the period. It is calculated by dividing the inventory with revenue from operations and multiplied by 365 days. Interest Coverage Ratio measures how many times a company can cover its current interest with its available earnings. It is calculated by dividing earnings before interest and tax by total finance cost. Current ratio indicates a company's overall liquidity position and measures company's ability to pay short-term obligations or those due within one year. It is calculated by dividing current assets by current liabilities. Debt equity ratio is used to evaluate a Company's financial leverage. It is a measure of the degree to which a company is financing its operations through debt versus owned funds. It is calculated by dividing total borrowings by total equity.

Debtors'(Trade receivables) turnover ratio measures the efficiency with which a Company utilises or manages its debtors. It establishes the relationship between revenue from operations and debtors held during the period. It is calculated by dividing the debtors with revenue from operations and multiplied by 365 days. Operating margin % - operating margin measures how much profit a company makes on a rupee of sales after paying for cost of goods sold, employee benefits expenses, other expenses and depreciation and amortization expenses, but before paying finance cost and tax. It is calculated by dividing EBIT by revenue from operations. Net profit margin % net profit margin measures how much net profit a company makes on a rupee of sales It is calculated by dividing a company's profit after tax by its revenue from operations. Return on Networth/ equity is a measure of profitability of a company expressed in percentage. It is calculated by dividing net profit by average net worth/ total equity.

Risk Management

Risks are an unpredictable yet inevitable part of any business operation. It may include pillage in the office premises, losing revenue because of a sudden change in customer preference or loss or damage due to theft or fire and much more. These risks can't be totally eliminated but with a proper risk management policy and mitigation measures in place, the negative impact of the untoward incidents can be minimised to a great degree.

Product Quality risk:

Customer dissatisfaction due to ineffective product quality and service.

Mitigation:

- The Company's quality team conducts rigorous quality and safety tests to verify that all quality requirements are met. Customer concerns are taken seriously by the Company.
- The stores offer authentic, high-quality pharma products and quickly moving consumer goods at competitive rates, presenting a consistent and unified customer experience.

Competition risk:

Being a lucrative marketplace, the organized retail medicine chain has the potential to attract new companies which may intensify the competition to a much greater degree.

Mitigation:

- MedPlus has a large portfolio of products and services that can cater to a wide variety of customers.
- The Company has an omnichannel presence through which customers can be reached conveniently and easily.
- The Company regularly engages in campaigning to increase brand awareness and customer loyalty.

Supply-chain risk:

Problems in the logistics supply chain can force our entire operations to a standstill.

Mitigation:

- The Company works only with suppliers across the various states to reduce the risk of supply chain interruptions, and also diversifies the sourcing partners for uninterrupted supply.
- We review our supply chain risk profile regularly.

Insufficient inventory risk:

Insufficient products in the inventory can lead to loss of sales, missing out on cost efficiencies and increasing customer dissatisfaction.

Mitigation:

- MedPlus employs state-of-the-art technology for accurate inventory forecasting to avoid understocking and overstocking.

Internal control and adequacy

The Company has a strong internal control structure in place for its activities and operations. It continuously aims to integrate all aspects of the business, from basic operational activities to strategic support activities. We make sure that all of our methods adhere to established rules, practises and legal requirements. The Company hascreated well-documented policies, authorization and approval processes, as well as routine audits. All financialand operational controls across all departments, divisions, and functions are included in the internal audit system. Our internal audit team regularly examines the organisation's different operations and spots areas for improvement.

Human resources

At MedPlus we consider our team members as our most valuable resources who contribute towards the long-term vision and sustenance of the Company. We also treat all our team members equally and fairly irrespective of their position in the organization.

In turn, all our team members are committed to acting with compassion, integrity, honesty and high ethical standards while developing their career aspirations working with the Company.

As an organization, we are committed to create a culture of providing an energetic, enabling, safe and open work environment for all our team members. We also focused towards recruiting talents from different world-class institutions and nurturing& retaining them so that they can develop cross-functional expertise and deliver a high-quality experience for all our customers. The details relating to developments in human resources including number of employees forms a part of the Business Responsibility and Sustainability of this Annual Report.

Cautionary statement

The statements made in the Management Discussion and Analysis describing the Company's objectives, projections, estimates, and expectations, maybe 'forward-looking statements' within the meaning of applicable securities laws & regulations. Actual results could differ from those expressed or implied. Important factors that could make a difference to the Company's operations include economic conditions affecting demand, supply and price conditions in the domestic & overseas markets in which the Company operates, changes in the government regulations, tax laws & other statutes & other incidental factors.

https://www.marketresearch.com/Netscribes-India-Pvt-Ltd-v3676/Pharmacy-Retail-India-31153192/

MedPlus

BOARD'S **REPORT**

Dear Members,

Your directors have pleasure in presenting here the 17th Annual Report of the Company along with the Audited Standalone and Consolidated Financial Statements and the Auditor's Report thereon for the financial year ended March 31, 2023.

FINANCIAL HIGHLIGHTS

(₹ in Million)

Particulars	Standalone		Consolidated	
	2023	2022	2023	2022
Revenue from Operations	2,139.26	1,457.14	45,575.76	37,792.79
Other Income	162.39	95.41	460.78	313.63
Profit before Depreciation, Finance Costs, Exceptional Items and Taxation	294.38	128.42	3,117.46	3,037.31
Less: Depreciation, amortization and Impairment Expenses	153.07	46.32	1,815.56	1,193.60
Profit before Finance Costs, Exceptional Items and Taxation	141.31	82.10	1,301.90	1,843.71
Less: Finance Costs	65.45	26.31	830.27	664.28
Profit before taxation	75.86	55.79	471.63	1,179.43
Less Tax Expenses/(Benefit)	20.42	-	(29.42)	232.27
Profit for the year	55.44	55.79	501.05	947.16
Other Comprehensive Income/(Benefit) for the year	(3.56)	1.17	3.34	18.28
Total Comprehensive Income for the Period	51.88	56.96	504.39	965.44

PERFORMANCE OF THE COMPANY

Your Company is a leading retail pharmacy Company in India. During the FY 2022-23, on a consolidated basis, the total income stood at ₹46,036.54 million as against ₹38,106.42 million in the corresponding previous year with a growth of 20.81%. On a standalone basis, your Company's total income stood at ₹2,301.65 million in the FY 2022-23 as against ₹1552.55 million in the corresponding previous year with a growth of 48.25%.

During the year 1144 stores were added to the cluster store network of the Company as compared to 747 stores in the corresponding previous year. As on March 31, 2023 the Company's total fleet of stores is 3822 (as compared to 2748 stores in the corresponding previous year).

The Company has started its Diagnostic Centres in the year 2021 as pilot project. During the year the Company has performed reasonably well.

TRANSFER TO RESERVES

The Company does not propose to transfer any amount to General Reserves.

SHARE CAPITAL

As on March 31, 2023, the paid-up Equity Share Capital of the Company is ₹238.61 million, consisting of 11,93,05,676 equity shares of ₹2 each. This is same as previous year i. e. March 31, 2022, and there has been no change.

DEPOSITS

The Company has not accepted any deposit from the public and as such, no amount of principal or interest was outstanding as of the Balance Sheet date.

PARTICULARS OF LOANS, GUARANTEES, INVESTMENTS

During the year, the Company has made an investment of ₹4,671.70 million in Optival Health Solutions Private Limited, the subsidiary of the Company. The loans, guarantees and investments covered under Section 186 of the Companies Act, 2013 form part of the notes to the financial statements provided in this Annual Report.

CONTRACTS OR ARRANGEMENTS WITH RELATED PARTIES

There were no contracts, arrangements or transaction during the year that fall under Section 188(1) of the Companies Act, 2013. As required under Companies Act, 2013, the prescribed Form AOC-2 is appended as Annexure-D to the Board Report. All Related Party Transactions entered during the year were in the ordinary course of business and on arm's length basis. The Policy on Materiality of and dealing with Related Party Transactions is available on the Company's website: https://www.medplusindia.com/pdf/Policy-on-Materiality-of-and-Dealing-with-Related-Party-Transactions.pdf

DIVIDEND

Your directors have not recommended any dividend for the financial year 2022-23.

DIVIDEND DISTRIBUTION POLICY

The Dividend Distribution Policy contains the requirements mentioned in Regulation 43A of the Securities and Exchange Board of India Listing Regulations and the same is available on the Company's website on https://www.medplusindia.com/pdf/Policy-on-Dividend-Distribution.pdf.

MANAGEMENT DISCUSSION AND ANALYSIS

Pursuant to Regulation 34 of the SEBI Listing Regulations, the Management Discussion and Analysis Report is set out in this Annual Report

CONSOLIDATED FINANCIAL STATEMENTS

The Consolidated Financial Statements of the Company and its subsidiaries are prepared in accordance with Section 129(3) of Companies Act, 2013 and IND AS 110 and 111 as specified in Companies (Indian Accounting Standards) Rules, 2015 along with all relevant documents and the Auditors' Report which forms part of this Annual Report. The Consolidated Financial Statements presented by the Company include the financial results of its subsidiary Companies.

BOARD POLICIES

Pursuant to the provisions of the Companies Act, 2013 and SEBI Listing Regulations, the Board of Directors has approved and adopted the policies and the same is provided in Annexure G of the Board's report which forms part of the Annual Report.

POLICY ON PREVENTION OF SEXUAL HARRASMENT

Pursuant to the provisions of the Sexual Harassment of Women at Workplace (Prevention, Prohibition and Redressal) Act, 2013, (POSH), the Company has a framed a policy on Prevention and Resolution of Sexual Harassment at workplace. The Company's goal has always been to create an open and safe workplace for every employee to feel empowered, irrespective of gender, sexual preferences, and other factors, and contribute to the best of their abilities. Towards this, the Company has set up the Internal Complaints Committees ("ICC") to redress complaints received regarding sexual harassment and the Company has complied with provisions relating to the constitution of ICC under the Act. All employees (permanent, contractual, temporary, trainees) are covered under this Policy. The details of Complaints received, resolved are provided in the Corporate Governance Report which forms part of Annual Report.

EMPLOYEES STOCK OPTION SCHEME

The Company grants share-based benefits to eligible employees with a view to attract and retain the best talent, encouraging employees to align individual performances with Company objectives, and promoting increased participation by them in the growth of the Company. The Company is having MedPlus Employees Stock Option and Shares Plan- 2009 ('ESOP, 2009') and MedPlus Employees Stock Option and Shares Plan-2021 ('ESOP, 2021') in line with the SEBI (Share Based Employee Benefits and Sweat Equity) Regulations, 2021 ("SBEB&SE Regulations). Upon the recommendation of Nomination and Remuneration Committee and Board of Directors, the Members of the Company by way of Postal Ballot, approved the extending benefits of ESOP, 2021 to the employees of the subsidiary Companies on June 18, 2023") a statement containing details of the ESOP grant is annexed to this Board's Report as Annexure-B.

The company has received a certificate from Ms. Rashida Adenwala, (C.P. NO.: 2224; M.No. 4020), from M/S. R & A Associates, Practicing Company Secretaries, Hyderabad, the Secretarial Auditor of the Company. The certificate certifies that the 'ESOP, 2009' and 'ESOP, 2021' is implemented in accordance with SEBI (Share Based Employees Benefits and Sweat Equity) Regulations, 2021, and the resolutions passed by the members. This certificate is available for inspection by members in electronic mode.

SUBSIDIARIES

As on March 31, 2023, the Company is having seven direct subsidiaries i.e. Optival Health Solutions Private Limited ("OHSPL"), Wynclark Pharmaceuticals Private Limited ("WPPL"), Kalyani Meditimes Private Limited ("KMPL"), Clearancekart Private Limited ("CPL") MHS Pharmaceuticals Private Limited, ("MHSPPL"), Nova Sud Pharmaceuticals Private Limited ("NSPPL"), MedPlus Insurance Brokers Private Limited ('MIBPL') and five step down subsidiaries which is Deccan Medisales Private Limited, ("DMPL"), Sai Sridhar Pharma Private Limited ("SSPPL"), Shri Banashankari Pharma Private Limited ("SBPPL"), Sidson Pharma Distributors Private Limited ("SPDPL") and Venkata Krishna Enterprises Private Limited ("VKEPL).

During the year the Company has incorporated a Subsidiary Company namely MedPlus Insurance Brokers Private Limited. None of the Companies or otherwise were ceased to be subsidiaries, joint venture or associate, otherwise.

The statement containing the financial position of the subsidiary companies forms part of this Annual Report. The Board of Directors reviewed the affairs of the subsidiaries. In accordance with Section 129(3) of the Companies Act, 2013, the Company has prepared the Consolidated financial statements, which form part of this Annual Report. The statement also provides details of the performance and financial position of each of the subsidiaries, along with the changes that occurred, during the year under review. In accordance with Section 136 of the Companies Act, 2013, the audited financial statements, including the Consolidated financial statements and related information of the Company and audited accounts of its subsidiaries, which forms part of this Annual Report. The Policy for determining Material Subsidiaries is available on the Company's website: https://www.medplusindia.com/uploads/content/Policy-on-Material-Subsidiary.pdf Further, a statement containing the salient features of the financial statements of subsidiaries in the prescribed format AOC-1 is appended as Annexure-A to the Board's report. This statement also provides details of the performance of the subsidiaries and their overall contribution to the performance of the company.

MERGERS AND ACQUISITIONS

The Board of Directors has approved the Scheme of Amalgamation of MHS Pharmaceuticals Private Limited, wholly owned subsidiary of the Company (Transferee Company) with MedPlus Health Services Limited (Transferor Company) on January 9, 2023. The Company is in the process of filing the application to NCLT for amalgamation.

INVESTOR EDUCATION AND PROTECTION FUND ("IEPF")

The Company has not declared any dividend so far. Thus, the Company has no unclaimed dividend to transfer to IEPF pursuant to provisions of Sections 124 and 125 of the Company's Act, 2013 read with the Investor Education and Protection Fund Authority (Accounting, Audit, Transfer and Refund) Rules, 2016 ("IEPF Rules") as amended from time to time. Hence, the Company has not transferred any amount to the said fund.

BOARD OF DIRECTORS

The Company is having six Board members comprising of Mr. Gangadi Madhukar Reddy, Promoter, Chairman, MD & CEO, Mr. Atul Gupta, Non-Executive Director, Mr. Anish Kumar Saraf, Non-Executive Director, Mr. Murali Sivaraman, Non-Executive Independent Director, Mr. Madhavan Ganesan, Non-Executive Independent Director, Ms. Hiroo Mirchandani, Non-Executive Independent Director. During the year under review, there was no change/cessation of any Director, including Independent Directors of the Company. However, pursuant to provision of Companies Act, 2013, Mr. Atul Gupta will retire by rotation as Director at the ensuing AGM and being eligible, seek re-appointment, the Board has recommended his re-appointment.

KEY MANAGERIAL PERSONNEL

Mr. Gangadi Madhukar Reddy, Chairman, MD & CEO, Mr. Sujit Kumar Mahato Chief Financial Officer and Mr. Manoj Kumar Srivastava, Company Secretary and Compliance Officer of the Company are the Key Managerial Personnel ('KMP') of the Company pursuant to the provisions of the Companies Act, 2013.

During the year under review, Mr. Hemanth Kundavaram, Chief Financial Officer, resigned and relieved on June 5, 2022, and Mr. Sujit Kumar Mahato, appointed as the Chief Financial Officer w.e.f. November 11, 2022, and Mr. Manoj Kumar Srivastava, appointed as the Head Company Secretary and Complaince Officer of the Company wef. March 30, 2023, Ms. Shilpi Keswani demiited the office of Company Secretary and Compliance Officer of the Company w.e.f. March 30, 2023.

Declaration by the Directors and Independent Directors:

The Board of Directors and the Independent Directors contains integrity, expertise and independence to perform their services. The brief profile of Directors including Independent Directors is provided in Corporate Governance Report. The Company has received necessary declaration from each Independent Directors under Section 149(7) of the Act confirming that they meets the criteria of independence laid down in the companies Act, Code for Independent Directors and the SEBI Listing Regulations as amended from time to time.

The Board of Directors affirms that all the Independent Directors possess the required integrity, expertise, and experience necessary for their appointment.

MEETING OF THE BOARD AND COMMITTEE

During the year under review, ten Board Meetings were held i.e. on May 02, 2022, May 30, 2022, June 29, 2022, August 10, 2022, September 02, 2022, November 11, 2022, December 26, 2022, January 09, 2023, February 03, 2023 and March 30, 2023. The details of meeting, attendance are provided in the Corporate Governance Report which forms part of this Annual Report. The maximum interval between two board meeting have not exceeded 120 days, as prescribed by the Act.

COMMITTEES OF THE BOARD

The Board of Directors having five committees i.e. Audit Committee, Corporate Social Responsibility

Committee, Nomination and Remuneration Committee, Risk Management Committee and Stakeholders Relationship Committee. All committees comprises of Non-Executive Independent Directors, Executive Directors.

The recommendations made by the committees were accepted and approved by the Board. A detailed composition of the Board its committees are provided in the Corporate Governance Report, which forms part of this Annual Report.

FAMILIARISATION PROGRAMME FOR INDEPENDENT DIRECTORS

The Independent Directors who were inducted into the Board attended an orientation program. The details of the training and familiarization program held during the year under review are provided in the corporate governance report. All the Independent Directors are made aware of their roles and responsibilities at the time of appointment through a formal letter of appointment, which also stipulates various terms and conditions of their appointment. Details of familiarization programme are available on the website of the Company:https://www.medplusindia.com/uploads/content/Medplus%20Familarisation%20Programme%20for%20Independendent%20Directors.pdf

BOARD EVALUATION

The Nomination and Remuneration Committee has specified the manner and criteria for effective evaluation of performance of Board, its committees and individual directors. As per the provisions of Section 134(3)(p) of Companies Act 2013, read with Rule 8(4) of the Companies (Accounts) Rules, 2014, the Board conducted an evaluation of its own performance, its Committees and Individual Directors. The evaluation of all the directors, committees, Chairman of the Board, and the Board as a whole, was conducted based on the criteria and framework adopted by the Board.

Accordingly, evaluation of the performance of the individual directors was done based on criteria such as attendance, participation in the deliberations, contribution to the discussions at the board and committee meetings, understanding of the issues involved, ability to bring in new ideas and initiatives, commitment to fulfill the obligations and responsibilities of a Director, etc. The detailed evaluation process, parameters have been explained in the Corporate Governance report. The Policy for formal evaluation of performance is uploaded on the website of the Company: https://www.medplusindia.com/uploads/content/Policy-on-Evaluation-of-Performance.pdf

REPORTING OF FRAUDS BY AUDITORS

During the year under review, neither the statutory auditors nor the secretarial auditor has reported to the Audit Committee, under Section 143 (12) of the Companies Act, 2013, any instances of fraud committed against the Company by its officers or employees. The details of which forms part of this Annual Report. The Company has not taken any services from credit agencies during the year under review.

NOMINATION AND REMUNERATION POLICY

In accordance with the provisions of Section 134(3)(e) and section 178 of the Act and Regulation 19 read with Part D of Schedule II of the SEBI Listing Regulations, the Company has formulated Nomination and Remuneration policy to provide a framework for remuneration of members of the Board of directors of the Company, key managerial personnel, and other employees of the Company which has been disclosed in Corporate governance Report, which forms part of Annual Report. The Nomination and Remuneration Policy of the Company is available on the Company's website: https://www.medplusindia.com/uploads/content/Nomination-and-Remuneration-Policy.pdf

ANNUAL RETURN

Pursuant to the provisions of Section 92(3) read with Section 134(3)(a) of the Companies Act , 2013, the Annual Return as on March 31, 2023 is available in the Company's website https://www.medplusindia.com/corporate.jsp

DIRECTOR'S RESPONSIBILITY STATEMENT

The financial statements are prepared in accordance with the Indian Accounting Standards (Ind AS) under the historical cost convention on accrual basis except for certain financial instruments, which are measured at fair values, the provisions of the Companies Act, 2013 and guidelines issued by SEBI. The Ind AS are prescribed under Section 133 of the Companies Act, 2013, read with Rule 3 of the Companies (Indian Accounting Standards) Rules, 2015 and relevant amendment rules issued thereafter. Accounting policies have been consistently applied except where a newly-issued accounting standard is initially adopted or a revision to an existing accounting standard requires a change in the accounting policy hitherto in use.

Pursuant to section 134(5) of the Companies Act, 2013, your Directors, confirm that:

1. in the preparation of the annual accounts for the Financial Year ended March 31, 2023, the applicable accounting standards have been followed along with proper explanation to material departures;

2. the Directors 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 as on March 31, 2023 and of the profit of the Company for that period;
3. the Directors have taken proper and sufficient care for the maintenance of adequate accounting records in accordance with the provisions of the Companies Act, 2013 for safeguarding the assets of the Company and for preventing and detecting fraud and irregularities;
4. the Directors have prepared the annual accounts on a going concern basis;
5. the Directors have laid down adequate Internal Financial Controls to be followed by the Company and that such Internal Financial Control are adequate and were operating effectively during the Financial Year ended March 31, 2023;
6. the Directors had devised proper systems to ensure compliance with the provisions of all applicable laws and that such systems were adequate and operating effectively throughout the Financial Year ended March 31, 2023.

MATERIAL CHANGES AND COMMITMENTS AFFECTING THE FINANCIAL POSITION OF THE COMPANY

There have been no material changes and commitments which affect the financial position of the Company that have occurred between the end of the financial year to which the financial statements relate and the date of this report.

INSOLVENCY PROCEEDING

During the year under review, no application made or any insolvency proceedings have been initiated or pending against the Company under the Insolvency and Bankruptcy Code, 2016.

RISK MANAGEMENT:

The Board of Directors had constituted a Risk Management Committee to identify elements of risk in different areas of operations and to develop policy for actions associated to mitigate the risks. The Committee on a timely basis informed the members of the Board of Directors about risk assessment and minimization procedures and in the opinion of the Committee there was no risk that may threaten the existence of the Company. The Company has formulated and implemented a Risk Management policy identifying the elements of risk, and the same is available on the Company's website: https://www.medplusindia.com/uploads/content/Risk-Management-Policy.pdf

VIGIL MECHANISM :

The Vigil Mechanism as envisaged in the Companies Act, 2013 and Rules prescribed thereunder and the SEBI Listing Regulations is implemented through the Company's Whistle Blower Policy to enable the Directors, employees and all stakeholders of the Company to report genuine concerns, to provide for adequate safeguards against victimisation of persons who use such mechanism and make provision for direct access to the Chairman of the Audit Committee. Details are available in corporate governance report which forms part of this Annual Report. The Whistle Blower Policy of the Company is available on the Company's website: https://www.medplusindia.com/uploads/content/Whistleblower-Policies.pdf

INTERNAL FINANCIAL CONTROLS

The Board has adopted policies and procedures for ensuring the orderly and efficient conduct of its business, including adherence to the Company's policies, safeguarding of its assets, prevention and detection of fraud, error-reporting mechanisms, accuracy and completeness of the accounting records, and timely preparation of reliable financial disclosures. For more details, refer to the 'Internal control and adequacy' section in the Management's Discussion and Analysis, which forms part of this Annual Report.

SIGNIFICANT AND MATERIAL ORDERS PASSED BY THE REGULATORS OR COURTS

There were no significant material orders passed by the Regulators/Courts which would impact the going concern status of the Company and its future operations.

CORPORATE SOCIAL RESPONSIBILITY (CSR)

The Company is having detailed CSR policy and the same is available on Company's website. The detailed composition of CSR Committee is provided in the Corporate Governance Report, which forms part of the Annual Report. During the year under review, the Company was under no statutory requirement/no obligation for the expenditure as required under the Act.

SECRETARIAL STANDARDS

The Company is in compliance with the applicable Secretarial Standards issued by the Institute of Company Secretaries of India from time to time, except reported by Secretarial Auditors in their report.

LISTING ON STOCK EXCHANGES

The Company's shares are listed on BSE Limited and National Stock Exchange of India Limited. The details are provided in the corporate governance report which form part of annual report

EVENT SUBSEQUENT TO FINANCIAL'S APPROVAL DATE

Postal Ballot

The Shareholders had passed the Special Resolutions through postal ballot by means of e-voting on June 18, 2023. The detailed Postal Ballot results/resolution are mentioned in the corporate governance report which forms part of the Annual Report.

AUDITORS' REPORT

The Statutory Auditors' Report for Financial year 2022-2023 does not contain any qualification, reservation, or adverse remark. The Report is enclosed with the financial statements in this Annual Report.

The Secretarial Auditors' Report for Financial year 2022-23 is enclosed as Annexure C to the Board's report, which forms part of this Annual Report.

The Secretarial Auditor's certificate confirming compliance with conditions of corporate governance as stipulated under Listing Regulations, for financial year 2022-2023 is enclosed as Annexure E to the Board's report, which forms part of this Annual Report.

The Secretarial Auditor's certificate on the implementation of share-based schemes in accordance with SEBI (Share Based Employee Benefits and Sweat Equity) Regulations, 2021, will be made available on request at the AGM, electronically.

STATUTORY AUDITORS

M/S. BSR & Associates LLP, Chartered Accountants (FRN: 116231 W/W - 1000024) who were appointed as the Statutory Auditors of the Company on October 30, 2018 for a term of five years is being ended on the ensuing AGM. The Board of Directors has proposed to appoint M/S. BSR and Co, Chartered Accountants, (FRN: 128510W) for a first term of five consecutive years from the conclusion of the ensuing 17th Annual General Meeting (AGM) until the conclusion of the 22nd Annual General Meeting (AGM) of the Company to be held in the calendar year 2028 as required under Section 139 of the Companies Act, 2013 read with Companies (Audit and Auditors) rules, 2014

SECRETARIAL AUDITORS

M/s. R & A Associates, Practicing Company Secretaries were appointed, to undertake the Secretarial Audit of the Company as required under section 204 of the Companies Act, 2013 read with Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014 and in term of Regulation 24A of SEBI Listing Regulations, by the Board of Directors on May 25, 2023 for Financial Year 2022-23. The Secretarial Audit Report issued in Form MR-3 is annexed to this Board's Report as Annexure C.

INTERNAL AUDITORS

In terms of Section 138 of Companies Act, 2013 and the Companies (Accounts) Rules, 2014 M/s. Ernst & Young LLP is appointed as Internal auditors of the Company for five years w.e.f. 2023-2024.

SECRETARIAL AUDIT AND IT'S REPORT OF MATERIAL UNLISTED SUBSIDIARY

During the year under review, the Company is having three material subsidiary company i.e. Optival Health Solutions Private Limited ("OHSPL"), Sai Sridhar Pharma Private Limited("SSPPL"), and Venkata Krishna Enterprises Private Limited ("VKEPL"). The Secretarial Audit Report for the Financial year 2022-23 pursuant to section 204 of the Companies Act, 2013 issued by M/s. R & A Associates, the practicing company secretaries is attached as Annexure-C to this Report.

The observation by Secretarial Auditors in their Report and our comments are as follows:

(i) The Company has filed all the forms, except as stated herein below, as required under the Companies Act, 2013 and rules made thereunder within the applicable due dates except in a few cases wherein there has been slight delay.

(ii) The Company has passed the resolution of the board for investment of funds through circulation while pursuant to the provisions of section 179(3) of the Companies Act, 2013, the same was to be approved in the meeting of the Board. However, the circulation resolution was subsequently taken note thereof in the immediate next board meeting.

(iii) The Company is not in compliance with the provisions of Section 117(3) of the Companies Act, 2013 in respect of filing the resolution passed by the Board for investments of funds with the Registrar of Companies.

(iv) The Company, in a few of the instances, were not in compliance with the provisions of Section 118(10) of the Companies Act, 2013 read with relevant rules made thereunder in respect of circulation of draft minutes of the board and/or committees to the Board and/or committee members.

(v) The Company was not in compliance with the provisions of Regulations 7(3) of the SEBI LODR Regulations in respect of signing of certificate by the Compliance officer of the Company.

(vi) The Company was not in compliance with the provisions of Regulations 23(2) of the SEBI LODR Regulations in respect of obtaining prior approval of audit committee for the related party transactions for the months April, 2022 to June, 2022.

(vii) The Company, in a few of the instances, has made intimations to the stock exchanges with a delay under Regulations 23(9), 32(6) of SEBI LODR Regulations and under Regulation 76(1) of SEBI (Depositories and Participants) Regulations, 2018.

(viii) The Company was not in compliance with Regulation 47(4) of SEBI LODR Regulations in respect of publishing the information in the regional language in the regional newspaper.

Board's Comment: The Management has assured that corrective action has been initiated to avoid such instances in future.

ANNUAL SECRETARIAL COMPLIANCE REPORT

The Company has undertaken an audit for the Financial Year 2022-23 for all applicable compliances as per Securities and Exchange Board of India Regulations, Circulars, Guidelines and Secretarial Standards issued by ICSI there under.

Pursuant to the provisions of Regulation 24A of SEBI (LODR) Regulations 2015, the Annual Secretarial Compliance Report duly signed by Ms. Rashida Adenwala (FCS 4020) (CP No:2224) Founder Partner R & A Associates, Practicing Company Secretaries has been submitted to the Stock Exchanges where the Companies shares are Listed.

COST RECORDS AND COST AUDIT

Maintenance of cost records as specified by Central Government and requirement of cost audit as prescribed under the provisions of Section 148(1) of the Companies Act, 2013 is not applicable for the business activities carried out by the Company in the FY 2022-23.

PARTICULARS OF EMPLOYEES

As on March 31, 2023 the Company had 22066 employees on consolidated basis. The Managing Director and CEO of the Company has not received any remuneration or commission from any of the subsidiary Companies. The ratio of the remuneration of each director to the median remuneration of the employees of the Company and percentage of increase in remuneration etc. along with the disclosure in relation to the remuneration of Directors, KMPs and employees as required under Section 197(12) of the Companies Act, 2013 are annexed as Annexure-E to this Report.

The statement containing 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, form part of this Report. Pursuant to Section 136(1) of the Act, this Report is being sent to the Members of the Company excluding the aforesaid information. However, copy of this statement may be obtained by the Members writing to the Company Secretary.

CONSERVATION OF ENERGY, TECHNOLOGY ABSORPTION AND FOREIGN EXCHANGE EARNINGS AND OUTGO

Pursuant to the provisions of Clause (m) of Sub-Section 3 of Section 134 of the Companies Act 2013, read with Rule 8(3) of the Companies (Accounts) Rules 2014, the details of conservation of energy, technology absorption, foreign exchange earnings and outgo, is annexed as Annexure-F to this report.

BUSINESS RESPONSIBILITY AND SUSTAINABILITY REPORT ('BRSR')

As per Ministry of Corporate Affairs (MCA) Circular/ Notification and the guidelines, framework issued by National Guidelines on Responsible Business Conduct (NGRBC) read with Regulation 34(2)(f) of SEBI Listing Regulations it is necessary to submit the Business Responsibility And Sustainability Report (earlier BRR Report).The BRSR disclosures form a part of this Annual Report as per Annexure-L

CORPORATE GOVERNANCE REPORT

The Company is committed to transparency in all its dealings and places high emphasis on business ethics. A Report on Corporate Governance along with a Certificate from M/S. R&A Associates Practicing Company Secretaries of the Company regarding compliance with the conditions of Corporate Governance as stipulated under Schedule V of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 forms part of the Annual Report.

ENVIRONMENT, HEALTH AND SAFETY

The Company has embedded Environment, Health and Safety Standards throughout the Organization and across its value chain. The Company's Environment, Health and Safety practices confirms to applicable local laws as well as ethical business standards. Your Company assumes its social responsibility and accountability towards environment and society as a whole in conducting its business operations. Your Company has invested and will continue to invest in the safety of all its employees and human resource surrounding it.

INDUSTRIAL RELATIONS

Industrial relations among all units of the Company have been harmonious and cordial. The employees are dedicated, motivated and have shown initiative in improving the Company's performance. Your

Company is committed to maintaining good industrial relations with its employees, suppliers, customers and regulators throughout the conduct of its business operations. The organization's achievements are an outcome of efforts, dedication and perseverance demonstrated by its workforce which comprises people from diverse backgrounds who have shown coordination and cooperation in their conduct. Your Board would like to express its gratitude and appreciation to the employees and people associated with the Company for demonstrating high level of commitment.

GENERAL DISCLOSURE

Your Directors state that no disclosure or reporting is required in respect of the following items as there were no transactions/events on these items during the year under review:

1. Issue of equity shares with differential rights as to dividend, voting or otherwise.
2. Issue of Shares (Including Sweat Equity Shares) to employees of the Company under any Scheme save and except Employees Stock Option Schemes (ESOS) referred to in this Report.
3. Significant or material orders passed by the Regulators or Courts or Tribunals which impact the going concern status and the Company's operation in future.
4. Voting rights which are not directly exercised by the employees in respect of shares for the subscription/purchase of which loan was given by the Company (as there is no scheme pursuant to which such persons can beneficially hold shares as envisaged under section 67(3) (c) of the Companies Act, 2013).
5. There has been no change in the nature of business of your Company.
6. There was no change in capital structure i.e. authorized , issued, subscribed and Paid up capital of the Company

DIFFERENCE IN VALUATION

During the year under review, the Company has no borrowings, and hence the requirement of providing details of difference between amount of the valuation done at the time of one time settlement and the valuation done while taking loan from the Banks or Financial Institutions along with the reasons thereof is not applicable.

ACKNOWLEDGMENT

Your directors are grateful for the invaluable support of the customers, investors, business associates, banks, government agencies, vendors, franchisees and service providers for their services and cooperation to the Company. We place on record our appreciation for the contribution made by our employees at all levels. Our consistent growth was made possible by their hard work, solidarity, cooperation and support. The Board shall always strive to meet the expectations of all the stakeholders, shareholders for the confidence they have reposed in the Board of Directors. The Directors deeply appreciate their faith and support extended to the Company and remains thankful to them.

For **MedPlus Health Services Limited**
Sd/-
Gangadi Madhukar Reddy
Chairman, MD & CEO
DIN: 00098097

Place: Hyderabad
Date: August 07, 2023

ANNEXURE A

FORM AOC-1

PURSUANT TO FIRST PROVISO TO SUB SECTION (3) OF SECTION 129 OF COMPANIES ACT, 2013 READ WITH RULE (5) OF COMPANIES (ACCOUNTS) RULES, 2014
(Salient features of the financial statement of subsidiaries)

PART A – Information on Subsidiaries

(₹ in million)

Sr. No	Particular	Clearancekart Private Limited ("CPL")	Kalyani Meditimes Private Limited ("KMPL),	MHS Pharmaceuticals Private Limited ("MHSPL)	NovaSud Pharmaceuticals Private Limited ("NSPPL"),	Optival Health Solutions Private Limited ("Optiva)	Wynclark Pharmaceuticals Private Limited ("WPPL),	Deccan Medisales Private Limited, ("DMP")	Sai Sridhar Pharma Private Limited ("SSP),	Shri Banashankari Pharma Private Limited ("SBPPL),	Sidson Pharma Distributors Private Limited ("SPDL),	Venkata Krishna Enterprises Private Limited ("VKEL)	MedPlus Insurance Brokers Private Limited (MIBPL)
1	Date since when subsidiary was acquired	09-03-21	25-09-19	25-03-09	29-09-09	04-03-11	31-03-07	05-01-12	29-09-09	20-09-14	01-03-16	03-01-11	14-07-22
2	Reporting period	2022-23	2022-23	2022-23	2022-23	2022-23	2022-23	2022-23	2022-23	2022-23	2022-23	2022-23	2022-23
3	Reporting currency	INR	INR	INR	INR	INR	INR	INR	INR	INR	INR	INR	INR
4	Share capital/Partner's capital account	0.10	59.00	70.10	68.60	2,098.02	140.77	2.10	0.24	2.10	40.10	0.18	20.00
5	Reserves & surplus	(0.15)	(65.45)	149.78	(5.97)	9,355.82	5.69	68.31	144.69	(1.30)	31.36	235.53	(0.80)
6	Networth	(0.05)	(6.45)	219.88	62.63	11,453.84	146.46	70.41	144.93	0.80	71.46	235.71	19.20
7	Total assets	-	15.94	244.86	62.98	24,382.08	186.75	198.76	534.93	1.02	202.81	568.84	20.09
8	Total liabilities	0.05	22.39	24.98	0.35	12,928.24	40.29	128.35	390.00	0.22	131.35	333.13	0.89
9	Investments	-	-	-	-	-	-	-	-	-	-	-	-
10	Turnover(including other income)	-	19.80	9.87	31.95	45,474.93	760.64	1,565.20	4,453.90	0.41	1,762.24	6,351.30	1.65
11	Turnover (Excluding other income)	-	19.52	-	31.95	45,151.16	758.67	1,565.08	4,453.67	0.00	1,759.80	6,351.15	1.52
12	Profit/(Loss) before taxation	(0.06)	7.24	(0.50)	(0.62)	289.31	74.45	12.73	43.24	(0.16)	19.89	76.59	(0.80)
13	Provision for taxation	-	-	0.32	1.20	(101.18)	18.69	3.18	10.90	0.00	4.97	19.50	0.00
14	Profit/(Loss) after taxation	(0.06)	7.24	(0.82)	(1.82)	390.49	55.76	9.55	32.34	(0.16)	14.92	57.09	(0.80)
15	Proposed Dividend	-	-	-	-	-	-	-	-	-	-	-	-
16	% of shareholding	100%	88.04%	100%	100%	99.99%	100%	100%	100%	100%	100%	100%	100%

For **MedPlus Health Services Limited**
Sd/-
Gangadi Madhukar Reddy
Chairman, MD & CEO
DIN: 00098097

Place: Hyderabad
Date: August 7, 2023

ANNEXURE B

Details of Employee Stock Options under ESOP 2009 and ESOP 2021 under Section 62 of the Companies Act, 2013 read with rule 12(9) of the Companies (Share Capital and Debentures) Rules, 2014 as on March 31, 2023:

Sl No.	Particulars	Under ESOP 2021	Under ESOP 2009
1.	Number of options outstanding at the beginning of the period	9,35,904	905
a.	Number of Options Granted during the year	1,32,841	Nil
b.	Number of Options Vested during the year	1,04,328	216
2.	Number of Options Exercised during the year	Nil	416
3.	Number of Options Lapsed/ cancelled/ Forfeited during the year	30,987	100
4.	Exercise Price	₹ 232 & ₹ 541.98	₹10 to ₹ 106618
a.	Variation in terms of option	Not Applicable	Not Applicable
b.	the total number of shares arising as a result of exercise of option	Nil	1,91,879
c.	money realized by exercise of options	Nil	₹ 1,18,93,034
d.	total number of options in force	10,37,748	389
5.	employee wise details of options granted to:	10,37,748	389
	(i) key managerial personnel; • Sujit Kumar Mahato - Chief Financial Officer	95,941	N.A.
	(ii) any other employee who receives a grant of options in any one year of option amounting to five percent or more of options granted during that year • Mr. D. Srinivas	36,900	N.A.
	(iii) identified employees who were granted option, during any one year, equal to or exceeding one percent of the issued capital (excluding outstanding warrants and conversions) of the company at the time of grant	N.A.	N.A.

The details of Company's stock option Schemes as required under Regulation 14 of the SEBI (Share Based Employee Benefits and Sweat Equity) Regulations, 2021, are available on the Company's website: https://www.medplusindia.com/uploads/content/ESOP_Board%20report.pdf

ANNEXURE C

FORM NO.MR-3
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 Companies (Appointment and Remuneration of Personnel) Rules, 2014.

To,
The Members of
MEDPLUS HEALTH SERVICES LIMITED,
H. No: 11-6-56, Survey No: 257 & 258/1,
Opp: IDPL Railway Siding Road, (Moosapet),
Kukatpally, Hyderabad – 500037, Telangana, India

We have conducted the secretarial audit of the compliance of the applicable statutory provisions and the adherence to good corporate practices by **MedPlus Health Services Limited** (hereinafter called "the Company"). 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 authorised 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 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 there under.

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.

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; (Not applicable to the Company during the Audit period)

(g) The Securities and Exchange Board of India (Delisting of Equity Shares) Regulations, 2021; and (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)

We have also examined compliance with the applicable clauses of the following:

(i) Secretarial Standards issued by the Institute of Company Secretaries of India.

(ii) The Listing Agreements entered by the Company with Stock Exchanges.

(iii) The SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 ("SEBI LODR Regulations").

During the period under review the Company has complied with the provisions of the Act, Rules, Regulations, Guidelines, Standards, etc. mentioned above to the extent applicable to the Company, except the following:

a. *The Company has filed all the forms, except as stated herein below, as required under the Companies Act, 2013 and rules made thereunder within the applicable due dates except in a few cases wherein there has been slight delay.*

b. *(i) The Company has passed the resolution of the board for investment of funds through circulation pursuant to the provisions of section 179 (3) of the Companies Act, 2013, the same was to be approved in the meeting of the Board. However, the circulation resolution was subsequently taken note thereof in the immediate next board meeting.*

   (ii) The Company is not in compliance with the provisions of Section 117 (3) of the Companies Act, 2013 in respect of filing the resolution passed by the Board for investments of funds with the Registrar of Companies.

c. *The Company, in a few of the instances, were not in compliance with the provisions of Section 118 (10) of the Companies Act, 2013 read with relevant rules made thereunder in respect of circulation of draft minutes of the board and/or committees to the Board and/or committee members.*

d. *The Company was not in compliance with the provisions of Regulations 7(3) of the SEBI LODR Regulations in respect of signing of certificate by the compliance officer of the Company.*

e. *The Company was not in compliance with the provisions of Regulations 23(2) of the SEBI LODR Regulations in respect of obtaining prior approval of audit committee the related party transactions for the months April, 2022 to June, 2022.*

f. *The Company, in a few of the instances, has made intimations to the stock exchanges with a delay under Regulations 23(9), 32(6) of SEBI LODR Regulations and under Regulation 76(1) of SEBI (Depositories and Participants) Regulations, 2018.*

g. *The Company was not in compliance with Regulation 47(4) of SEBI LODR Regulations in respect of publishing the information in the regional language in the regional newspaper.*

vi. I further report that, as represented by the Company, having regard to the compliance system prevailing in the Company and on examination of the relevant documents and records in pursuance thereof on test-check basis, the Company has complied with the registration requirements of the following laws applicable specifically to the Company:

   (a) The Drugs and Cosmetics Act, 1940 and Rules made thereunder;

   (b) The Atomic Energy Act, 1962 and Rules made thereunder;

   (c) Bio-Medical Waste Management Rules, 2016; and

   (d) Clinical Establishments (Registration & Regulation) Act, 2010 and the Clinical Establishments (Central Government) Rules 2012 and allied state legislations.

We further report that:

The Board of Directors of the Company is duly constituted with the balance of Executive Directors, Non-Executive Directors, Independent Directors and Woman Directors during the period under review as stated above. There is no change in the composition of the Board of Directors during the period under review.

Adequate notice was given to all directors to schedule Board Meetings, agenda and detailed notes on agenda were sent at least seven days in advance other than those held at shorter notice for which necessary consent has been sought at the meeting, 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 of the decisions at Board and/or Committee meetings are carried out unanimously as recorded in the minutes of the meetings of the Board of Directors or respective Committee of the Board, as the case may be.

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 and guidelines.

We further report that during the audit period the Company had following specific events / actions in pursuance of the above referred laws, rules, regulations, guidelines, etc. having a major bearing on the Company's affairs:

1. Investment of ₹4,671.70 million by the Company through equity subscription in its subsidiary company.
2. Incorporation of a wholly owned subsidiary namely MedPlus Insurance Brokers Private Limited by the Company with the paid up capital of ₹20.00 million.
3. Alteration of articles of association of the Company vide resolution passed by the shareholders in their annual general meeting held on September 26, 2022 to give effect to deletion to few of the clauses.
4. Ratification of MedPlus Employees Stock Option and Shares Plan 2009 vide resolution passed by the shareholders in their annual general meeting held on September 26, 2022.
5. Ratification of MedPlus Employees Stock Option and Shares Plan 2021 vide resolution passed by the shareholders in their annual general meeting held on September 26, 2022.
6. Resignation of Mr. Hemanth Kundavaram from the post of chief financial officer of the Company with effect from June 05, 2022.
7. Appointment of Mr. Sujit Kumar Mahato as Chief Financial Officer of the Company with effect from November 11, 2022.
8. Appointment of Mr. Manoj Kumar Srivastava as the head company secretary and compliance officer of the Company with effect from March 30, 2023.
9. Resignation of Ms. Shilpi Keswani from the post of whole-time company secretary and compliance officer of the Company with effect from March 30, 2023.
10. The Board of Directors of the Company in its meeting held on January 09, 2023 approved the draft scheme of amalgamation between the Company and its wholly owned subsidiary i.e. MHS Pharmaceuticals Private Limited and their respective shareholders.

For **R & A Associates**
Company Secretaries

Place: Hyderabad
Date: August 7, 2023

Sd/-
Rashida Adenwala
Founder Partner
M. No: 4020
C.P. No.: 2224
UDIN: F004020E000760534

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.

Annexure A

To,
The Members of
MEDPLUS HEALTH SERVICES LIMITED,
H. No: 11-6-56, Survey No: 257 & 258/1,
Opp: IDPL Railway Siding Road, (Moosapet),
Kukatpally Hyderabad – 500037, Telangana, India

Our report of even date is to be 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 secretarial records. The verification was done on a test basis to ensure that correct facts are reflected in secretarial records. We believe that the processes and practices we followed provide a reasonable basis for our opinion.
3. We have not verified the correctness and appropriateness of the financial records and books of accounts of the Company.
4. Wherever required, we have obtained the management representation about the compliance of laws, rules and regulations and happening of events etc.
5. The compliance of provisions of Corporate and other applicable laws, rules, regulations, standards is the responsibility of management. Our examination was limited to the verification of procedures on a test basis.
6. The secretarial Audit report is neither an assurance as to the future viability of the Company nor of the efficacy or effectiveness with which the management has conducted the affairs of the Company.
7. We have relied on the information provided by the Management with respect to related party transactions for its compliance.

For **R & A Associates**
Company Secretaries

Place: Hyderabad
Date: August 7, 2023

Sd/-
Rashida Adenwala
Founder Partner
M. No: 4020
C.P. No.: 2224

FORM NO.MR-3
SECRETARIAL AUDIT REPORT
FOR THE FINANCIAL YEAR ENDED 31ST MARCH, 2023
(Pursuant to Section 204(1) of the Companies Act, 2013 and Rule 9 of Companies (Appointment and Remuneration of Personnel) Rules, 2014.

To,
The Members of
OPTIVAL HEALTH SOLUTIONS PRIVATE LIMITED,
H. No: 11-6-56, Survey No: 257 & 258/1,
Opp: IDPL Railway Siding Road, (Moosapet),
Kukatpally Hyderabad – 500037, Telangana, India

We have conducted the secretarial audit of the compliance of the applicable statutory provisions and the adherence to good corporate practices by **Optival Health Solutions Private Limited** (hereinafter called "the Company"). 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 authorised 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 31st March, 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 31st March, 2023, according to the provisions of:

i. The Companies Act, 2013 (the Act) and the rules made there under.

ii. The Securities Contracts (Regulation) Act, 1956 ('SCRA') and the Rules made thereunder; (Not applicable to the Company during the Audit period)

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. (Not applicable to the Company during the Audit period).

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; (Not applicable to the Company during the Audit period)

(b) The Securities and Exchange Board of India (Prohibition of Insider Trading) Regulations, 2015; (Not applicable to the Company during the Audit period)

(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; (Not applicable to the Company during the Audit period)

(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; (Not applicable to the Company during the Audit period)

(g) The Securities and Exchange Board of India (Delisting of Equity Shares) Regulations, 2021; and (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)

We have also examined compliance with the applicable clauses of the following:

(i) Secretarial Standards issued by the Institute of Company Secretaries of India.

(ii) The Listing Agreements entered by the Company with Stock Exchanges; (Not applicable to the Company during the Audit period)

(iii) The SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015. (Not applicable to the Company during the Audit period)

During the period under review the Company has complied with the provisions of the Act, Rules, Regulations, Guidelines, Standards, etc. mentioned above to the extent applicable to the Company, except the following:

a. *The Company has filed all the forms as required under the Companies Act, 2013 and rules made thereunder within the applicable due dates except in a few cases wherein there has been slight delay.*

b. *The Company was not in compliance with the provisions of section 42 (4), 42 (6) of the Companies Act, 2013 and Rule 14(8) of the Companies (Prospectus and allotment of Securities) Rules 2013 in respect of allotment of securities made on April 20, 2022.*

c. *The Company was not in compliance with the provisions of section 42 (6) of the Companies Act, 2013 in respect of allotment of securities made on January 04, 2023 and February 01, 2023.*

d. *The Company was not in compliance with the provisions of section 42 (4) of the Companies Act, 2013 in respect of allotment of securities made on May 08, 2023.*

e. *The Company was not in compliance with the provision of Rule 9A of Companies (Prospectus and allotment of Securities) Rules, 2014 in respect of holding of securities by the promoters in dematerialized form before issuance of any securities by the Company.*

f. *The Company was not in compliance with the provision of section 203(4) of the Companies Act, 2013 read with Rule 8A of Companies (Appointment and Remuneration of Managerial Personnel) Rules 2014 in respect of filling of casual vacancy of the office of the Company secretary, whole-time key managerial personnel within six (06) months from date of such vacancy. However, the Company has appointed Ms. Shilpi Keswani as the whole-time company secretary of the Company w.e.f. November 10, 2022.*

g. *The Company was not in compliance with the provision of section 203(4) of the Companies Act, 2013 in respect of filling of casual vacancy of the office of the chief financial officer, whole-time key managerial personnel within six (06) months from date of such vacancy. However, the Company has appointed Mr. Sujith Kumar Mahato as the chief financial officer of the Company w.e.f. January 02, 2023.*

vi. I further report that, as represented by the Company, having regard to the compliance system prevailing in the Company and on examination of the relevant documents and records in pursuance thereof on test-check basis, the Company has complied with the registration requirements of the following laws applicable specifically to the Company except as stated below:

(a) The Drugs and Cosmetics Act, 1940 and Rules made thereunder; and

(b) The Food Safety and Standards Act, 2006.

The Company for a few of its retail stores and warehouses do not possess requisite licenses/registrations as required to be obtained in pursuant to the above-mentioned laws.

We further report that:

The Board of Directors of the Company is duly constituted with the balance of Executive Directors, Non-Executive Directors, Independent Directors and Woman Directors during the period under review as stated above. Mr. Bhaskar Reddy Cherukupalli has been appointed as an Additional Director designated as Whole-time Director with effect from February 14, 2022 and regularized as Whole-time Director in Annual General Meeting held on September 24, 2022.

Adequate notice was given to all directors to schedule Board Meetings, agenda and detailed notes on agenda were sent at least seven days in advance other than those held at shorter notice for which necessary consent has been sought at the meeting, 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 of the decisions at Board and/or Committee meetings are carried out unanimously as recorded in the minutes of the meetings of the Board of Directors or respective Committee of the Board, as the case may be.

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 and guidelines.

We further report that during the audit period the Company had following specific events / actions in pursuance of the above referred laws, rules, regulations, guidelines, etc. having a major bearing on the Company's affairs:

1. Alteration of Memorandum of Association of the Company vide resolution passed in the extra-ordinary general meeting dated April 13, 2022 in respect of increase in the authorised share capital from ₹2,03,00,00,000/- (Rupees Two Hundred and Three Crores only) divided into 20,30,00,000 (Twenty Crores and Thirty Lakhs only) Equity shares of ₹10/- (Rupees Ten only) each to ₹2,10,00,00,000 /- (Rupees Two Hundred and Ten Crores only) divided into 21,00,00,000 (Twenty-One Crores only) Equity shares of ₹10/- (Rupees Ten only) each.
2. Alteration of the object clause of the memorandum of association of the Company vide resolution passed in the annual general meeting dated September 24, 2022 in respect of insertion of additional sub-clauses.
3. Allotment of 62,24,801 equity shares of face value of ₹10/- each at a premium of ₹444/- per share and 40,38,599 equity shares of face value of ₹10/- each at a premium of ₹447/- per share by way of preferential allotment during the period under review.
4. Resignation of Mr. Hemanth Kundavaram from the post of chief financial officer of the Company with effect from June 05, 2022.
5. Appointment of Ms. Shilpi Keswani as the whole-time company secretary of the Company with effect from November 10, 2022.
6. Appointment of Mr. Sujit Kumar Mahato as the chief financial officer of the Company with effect from January 02, 2023.

Matter of Emphasis:

It has been observed that the Board of Directors of the Company vide board resolution dated November 10, 2022 approved the transfer of shares held by shareholders in physical form. However, it was represented to us by the management of the Company that the said transfers were not considered and the board of directors of the Company shall rescind the said approval of transfer of shares in their upcoming meeting in pursuant to provisions of Rule 9A of the Companies (Prospectus and Allotment of Securities) Rules, 2014 and

Further, it has been observed that the Company has issued offer letters for subscription of its equity shares prior to filing the resolution passed by the shareholders in their extra ordinary general meeting held on January 04, 2023. It was represented by the Management of the Company that the Company has emailed the aforesaid resolutions to the Registrar of Companies because the Company was facing various technical glitches in filing the e-form on the MCA V3 portal.

Furthermore, MedPlus, the existing shareholder of the Company, has subscribed to and been allotted 1,02,63,400 equity shares of the Company during the financial year 2022-23. It has been observed that the pre-existing shares were not held in dematerialized form by MedPlus which is in non-compliance with the provisions of Rule 9A (3) of the Companies (Prospectus and Allotment of Securities) Rules, 2014.

For **R & A Associates**
Company Secretaries

Place: Hyderabad
Date: August 7, 2023

Sd/-
Rashida Adenwala
Founder Partner
M. No: 4020
C.P. No.: 2224
UDIN: F004020E000760611

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.

Annexure A

To,
The Members of
OPTIVAL HEALTH SOLUTIONS PRIVATE LIMITED,
H. No: 11-6-56, Survey No: 257 & 258/1,
Opp: IDPL Railway Siding Road, (Moosapet),
Kukatpally Hyderabad – 500037, Telangana, India

Our report of even date is to be 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 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 provide a reasonable basis for our opinion.
3. We have not verified the correctness and appropriateness of financial records and books of accounts of the Company.
4. Wherever required, we have obtained the management representation about the compliance of laws, rules and regulations and happening of events etc.
5. The compliance of provisions of Corporate and other applicable laws, rules, regulations, standards is the responsibility of management. Our examination was limited to the verification of procedures on test basis.
6. The secretarial Audit report is neither an assurance as to future viability of the Company nor of the efficacy or effectiveness with which the management has conducted the affairs of the Company.
7. We have relied up on the information provided by the Management with respect to related party transactions for its compliance.

For **R & A Associates**
Company Secretaries

Place: Hyderabad
Date: August 7, 2023

Sd/-
Rashida Adenwala
Founder Partner
M. No: 4020
C.P. No.: 2224

FORM NO.MR-3
SECRETARIAL AUDIT REPORT

FOR THE FINANCIAL YEAR ENDED 31ST MARCH, 2023

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

To,
The Members of
SAI SRIDHAR PHARMA PRIVATE LIMITED,
Plot No: 5, First Floor, OPP: IDPL Company
Balanagar Hyderabad - 500037.

We have conducted the secretarial audit of the compliance of the applicable statutory provisions and the adherence to good corporate practices by **Sai Sridhar Pharma Private Limited** (hereinafter called **"the Company"**). 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 authorised 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 31st March, 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 31st March, 2023, according to the provisions of:

i. The Companies Act, 2013 (the Act) and the rules made there under.

ii. The Securities Contracts (Regulation) Act, 1956 ('SCRA') and the Rules made thereunder; (Not applicable to the Company during the Audit period)

iii. The Depositories act, 1996 and the Regulations and Bye-laws framed thereunder; (Not applicable to the Company during the Audit period)

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; (Not applicable to the Company during the Audit period)

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; (Not applicable to the Company during the Audit period)

   (b) The Securities and Exchange Board of India (Prohibition of Insider Trading) Regulations, 2015; (Not applicable to the Company during the Audit period)

   (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; (Not applicable to the Company during the Audit period)

   (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; (Not applicable to the Company during the Audit period)

   (g) The Securities and Exchange Board of India (Delisting of Equity Shares) Regulations, 2021; and (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)

We have also examined compliance with the applicable clauses of the following:

(i) Secretarial Standards issued by the Institute of Company Secretaries of India.

(ii) The Listing Agreements entered into by the Company with Stock Exchanges; (Not applicable to the Company during the Audit period)

(iii) The SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015. (Not applicable to the Company during the Audit period)

During the period under review the Company has complied with the provisions of the Act, Rules, Regulations, Guidelines, Standards, etc. mentioned above to the extent applicable to the Company except the following:

a. *The Company has filed all the forms as required under the Companies Act, 2013 and rules made thereunder within the applicable due dates except in few cases wherein there has been slight delay.*

b. *The Company was not in compliance of second proviso to the Section 149(1) of the Companies Act, 2013 read with Companies (Appointment and Qualification) Rules, 2014 in-respect of appointment of at-least one women director. However, the Company has appointed Ms. Udaya Lakshmi Tadepalli, DIN: 06976534, as an additional director on the board of the Company w.e.f 23rd May, 2023.*

vi. I further report that, as represented by the Company, having regard to the compliance system prevailing in the Company and on examination of the relevant documents and records in pursuance thereof on test-check basis, the Company has complied with the registration requirements of the following laws applicable specifically to the Company:

(a) The Drugs and Cosmetics Act, 1940 and Rules made thereunder; and

(b) The Food Safety and Standards Act, 2006.

We further report that:

The Board of Directors of the Company is duly constituted with the balance of Executive Directors, Non-Executive Directors but the Company did not have a woman director on the board during the period under review as stated above. There were no changes in the composition of the board of directors of the Company during the period under review.

Adequate notice was given to all directors to schedule the Board Meetings, agenda and detailed notes on agenda were sent at least seven days in advance other than those held at shorter notice for which necessary consent has been sought at the meeting, 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 of the decisions at Board and/or Committee meetings are carried out unanimously as recorded in the minutes of the meetings of the Board of Directors or respective Committee of the Board, as the case may be.

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 and guidelines.

We further report that, during the audit period there were no other specific events / actions in pursuance of the above referred laws, rules, regulations, guidelines, etc. having a major bearing on the Company's affairs.

For **R & A Associates**
Company Secretaries

Place: Hyderabad
Date: August 7, 2023

Sd/-
Rashida Adenwala
Founder Partner
M. No: 4020
C.P. No.: 2224
UDIN: F004020E000761062

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.

Annexure A

To,
The Members of
SAI SRIDHAR PHARMA PRIVATE LIMITED,
Plot No: 5, First Floor, OPP: IDPL Company
Balanagar Hyderabad - 500037

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

1. Maintenance of secretarial records 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 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 provide a reasonable basis for our opinion.
3. We have not verified the correctness and appropriateness of financial records and books of accounts of the Company.
4. Wherever required, we have obtained the management representation about the compliance of laws, rules and regulations and happening of events etc.
5. The compliance of provisions of Corporate and other applicable laws, rules, regulations, standards is the responsibility of management. Our examination was limited to the verification of procedures on test basis.
6. The secretarial Audit report is neither an assurance as to future viability of the Company nor of the efficacy or effectiveness with which the management has conducted the affairs of the Company.
7. We have relied up on the information provided by the Management with respect to related party transactions for its compliance.

For **R & A Associates**
Company Secretaries

Place: Hyderabad
Date: August 7, 2023

Sd/-
Rashida Adenwala
Founder Partner
M. No: 4020
C.P. No.: 2224

FORM NO.MR-3
SECRETARIAL AUDIT REPORT

FOR THE FINANCIAL YEAR ENDED 31ST MARCH, 2023

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

To,
The Members of
VENKATA KRISHNA ENTERPRISES PRIVATE LIMITED,
H.No.1-1-650/17, Gandhi Nagar, New Bakaram
Hyderabad – 500080, Telangana, India

We have conducted the secretarial audit of the compliance of the applicable statutory provisions and the adherence to good corporate practices by Venkata Krishna Enterprises Private Limited (hereinafter called "the Company"). 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 authorised 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 31st March, 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 31st March, 2023, according to the provisions of:

i. The Companies Act, 2013 (the Act) and the rules made there under.

ii. The Securities Contracts (Regulation) Act, 1956 ('SCRA') and the Rules made thereunder; (Not applicable to the Company during the Audit period)

iii. The Depositories act, 1996 and the Regulations and Bye-laws framed thereunder; (Not applicable to the Company during the Audit period)

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; (Not applicable to the Company during the Audit period)

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; (Not applicable to the Company during the Audit period)

(b) The Securities and Exchange Board of India (Prohibition of Insider Trading) Regulations, 2015; (Not applicable to the Company during the Audit period)

(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; (Not applicable to the Company during the Audit period)

(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; (Not applicable to the Company during the Audit period)

(g) The Securities and Exchange Board of India (Delisting of Equity Shares) Regulations, 2021; and (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)

We have also examined compliance with the applicable clauses of the following:

(i) Secretarial Standards issued by the Institute of Company Secretaries of India.

(ii) The Listing Agreements entered into by the Company with Stock Exchanges; (Not applicable to the Company during the Audit period)

(iii) The SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015. (Not applicable to the Company during the Audit period)

During the period under review the Company has complied with the provisions of the Act, Rules, Regulations, Guidelines, Standards, etc. mentioned above to the extent applicable to the Company except the following:

The Company has filed all the forms as required under the Companies Act, 2013 and rules made thereunder within the applicable due dates except in a few cases wherein there has been slight delay.

vi. I further report that, as represented by the Company, having regard to the compliance system prevailing in the Company and on examination of the relevant documents and records in pursuance thereof on test-check basis, the Company has complied with the registration requirements of the following laws applicable specifically to the Company:

(a) The Drugs and Cosmetics Act, 1940 and Rules made thereunder; and

(b) The Food Safety and Standards Act, 2006.

We further report that:

The Board of Directors of the Company is duly constituted with the balance of Executive Directors, Non-Executive Directors and Woman Directors during the period under review as stated above. There were no changes in the compositions of the board of directors of the Company during the period under review.

Adequate notice was given to all directors to schedule the Board Meetings, agenda and detailed notes on agenda were sent at least seven days in advance other than those held at shorter notice for which necessary consent has been sought at the meeting, 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 of the decisions at Board and/or Committee meetings are carried out unanimously as recorded in the minutes of the meetings of the Board of Directors or respective Committee of the Board, as the case may be.

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 and guidelines.

We further report that, during the audit period there were no other specific events / actions in pursuance of the above referred laws, rules, regulations, guidelines, etc. having a major bearing on the Company's affairs.

For **R & A Associates**
Company Secretaries

Place: Hyderabad
Date: August 7, 2023

Sd/-
Rashida Adenwala
Founder Partner
M. No: 4020
C.P. No.: 2224
UDIN: F004020E000760897

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.

Annexure A

To,

The Members of

VENKATA KRISHNA ENTERPRISES PRIVATE LIMITED,

H.No.1-1-650/17, Gandhi Nagar, New Bakaram

Hyderabad – 500080, Telangana, India

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

1. Maintenance of secretarial records 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 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 provide a reasonable basis for our opinion.
3. We have not verified the correctness and appropriateness of financial records and books of accounts of the Company.
4. Wherever required, we have obtained the management representation about the compliance of laws, rules and regulations and happening of events etc.
5. The compliance of provisions of Corporate and other applicable laws, rules, regulations, standards is the responsibility of management. Our examination was limited to the verification of procedures on test basis.
6. The secretarial Audit report is neither an assurance as to future viability of the Company nor of the efficacy or effectiveness with which the management has conducted the affairs of the Company.
7. We have relied on the information provided by the Management with respect to related party transactions for its compliance.

For **R & A Associates**

Company Secretaries

Place: Hyderabad

Date: August 7, 2023

Sd/-

Rashida Adenwala

Founder Partner

M. No: 4020

C.P. No.: 2224

ANNEXURE D

Form No. AOC–2

(Pursuant to clause (h) of sub-section (3) of section 134 of the Act and Rule 8(2) of the Companies (Accounts) Rules, 2014)

Form for disclosure of particulars of contracts/arrangements entered into by the Company with related parties referred to in sub-section (1) of section 188 of the Companies Act, 2013 including certain arms length transactions under third proviso thereto

1. Details of contracts or arrangements or transactions not at arms length basis—

   There were no contracts or arrangements or transactions entered into during the year ended March 31, 2023, which were not at arm length basis.

2. Details of material contracts or arrangement or transactions at arms length basis—

The details of material contracts or arrangements or transactions at arms length basis for the year ended March 31, 2023 are as follows:

(a)	Names(s) of the related party and nature of relationship	1. Sai Sridhar Pharma Private Limited – Subsidiary of Nova Sud Pharmaceuticals Private Limited 2. Venkata Krishna Enterprises Private Limited – Subsidiary of Nova Sud Pharmaceuticals Private Limited
(b)	Nature of contracts/arrangements/transactions	Purchase of stock-in-trade
(c)	Duration of the contracts/arrangements/ transactions	On going
(d)	Salient terms of the contracts/arrangements/ transactions including the value, if any	Supply of goods against Purchase Order and Payment as per terms mentioned in Purchase Order
(e)	Date(s) of approval by the board, if any NA.	Q1 ACM Meeting
(f)	Amount paid as advances if any	NA

For and on behalf of the Board
Sd/-
Gangadi Madhukar Reddy
Chairman, MD & CEO
DIN: 00098097

Place: Hyderabad
Date: August 7, 2023

ANNEXURE E

DETAILS OF REMUNERATION

(1) Details pertaining to remuneration as required under section 197(12) read with Rule 5(1) of Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014

The remuneration of each Director, Chief Financial Officer and Company Secretary, percentage increase in their remuneration during the Financial Year 2022-23 and ratio of the remuneration of each Director to the median remuneration of the employees of the Company for the Financial Year 2022-23 are as under:

Sr. No	Name of Director / KMP	Designation	% increase in remuneration in FY 2022-23	Ratio of remuneration of each Director to median remuneration
1	G Madhukar Reddy	Managing Director	0%	16
2	Anish Kumar Saraf	Non-Executive Director	-	-
3	Atul Gupta	Non-Executive Director	-	-
4	Madhavan Ganesan	Non-Executive Independent Director	-	7
5	Murali Sivaraman	Non-Executive Independent Director	-	6
6	Hiroo Mirchandan	Non-Executive Independent Director	-	7
7	Hemanth Kundavaram*	Chief Financial Officer	3%	41
8	Sujit Kumar Mahato**	Chief Financial Officer	-	54
9	Manoj Kumar Srivastava#	Head Company Secretary & Compliance Officer	-	-
10	Shilpi Keswani$	Company Secretary	27%	5

* upto June 5, 2022 ** wef. November 11, 2022 # wef. March 30, 2023 $ upto March 30, 2023

OTHER INFORMATION:

I. The percentage increase in the median remuneration of employees in the FY 2022-23	7.43%
II. Total employees on MedPlus Company roll as on March 31, 2023	928
III. Average percentage increases already made in the 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	Average percentile increase in salaries of employee other than managerial personnel was 12.92% whereas Average percentile increases in salaries of managerial personnel was 6.58%
IV. Affirmation that the remuneration is as per the remuneration policy of the Company	It is hereby affirmed that remuneration is as per the remuneration policy of the Company

ANNEXURE F

CONSERVATION OF ENERGY, TECHNOLOGY ABSORPTION AND FOREIGN EXCHANGE EARNINGS AND OUTGO

SECTION 134(3)(m) OF THE COMPANIES ACT, 2013 READ WITH RULE 8(3) OF THE COMPANIES (ACCOUNTS) RULES, 2014 IS

FORMING PART OF THE BOARD´S REPORT FOR THE FINANCIAL YEAR 2022-23

A	**CONSERVATION OF ENERGY**	
i)	Steps taken or impact on conservation of energy.	Although the Company is not engaged in energy conservative activities, however, the Company has optimized an end-to-end supply chain that reduced of wastage of fuel and resources. We have also taken following steps to make our organization energy efficient: • Replacement of CFL lamps with LED lights in our retail outlets. • Controlling usage of Air Conditioners in non-occupied areas. • Reducing plastic waste: Usage of paper-bags at stores and re-usable cloth bags at warehouse facilities.
ii)	Steps taken by the Company for utilising alternate sources of energy.	None
iii)	Capital investment on energy conservation equipment.	None
B	**TECHNOLOGY ABSORPTION**	
i)	Efforts made towards technology absorption	Efforts towards minimizing turnaround time and opportunity cost through – - A strong In-house technology team of 150+ Software engineers working on latest open source based technology stack; - Leveraging datafication, omnichannel Integration. Unlocking Flexibility, scalability through modular and service/ event based architecture, Leveraging Hybrid cloud based data center (Private and public)
ii)	Benefits derived from technology absorption	- Smart POS for optimizing store management, customer experience, enabling virtual inventory through Inventory visibility in the stores across Hubs/Warehouses in the region; - Minimizing Inventory cost and increasing inventory efficiencies across locations; and - Cross selling and leverage single customer base across pharmacy and diagnostic businesses. Consistent customer experience across channels supports all touch points with shared functionalities, such as purchase history, stock availability, wish lists, appointment booking, customer service, payments etc
iii)	Details of Imported technology (last 3 years)	None
	Details of technology imported	-
	Year of Import	-
	Whether technology being fully absorbed	-
	If not fully absorbed, areas where absorption has not taken place and reasons thereof	-
iv)	Expenditure incurred on Research and development	Nil
C.	**FOREIGN EXCHANGE EARNINGS AND OUTGO (₹ in Lakhs)**	
i) Foreign Exchange inflow		0.24
ii) Foreign Exchange outflow		200.18

ANNEXURE G

POLICIES

Your Company is committed to adhere to the highest possible standards of ethical, moral and legal business conduct. Considering this, your Company has formulated certain policies, inter alia, in accordance with the requirements of the Companies Act, 2013 ("the Act"), SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 ("Listing Regulations"), SEBI (Prohibition of Insider Trading) Regulations, 2015 ("Insider Trading Regulations"). The policies as mentioned below are available on the Company's website, at https://www.medplusindia.com/governance.jsp#code-policies. These policies are reviewed periodically and are updated as and when needed. During the year, the Company had revised and adopted some of its Policies in order to align the same with recent changes in Corporate Laws. A brief description of the Policies adopted by the Company are as under:

Name of the Policy	Brief description	Summary of key changes made to the Policies during the year
Whistleblower Policy	The Vigil Mechanism as envisaged in the Act and Listing Regulations is implemented through the Whistle Blower Policy to provide for adequate safeguards against victimization of persons who use such mechanism and make provision for direct access to the Chairperson of the Audit Committee.	The Reporting Mechanism has been improved as the vigilance officer has been designated; The definition is aligned as per act. There was change of Designated person to Chairperson of the Audit committee.
Nomination and Remuneration Policy	The Nomination & Remuneration Policy of Directors, Key Managerial Personnel (KMP) and Senior Management("Policy) of the Company is formulated under the requirements of applicable laws, including the Companies Act, 2013 ("Act") and the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 as amended ("Listing Regulations"). The Policy is intended to set out criteria for determining qualifications, positive attributes and independence of a director and to pay equitable remuneration to the Directors, Key Managerial Personnel (KMP), Senior Management (as defined below) and other employees of the Company, and to harmonize the aspirations of human resources with the goals of the Company.	The Policy has used generalised terms as per applicable provisions of the Companies Act, 2013 The Remuneration of Independent Directors is revised
Code of Conduct for Directors and Senior Management Personnel	The Board of your Company has laid down two separate Codes of Conduct, one for all the Board Members and the other for Employees of the Company. This Code is the central policy document, outlining the requirements that the employees working for and with the Company must comply with, regardless of their location.	N.A.
Code of Practices and Procedures for Fair Disclosure of Unpublished Price Sensitive Information	This Code has been formulated to ensure prompt, timely and adequate disclosure of Unpublished Price Sensitive Information ("UPSI") which inter alia includes policy for Determination of "Legitimate Purposes".	N.A.
Code of Conduct - Prohibition of Insider Trading	The CEO/MD has, with the approval of Board of Directors, formulated this Code of Conduct - Prohibition of Insider Trading ("the code") to regulate, monitor and report trading by its designated persons and immediate relatives of designated persons pursuant to Regulation 9 of SEBI(prohibition of Insider Trading)Regulations, 2015	The Policy was amended to align the policy with the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015

Name of the Policy	Brief description	Summary of key changes made to the Policies during the year
Policy on Materiality of and Dealing with Related Party Transactions	The policy has been framed in order to regulate all the transactions between the Company and its related parties.	RPT Transaction policy and Materiality of and dealing with RPT merged into one policy; The policy is updated as per SEBI (LODR) Regulations, 2015
Business Responsibility Policy	The objective of this policy is to ensure a unified and common approach to the dimensions of Business Responsibility across MedPlus Group, act as a strategic driver that will help all Group Companies respond to the complexities and challenges that keep emerging and be abreast with changes in regulations.	The Policy is updated as per the provisions of the Companies Act, 2013
Archival Policy	As per the policy, the events or information which has been disclosed by the Company to the Stock Exchanges pursuant to Regulation 30 of the Listing Regulations shall be hosted on the website of the Company for a period of 5 years from the date of hosting.	N.A.
Policy on evaluation of Performance	The Company believes in conducting its affairs in a fair and transparent manner by adopting the highest standards of professionalism, honesty, integrity and ethical behaviors in consonance with the Company's Code of Conduct policy for its employees and also for the Board of Directors. The Company has made this policy to comply with various provisions of the Companies Act, 2013 and rules made thereunder and the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015.	The Policy is aligned as per the evaluation criteria followed during the Financial Year 2022-23
Policies on Sexual Harassment for Women and Male Employees	The policy on Sexual Harassment for Women is for redressal of complaints received regarding sexual harassment and compliance of other provisions as per the Sexual Harassment of Women at Workplace (Prevention, Prohibition and Redressal) Act, 2013. The Company in its good governance have extended the same to male employees also.	N.A.
Preservation of Documents	This policy is framed by the Board of Directors at its meeting held on November 14, 2015 in pursuance to Regulation 9 of the SEBI LODR Regulations, 2015, on preservation of the Records to aid the employees in handling the Documents efficiently. It not only covers the various aspects on preservation of the Records, but also beneficial for the safe disposal/destruction of the Documents and keeping a record of the same. with the objective of classifying various documents, records and registers for the purpose of maintenance and preservation. The Company believes in promoting a fair, transparent, ethical and professional work environment and this Policy aims to preserve Documents /Records maintained by the Company either in Physical Mode or Electronic Mode.	Aligned as per the Sexual Harassment of Women at Workplace (Prevention, Prohibition and Redressal) Act.
Policy on Board Diversity	The Policy sets out the approach to have a diverse Board of the Company in terms of thought, experience, knowledge, perspective and gender in the Board, based on the applicable laws, rules and regulations applicable to the Company pursuant to SEBI Listing Regulations	The record of disposal of documents clause is added in the Policy
Dividend Distribution Policy	The Dividend Distribution Policy as per Regulation 43A of the Listing Regulations, 2015 is available on the Company's website on https://www.medplusindia.com/pdf/Policy-on-Dividend-Distribution.pdf.	N.A.

Name of the Policy	Brief description	Summary of key changes made to the Policies during the year
Policy on materiality	This policy requires the Company to make disclosure of events or information which are material to the Company as per the requirements of Regulation 30 of the Listing Regulations	N.A.
Policy on Material Subsidiary	The policy is used to identify material subsidiaries of the Company and to provide a governance framework for such material subsidiaries.	N.A.
Terms and conditions of appointment of Independent Directors	This document is used to identify and demarcate the terms and conditions of appointment of independent directors	N.A.
Succession Planning	The Company recognizes the importance of succession planning to provide for continuity in the smooth functioning of the organization. There are certain positions in the Company that are key to its current and future growth. It is, therefore, important that these positions are assigned to duly skilled and best possible incumbents. It is critical to fill up such positions well in time to avoid any leadership gap. The Company has therefore put in place a Policy on Succession Planning for the Board and Senior Management (hereinafter called the "Policy") pursuant to Regulation 17(4) of SEBI (LODR) Regulations, 2015 which mandates the need for a succession policy and has listed succession planning as key function of the Board of Directors.	Aligned as per Ethics for Board of Directors and good governance; ID's commison added.
Risk management Policy	A risk management policy has been framed for increasing stakeholder value, which attempts to identify the key events / risks impacting the business objectives of the Company and attempts to develop risk policies and strategies to ensure timely evaluation, reporting and monitoring of key business risks pursuant to Section 134(3) of Companies Act and Regulation 17 of SEBI(LODR) Regulations, 2015	N.A.

CORPORATE
GOVERNANCE REPORT

Company's Philosophy on Corporate Governance:

The essence and philosophy of Corporate Governance is about maintaining the right balance between economic, social, individual and community goals. At MedPlus, good corporate governance is a way of life and the way we do our business, encompassing every day's activities and is enshrined as a part of our way of working. The Company is focused on enhancement of long- term value creation for all stakeholders without compromising on integrity, societal obligations, environment and regulatory compliances. Our actions are governed by our values and principles, which are reinforced at all levels of the organisation. These principles have been and will continue to be our guiding force in future. However, the Company is committed to the highest standards of business ethics and corporate governance. We believe in the highest standards of corporate behaviour towards everyone we work with; the communities we touch and the environment we have an impact on. This paves our way towards consistent and responsible growth which in turn creates long term value for our stakeholders. A report on compliance with the Corporate Governance provisions as prescribed under the SEBI Listing Regulations is given here in below:

BOARD OF DIRECTORS:

COMPOSITION:

The Board of Directors, along with its Committees, provides leadership and guidance to the management and directs and supervises the performance of the Company, thereby enhancing stakeholders' value. The Board has a fiduciary duty in ensuring that the rights of all stakeholders are protected. As on March 31, 2023, the Board comprised six directors comprising with a Managing Director and CEO (Executive Director)/"ED", two Non-Executive Non-Independent Directors ('NED'), and three are Non- Executive Independent Directors ('NE-ID's) including one Woman Independent Director. The same is in conformity with Regulation 17 of the SEBI Listing Regulations read with Section 149 of the Companies Act, 2013 ('Act'). The Board periodically evaluates the need for change in its composition and size. A detailed profile of our Directors is available on our website: https://www.medplusindia.com/corporate.jsp

DETAILS OF DIRECTORSHIP

Name of Director	Category	Date of First Appointment	No. of shares held[1]	No of Directorships in Listed Companies			No of Committee positions held in other Public Companies[2]	
				Total No	Name of Listed Companies	Category	Chairmanship	Membership
Mr. Gangadi Madhukar Reddy	Promoter/ ED	30.11.2006	1,53,50,400	-	-	-	-	-
Mr. Anish Kumar Saraf	NED	06.02.2021	-	1	Kalyan Jewellers India Ltd	NED	-	3
Mr. Atul Gupta	NED	06.02.2021	22,914	-	-	-	-	-

Name of Director	Category	Date of First Appointment	No. of shares held[1]	No of Directorships in Listed Companies			No of Committee positions held in other Public Companies[2]	
				Total No	Name of Listed Companies	Category	Chairmanship	Membership
Mr. Murali Sivaraman	NE-ID	11.06.2021	-	3	Bharat Forge Ltd	NE-ID	1	3
					Huhtamaki India Ltd	NE-ID		
					ICICI Lombard General Insurance Company Ltd	NE-ID		
Mr. Madhavan Ganesan	NE-ID	11.06.2021	5000	1	Sagar Cements Ltd	NE-ID	1	3
Ms. Hiroo Mirchandani	NE-ID	05.07.2021	-	3	Nilkamal Ltd	NE-ID	1	3
					Tata Teleservices (Maharashtra) Ltd	NE-ID		
					Crompton Greaves Consumer Electricals Ltd	NE-ID		

NED- Non Executive Director, ID- Non-Executive Independent

Note :

1. The Non-Executive Directors do not hold any convertible instruments in the Company.
2. In order to determine the limit of committees, only the chairmanship/membership of the Audit Committee and the Stakeholders' Relationship Committee have been taken into consideration. This approach allows for a focused evaluation of the director's committee roles in line with regulatory requirements. The Company remains committed to adhering to corporate governance principles and maintaining transparency in its directorship positions and committee memberships.

None of the Directors hold offices in more than ten public companies as prescribed under Section 165(1) of the Act. No Director holds Directorships in more than seven listed companies. Further, none of the Non-Executive Directors serve as Independent Director in more than seven listed companies as required under the SEBI Listing Regulations. The Managing Director & CEO does not serve as an Independent Director in any listed company.

None of the Directors on the Board is a member of more than Ten Committees and Chairperson of more than Five Committees (Committees being Audit Committee and Stakeholders Relationship Committee as per Regulation 26(1) of the SEBI Listing Regulations), across all public companies in which he/she is a director. The necessary disclosures regarding committee positions have been made by all the Directors.

Appointment and Tenure of the Directors

The Directors of the Company are appointed/re-appointed by the Shareholders upon the recommendation of the Nomination and Remuneration Committee and approval of the Board of Directors. In accordance with the Articles of Association of the Company and provisions of the Act, all the Directors, except the Managing Director, Whole Time Director and Independent Directors, are liable to retire by rotation at every Annual General Meeting ('AGM') and, if eligible, may offer their candidature for re-appointment.

The Executive Directors on the Board have been appointed as per the provisions of the Act and serve in accordance with the terms of employment with the Company. None of the Independent Director(s) of the Company resigned before the expiry of their tenure. The Company has adopted the provisions with respect to appointment and tenure of Independent Directors which are consistent with the Act and SEBI Listing Regulations. Any person who becomes Director or Officer, including an employee who is acting in a managerial or supervisory capacity, shall be covered under Directors' and Officers' Liability Insurance Policy. The Company has provided insurance cover in respect of legal action against its Directors under the Directors' and Officers' Liability Insurance Policy.

Board Meeting Procedure:

The Board Meeting is conducted at least once in every quarter to discuss the performance of the Company and its quarterly financial results, along with other matters as may be deemed necessary by the Board. The Board also meets to consider other business, from time to time whenever required. Agenda of the business to be transacted at the Board Meeting along with explanatory notes thereto are drafted and circulated well in advance to the Board of Directors of the Company. The Company always ensures that Board members are presented with all the relevant information on vital matters affecting the working of the Company including the information as interalia specified under Part A of Schedule II of Regulation 17(7) of the Listing Regulations. The gap between two Board Meetings did not exceeded 120 days. The necessary quorum was present throughout the meeting in all the Board Meetings.

Board Meetings and Attendance of Directors:

During the year under review, the details of Board Meeting held and attendance are given below.

Name of Directors	Date and Attendance of the Meeting											
	May 02, 22	May 30, 22	June 29, 22	Aug 10, 22	Sep 2, 22	Nov 11, 22	Dec 26, 22	Jan 10, 23	Feb 03, 23	March 30, 23	% age of attendance	Last AGM attended
Mr. Gangadi Madhukar Reddy	√	√	√	√	√	√	√	√	√	√	100%	√
Mr. Anish Saraf	√	√	√	√	√	√	-	√	√	√	90%	√
Mr. Atul Gupta	√	√	√	√	-	√	√	√	√	√	90%	√
Ms. Hiroo Mirchandani	√	√	√	√	√	√	√	√	√	√	100%	√
Mr. Murali Sivaraman	√	√	√	√	-	√	√	√	√	√	90%	√
Mr. Madhavan Ganesan	√	√	√	√	√	√	√	√	√	√	100%	√

Disclosure of Director's INTER-SE Relationship: There is no inter-se relationships between the Directors.

Remuneration to Directors:

A) Criteria for Making Payment to Non-Executive Directors:

The Nomination and Remuneration Committee determines and recommends to the Board the compensation payable to all the Directors from time to time. Based on the recommendation of Nomination and Remuneration Committee and the Board of Directors, the shareholders at their 16th AGM held on September 26, 2022 have approved to pay remuneration by way of commission or otherwise to the Non-Executive Directors of the Company. The said remuneration is in accordance with the provisions of Section 198 of the Companies Act, 2013. The said remuneration is in addition to sitting fees and reimbursement of expenses for attending the meetings of the Board of Directors or Committees

B) Remuneration:

During the year under review, the remuneration paid to the Director are given below:

(₹ in millions)

Name of Director	Designation	Salary and Perquisites					
		Fixed Pay	Per-quisites	Retirement Benefits	Commi-ssion	Sitting fees	Total
Mr. Gangadi Madhukar Reddy	Managing Director & CEO	4.00	-	-	-	-	4.00
Mr. Anish Saraf	Non- Executive Director	-	-	-	-	-	-
Mr. Atul Gupta	Non- Executive Director	-	-	-	-	-	-
Ms. Hiroo Mirchandani	Non- Executive Independent Director	-	-	-	-	1.70	1.70
Mr. Madhavan Ganesan	Non- Executive Independent Director	-	-	-	-	1.70	1.70
Mr. Murali Sivaraman	Non- Executive Independent Director	-	-	-	-	1.45	1.45

There are no pecuniary relationship or transaction of the non-executive director other than those mentioned above.

The above remuneration is excluding retiral benefits i.e leave encashment, provident fund, gratuity and premium paid for group health insurance, as per actuarial valuation and premium payments made by the Company.

Stock Option details:

During the year under review, no options under the Company's ESOP plan 2009/2021 were granted to any Executive/Non-Executive Directors of the Company.

Brief Profile of the Directors:

Mr. Gangadi Madhukar Reddy is one of the Promoters of your Company and has been a Director since incorporation on November 30, 2006. He holds a bachelor's degree in medicine and surgery from the Sri Venkateswara University and a master's degree in business administration from the Wharton School, University of Pennsylvania.

Mr. Anish Kumar Saraf is a Chartered Accountant from the Institute of Chartered Accountants of India. He holds a Post-Graduate Diploma in Management from the Indian Institute of Management, Ahmedabad. He is currently the Managing Director of Warburg Pincus India Private Limited and has been associated with them from more than 15 years. He is involved in the firm’s Investment Advisory activities in India and evaluates opportunities in Real estate, Industrial, and Consumer sectors in India.

Mr. Atul Gupta holds a bachelor’s degree in technology from the Indian Institute of Technology, Bombay and a master’s degree in business administration from the Walter A. Haas School of Business, University of California, Berkeley. He is employed as an investment partner at Premji Invest and leads investments in technology enabled sectors including consumer-tech, health-tech, fin-tech and enterprise tech. He has more than 14 years of experience in the investment industry.

Mr. Murali Sivaraman is a Chairman/Independent Director in multiple listed Boards and is also an advisor to Private Equity. After more than three decades of global leadership roles based out of Singapore, Shanghai, Toronto, London and Delhi, he is now based in Mumbai, India focusing on enterprise value and governance via multiple Board and Advisory roles. Recent Global Roles: President for Growth Markets: Philips Lighting - Signify (Singapore) and CEO Global Domestic Appliance - Royal Philips (Shanghai) - Scale US$ 1.5 to 2 BN, Managing Director - Philips India. Current board / advisory roles include Huhtamaki India, Bharat Forge, ICICI Lombard General Insurance, MedPlus Health Services, Hamilton Houseware (Milton), Private Equity advisory for Branded Consumer Durables - Advent International India - Eureka Forbes. Mr. Sivaraman is a qualified Chartered Accountant, Cost & Works Accountant, MBA from IIM Ahmedabad and has done Advanced Management Program from Harvard Business School.

Mr. Madhavan Ganesan holds a bachelor's degree in engineering from the Birla Institute of Technology & Science, Pilani and a post graduate diploma in management from the Indian Institute of Management, Calcutta. He was previously associated with Reliance Retail, SPI Technologies, Wipro Limited, Spectramind, Tata Information Systems Limited and Tata Industries Limited. He has over 34 years of experience in various companies in the retail, technology and the industrial sectors.

Ms. Hiroo Mirchandani holds a Bachelors degree in Commerce from Shri Ram College of Commerce and an MBA from Faculty of Management Studies, Delhi University. She is a Chevening Gurukul scholar from the London School of Economics. She has held customer-facing roles for over thirty years in P&L Management, Marketing and Sales largely in Pfizer,Dabur and Asian Paints. Ms. Mirchandani has served on twelve diverse boards and is currently a Non-Executive Independent Director on the boards of Crompton Greaves Consumer Electricals Limited, Tata Teleservices (Maharashtra) Limited and Piem Hotels Limited.

Core Skills /Expertise/competencies of the Board of Directors:

The skill/competencies for the members of the Board as identified by the Board of Directors of the Company that is required in the context of Healthcare Business are as follows:

Name of Director	Healthcare	Leadership	Finance, Accountancy & Audit	Law	Technology	Risk Management	Strategy & Marketing	Board and Governance
	Understanding the complexities of the healthcare sector.	Extended leadership experience for a significant enterprise, resulting in a practical understanding of organizations, processes, strategic planning, and risk management. Demonstrated strengths in developing talent, planning succession, and driving change and long-term growth	In-depth knowledge in the field of accounts and ability to read, understand and analyse the financial statements, financial controls, risk management and other business projections.	Experience in under-standing the dynamics of the legal and regulatory aspect at a global level	Providing support and guidance in relation to infor-mation technology up grada-tion of the organiza-tion as a whole	Experience in mitigation of risk by actively getting involved in the risk management of the organization.	Exposure in managing the sales and marketing needs of the sector adequately.	Experience in implementing good corporate governance practices, reviewing compliance and governance practices for a sustainable growth of the Company and protecting stakeholders' interest
Gangadi Madhukar Reddy	✓	✓	✓	-	✓	✓	✓	✓
Anish Kumar Saraf	-	✓	✓	✓	✓	✓	✓	✓
Atul Gupta	-	✓	✓	✓	✓	✓	✓	✓
Murali Sivaraman	-	✓	✓	✓	✓	✓	✓	✓
Madhavan Ganesan	-	✓	✓	✓	✓	✓	✓	✓
Hiroo Mirchandani	✓	✓	✓	-	-	✓	✓	✓

Board of Directors and Selection Process:

The Nomination and Remuneration Committee ('the NRC') of the Board is responsible for identifying and evaluating a suitable candidate for the Board. While selecting a candidate, the NRC reviews and evaluates the Board's composition and diversity to ensure that the Board and its committees have an appropriate mix of skills, experience, independence and knowledge for continued effectiveness. We acknowledge the importance of diversity in the Boardroom as a driver of effectiveness. For the Board, diversity encompasses plurality in perspective, experience, education, background, ethnicity, nationality, age, gender and other personal attributes. To ensure a transparent selection process, the guidance on eligibility criteria and attributes for an individual's appointment on the Board, including independent directors, has been defined in the Nomination and Remuneration Policy and Board Diversity Policy of the Company. The candidate is, inter alia, screened based on background, knowledge, skills, abilities (including their ability to exercise sound judgment), professional experience and functional expertise, and educational and professional background. The NRC recommends the appointment of a candidate based on the defined criteria and attributes. The Board, on recommendation of the NRC and profile of the candidate, recommends the appointment to the members of the Company, wherever applicable, for their approval.

Succession Planning

Company believe that sound succession planning for the Board Members and Senior Management is vital for creating a robust future for the Company. Our succession planning framework is well built and acts as a hallmark of a forward-thinking, future-ready and progressive Board. The Nomination and Remuneration Committee plays an instrumental role in development of a diverse pipeline for succession thereby ensuring that the Company has a strong, diverse and high performing Board and Management Committee now and in the future. It deliberates on various factors including current tenure of Directors, anticipated vacancies in key Board and Senior Management positions, skill matrix including skill-gaps, diversity, time-commitment and statutory requirements, etc., to ensure orderly succession planning.

Board Support

The Company Secretary supports the Board to ensure that it has policies, processes, information, time and resources it needs to function effectively and efficiently. He is responsible for collation, review and distribution of all papers submitted to the Board and Committees thereof for consideration. He is also responsible for preparation of the Agenda and convening of the Board and Committee Meetings. He attends all the Meetings of the Board and its Committees as Secretary of the committee or the Board. S/He advises/assures the Board and its Committees on compliance and governance principles and ensures appropriate recording of minutes of the Meetings.

Confirmation and Certification

The Company annually obtains from each Director, details of the Board and Board Committee positions he/she occupies in other Companies, and changes if any, regarding their Directorships. The Company has obtained a certificate from M/s. R & A Associates, Practicing Company Secretaries, under Regulation 34(3) and Schedule V Para C Clause (10)(i) of Listing Regulations confirming that none of the Directors on the Board of the Company have been debarred or disqualified from being appointed or continuing as Directors of the Company by the SEBI and Ministry of Corporate Affairs (MCA) or any such authority and the same forms part of this Integrated Annual Report.

Board Independence

Pursuant to section 149(6) of the Act and Regulation 16 of Listing Regulations, the Independent Directors to provide an annual confirmation that they meet the criteria of independence. Based on the confirmations/ disclosures received from the Directors and on evaluation of the relationships disclosed, supported by a certificate from M/s. R & A Associates, Practicing Company Secretaries, as per the requirement of Regulation 25(9) of the Listing Regulations, the Board confirms, that the Independent Directors fulfill the conditions as specified under Schedule V of the Listing Regulations and are independent of the Management. The Board includes three Independent Directors as on March 31, 2023.

Director's Induction and Familiarization Program:

The Executive Directors and Senior Management provide an overview of operations and familiarize the new Directors on matters related to the vision and values of the Company. The Company provides a Induction kit to the Directors at the time of joining containing informative documents like Annual Report, Memorandum & Articles of Association, Organization Structure, Composition of Board and Committees, Duties and terms of reference of the Committees of the Board, Code of Ethics & Business Conduct, Code of Conduct - Prohibition of Insider Trading, Directors & Officers Insurance policy, contact details of the Senior Management, etc. The Company regularly conducts various familiarization programs for the Independent Directors as a part of the quarterly Board and Committee meetings. Various business cluster heads make presentations to the Board periodically pertaining to the Company's performance and future strategy for their respective cluster. Your Board also convenes strategy meetings from time to time to review long term growth/plans of the Company. The Board is regularly apprised on all regulatory and policy changes relevant to the business by the Senior Management and the Auditors of the Company. The details of the familiarization programs imparted to the Independent Directors are also available on the website of the Company at https://www.medplusindia.com/uploads/content/Medplus%20Familarisation%20Programme%20for%20Independendent%20Directors.pdf

Independent Directors:

Pursuant to Regulation 16(1)(b) of the SEBI Listing Regulations read with Section 149(6) the Independent Directors are Non-Executive Directors of the Company.

During the year under review there was no change in the Independent Director of the Company.

Confirmation of Independence of Independent Directors:

In terms of Regulation 25(8) of SEBI Listing Regulations, the Independent Directors have confirmed that they are not aware of any circumstance or situation which exists or may be reasonably anticipated that could impair or impact their ability to discharge their duties. Based on the declarations received from the Independent Directors, the Board of Directors has confirmed that they meet the criteria of independence as mentioned under Regulation 16(1)(b) of the SEBI Listing Regulations and that they are independent of the management. The Independent Directors have, in terms of Section 150 of the Act read with Rule 6 of the Companies (Appointment & Qualification of Directors) Rules, 2014, confirmed that they have enrolled themselves in the Independent Directors' Databank maintained with the Indian Institute of Corporate Affairs ('IICA').

Meeting of Independent Directors:

During the year under review, pursuant to Schedule IV of the Companies Act, 2013 and as per Regulation 25(3) of the Listing Regulations, one meeting of Independent Directors of the Company was held on January 09, 2023.The Independent Director had reviewed the performance of the Board as a whole as well as that of Non-Independent Directors and the Chairman by considering the views of Executive and Non-Executive Directors. They also access the quality, quantity, effectiveness and promptness of the flow of information between the Company's management and the Board. They periodically meet with the Statutory Auditors and the Internal auditors without the presence of the management to understand the overall quality of audit, quality of financials, key financial matters and corrective actions to be taken for strengthening the internal controls of the Company and their general feedback.

Performance Evaluation of Independent Director:

The Board of Directors of the Company carried out an annual evaluation of its own performance, of committees, of the Board and individual directors pursuant to the provisions of the Companies Act, 2013 and the Listing Regulations. The performance evaluation is conducted through structured questionnaires which cover various aspects such as the Board composition and structure, effectiveness and contribution to Board processes, adequacy, appropriateness and timeliness of information and the overall functioning of the Board etc. The Individual Director's response to the questionnaire on the performance of the Board, Committee(s), Directors, and Chairman, were analyzed. The Directors were satisfied with the evaluation process and have expressed their satisfaction with the evaluation process. In compliance with Regulation 19 read with Part D of Schedule II of the Listing Regulations, the Board of Directors has formulated criteria for evaluation of the Company's Independent Directors' performance. The performance evaluation of Independent Directors is carried out based on their role and responsibilities, effective participation in the Board and Committee meetings, expertise, skills and exercise of independent judgment in major decisions of the Company.

Code of Conduct for Director and Senior Management:

The Board has laid down a Code of Conduct and Ethics (the "Code") for all the Board Members and Senior Management of the Company. All Board Members and Senior Management Personnel have affirmed compliance of the Code of Conduct. A declaration signed by Chief Executive Officer to this effect is attached to this report. The Board has also adopted separate code of conduct with respect to duties of Independent Directors as per the provisions of the Act. The Code is available on the website of the Company https://www.medplusindia.com/uploads/content/Remedy-Code-of-Conduct-for-Directors-and-Senior-Management.pdf.

The Committees of the Board:

The Board is having five committees i.e Audit Committee, Nomination and Remuneration Committee, Stakeholder Relationship Committee, Risk Management Committee and Corporate Social Responsibility Committee. During the year, all recommendations of the committees of the Board have been accepted by Board.

Audit Committee:

The Audit Committee has been constituted in terms of Section 177 of the Act, read with Regulation 18 of the Listing Regulations. The scope and function of the Audit Committee is in accordance with Section 177 of the Act, read with Regulation 18 and Part C of Schedule II of the Listing Regulations. The broad terms of reference are as under:

1. Overseeing the Company's financial reporting process and disclosure of its financial information to ensure that its financial statements are correct, sufficient and credible;
2. Reviewing, with the management, the annual financial statements/ Half Yearly/ Quartely and auditor's report thereon before submission to the Board for approval.

3. Recommending to the Board the appointment, remuneration and terms of appointment of the auditor of the Company; reviewing and monitoring the statutory auditor's independence and performance, and effectiveness of audit process; and approving payments to statutory auditors for any other services rendered by them;
4. Reviewing, with the management, the statement of uses / application of funds raised through an issue (public issue, rights issue, preferential issue, etc.), the statement of funds utilized for purposes other than those stated in the offer document / prospectus / notice and the report submitted by the monitoring agency monitoring the utilisation of proceeds of a public issue or rights issue or preferential issue or qualified institutions placement, and making appropriate recommendations to the board to take up steps in this matter; Considering and commenting on rationale, cost-benefits and impact of schemes involving merger, demerger, amalgamation etc., on the Company and its shareholders.
5. Approval or any subsequent modifications of transactions of the Company with related parties;
6. Scrutinizing of inter-corporate loans and investments; Reviewing the utilization of loans and/ or advances from/investment by the holding company in any subsidiary exceeding rupees 100 crore or 10% of the asset size of the subsidiary, whichever is lower including existing loans / advances / investments existing as per applicable law; and
7. Evaluating of internal financial controls and risk management systems;
8. Establishing a vigil mechanism for Director and employees to report their genuine concerns or grievances
9. Discussing with and reviewing the internal auditors on any significant findings and follow up thereon;
10. Carrying out any other function as is mentioned in the terms of reference of the Audit Committee and any other terms of reference as may be decided by the Board and/or specified/provided under the Companies Act, the Listing Regulations or by any other regulatory authority;

Composition of Audit Committee:

The composition of the Audit Committee and the attendance are as given below:

Sr. No.	Name	Category	Designation	Date of meetings and attendance					
				May 30, 2022	Aug 10, 2022	Nov 11, 2022	Jan 10, 2023	Feb 02, 2023	%age
1	Mr. Murali Sivaraman	Non- Executive Independent Director	Chairman	√	√	√	√	√	100%
2	Mr. Madhavan Ganesan	Non- Executive Independent Director	Member	√	√	√	√	√	100%
3	Ms. Hiroo Mirchandani	Non- Executive Independent Director	Member	√	√	√	√	√	100%
4	Mr. Anish Kumar Saraf	Non-Executive Director	Member	√	√	√	√	√	100%

*Mr. Gangadi Madhukar Reddy were invited and attended all the meetings.
* The audit committee invited the CFO and all other stakeholder as may be required.

Nomination and Remuneration Committee:

The Nomination and Remuneration Committee has been constituted in terms of Section 178 of the Act, read with Regulation 19 of the Listing Regulations. The scope and function of the Nomination and Remuneration Committee is in accordance with Section 178 of the Act, read with Regulation 19 and Part D of Schedule II of the Listing Regulations. The broad terms of reference are as under:

1. Formulating the criteria for determining qualifications, positive attributes and independence of a director and recommending to the Board a policy, relating to the remuneration of the directors, key managerial personnel and other employees;
2. Formulating of criteria for evaluation of the performance of the independent directors and the Board;
3. Identifying persons who qualify to become directors or who may be appointed in senior management in accordance with the criteria laid down, recommending to the Board their appointment and removal, and carrying out evaluations of every director's performance;
4. Analyzing, monitoring and reviewing various human resource and compensation matters;
5. Recommend to the Board, all remuneration, in whatever form, payable to senior management..

Composition of Nomination and Remuneration Committee:

The composition of the Nomination and Remuneration Committee and attendance are given below:

Sr. No	Name	Category	Designation	Date of meetings and Attendance						
				May 30, 2022	Aug 10, 2022	Oct 10, 2022	Nov 11, 2022	Jan 10, 2023	March 30, 2023	%age
1	Ms. Hiroo Mirchandani	Non- Executive Independent Director	Chairperson	√	√	√	√	√	√	100%
2	Mr. Madhavan Ganesan	Non- Executive Independent Director	Member	√	√	√	√	√	√	100%
3	Mr. Murali Sivaraman	Non- Executive Independent Director	Member	√	√	√	√	√	√	100%
4	Mr. Atul Gupta	Non-Executive Director	Member	√	√	√	√	√	√	100%

*Mr.Gangadi Madhukar Reddy was invited and attended all the meeting. The Company Secretary acted as a secretary to all the committee Meetings.

Stakeholder Relationship Committee:

The Stakeholders Relationship Committee has been constituted in terms of Section 178 of the Act read with Regulation 20 of the Listing Regulations. The scope and function of the Committee is in accordance with the Act and SEBI Regulation. The broad terms of reference are as under:

1. To resolve the grievances of the security holders of the Company including complaints related to transfer/ transmission of shares, non-receipt of annual report, non-receipt of declared dividends, issue of new/ duplicate certificates, general meetings etc. and assisting with quarterly reporting of such complaints;
2. To review measures taken for effective exercise of voting rights by shareholders;
3. To review adherence to the service standards adopted by the Company in respect of various services being rendered by the Registrar & Share Transfer Agent;
4. To review the various measures and initiatives taken by the Company for reducing the quantum of unclaimed dividends and ensuring timely receipt of dividend warrants/annual reports/statutory notices by the shareholders of the Company: and
5. Carrying out such other functions as may be specified by the Board from time to time or specified/provided under the Companies Act, 2013 or the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, each as amended or by any other regulatory authority.

Composition of Stakeholder Relationship Committee:

The Composition of the Stakeholder Relationship Committee and attendance are as given below.

Sr. No	Name	Category	Designation	Date and Attendance of meeting	
				Jan 10, 2023	%age
1	Mr. Madhavan Ganesan	Non- Executive Independent Director	Chairman	√	100%
2	Ms. Hiroo Mirchandani	Non- Executive Independent Director	Member	√	100%
3	Mr. Gangadi Madhukar Reddy	Managing Director & CEO	Member	-	-

Mr. Manoj Kumar Srivastava is designated as the Company Secretary and Compliance Officer of the Company.

Shareholder's Complaint Statement:

The details of investor complaints received / redressed during the financial year 2022-23 is as under:

Complaint as on 01/04/2022	Received during year	Resolved during year	Pending as on 31/03/2023
NIL	122	122	NIL

Risk Management Committee:

The Committee is constituted in line with the provisions of Regulation 21 of the SEBI Listing Regulations. The broad terms of reference are as under:

1. To formulate a detailed risk management policy for identification of internal and external risk and measures for risk mitigation.
2. To ensure that appropriate methodology, processes and systems are in place to monitor and evaluate risks associated with the business of the Company;
2. To monitor and oversee implementation of the risk management policy, including evaluating the adequacy of risk management systems;
3. To keep the board of directors informed about the nature and content of its discussions, recommendations and actions to be taken; and
4. The appointment, removal and terms of remuneration of the Chief Risk Officer (if any) shall be subject to review by the Committee.

Composition of Risk Management Committee:

The composition of the Risk Management Committee and attendance are as given below.

Sr. No.	Name	Category	Designation	Date and Attendance of the Meeting		
				April 29, 2022	October 10, 2022	%age
1	Mr. Madhavan Ganesan	Non- Executive Independent Director	Chairman	√	√	100%
2	Ms. Hiroo Mirchandani	Non- Executive Independent Director	Member	√	√	100%
3	Mr. Hemanth Kundavaran*	Chief Financial Officer	Member	√	-	50%
4	Mr. Venu Gopal Siripuram	Chief Technology Officer	Member	√	√	100%

*Hemanth Kundvaran resigned w.e.f June 5, 2022

**The committee invited Mr. Murali Sivaraman (Chairman of Audit Commitee).

Corporate Social Responsibility Committee:

The Corporate Social Responsibility Committee was constituted under the provisions of Section 135 of the Act and the rules and guidelines framed thereunder. The scope and functions of the Committee is framed as per the said provisions. The broad terms of reference are as under:

1. Formulation of a corporate social responsibility policy to the Board, indicating the activities to be undertaken by the Company in areas or subjects specified in the Companies Act, 2013. The activities should be within the list of permitted activities specified in the Companies Act, 2013 and the rules thereunder;
2. Recommending the amount of expenditure to be incurred, amount to be at least 2% of the average net profit of the Company in the three immediately preceding financial years or where the Company has not completed the period of three financial years since its incorporation, during such immediately preceding financial years;
3. Instituting a transparent monitoring mechanism for implementation of the corporate social responsibility projects or programs or activities undertaken by the Company;
4. Monitoring the corporate social responsibility policy from time to time and issuing necessary directions as required for proper implementation and timely completion of corporate social responsibility programmes;
5. Identifying corporate social responsibility policy partners and corporate social responsibility policy programmes;
6. Identifying and appointing the corporate social responsibility team of the Company including corporate social responsibility manager, wherever required; and
7. Performing such other duties and functions as the Board may require the corporate social responsibility committee to undertake to promote the corporate social responsibility activities of the Company or as may be required under applicable laws.

Composition of Corporate Social Responsibility Committee:

The composition of the CSR Committee and attendance are as given below.

Sr. No	Name	Category	Designation
1	Ms. Hiroo Mirchandani	Non- Executive Independent Director	Chairperson
2	Mr. Madhavan Ganesan	Non- Executive Independent Director	Member
3	Mr. Gangadi Madhukar Reddy	Managing Director & CEO	Member

During the year under review, no CSR Committee meetings held in view of no statutory requirement/no obligation for the expenditure as required under the act.

SUBSIDIARY COMPANIES:

All subsidiary companies are managed by the independent Boards having the rights and obligations to manage such Companies in the best interest of their stakeholders. Presently the Company is having twelve subsidiary companies out of that three material unlisted subsidiary companies along with four other subsidiaries and five step-down subsidiaries. The Audit Committee reviews the financial statements of the unlisted subsidiary. The minutes of meetings of the Board of Directors and a statement of all significant transactions and arrangements entered into by the unlisted subsidiary companies are periodically placed before the Board of Directors of the Company for their review. The Company has a Policy for determining material subsidiaries which is uploaded on the website of the Company at https://www.medplusindia.com/uploads/content/Policy-on-Material-Subsidiary.pdf

General Body Meeting:

Annual General Meeting:

The Annual General Meetings of previous three years are as given below:

FY	Date & Time	Venue	Special Resolution
19-20	Dec 31, 2020 at 3:00 PM	Registered Office : 707, 7th Floor, 5-9-13 Taramandal Commercial Complex, Saifabad Hyderabad – 500004, Telangana, India	No special resolution was passed
20-21	Sep 30, 2021 at 3:00 PM		
21-22	Sep 26, 2022 at 4.00 PM	Registered Office : H. No: 11-6-56, Survey No: 257 & 258/1 Opp: IDPL Railway Siding Road,Moosapet, Kukatpally Hyderabad TG 500037 through Video Conferencing/ other Audio Video Means facility.	1. Alteration in Articles of Association 2. Ratification of MedPlus Employees Stock Option and Shares Plan 2009 3. Ratification of MedPlus Employees Stock Option and Shares Plan 2021.

Postal Ballot:

During the year under review, no resolution was passed through postal ballot. However during FY'23-24, following special resolution was passed and voting pattern proposed/ passed through Postal Ballot are as under:

Item No.	Type of Resolution	Result
1	Extending benefits of Employee Stock Option Plan 2021 to the employees of Subsidiary Company(ies)	Passed with requisite majority
2	Alteration of Articles of Association by insertion of new Article 102-A	Not received requisite majority
3	Alteration of Articles of Association by insertion of new Article 102-B	Passed with requisite majority
4	Alteration of Articles of Association by insertion of new Article 102-C	Passed with requisite majority
5	Alteration of Articles of Association by insertion of new Article 102-D	Not received requisite majority

Procedure for postal ballot:

The postal ballot notice through e-mail was circulated to all the members. The remote e-voting period commenced on 20.05.2023 and ended on 18.06.2023. Total five resolution was proposed for approval. The result was announced on 20.06.2023. KFin Technologies Limited, Registrar & Transfer Agent of the Company, has provided facility for voting through e-voting, and Ms. Rashida Adenwala, PCS worked as scrutinizer for conducting the Postal Ballot.

Whistle Blower Policy & Vigil Mechanism:

MedPlus believes in the conduct of affairs in a fair and transparent manner by adopting highest standards of professionalism, honesty, integrity and ethical behavior and is committed to developing a culture where it is safe for all employees to raise concerns about any unacceptable practice or any event of misconduct. The employees are encouraged to voice their concerns by way of Whistle Blowing. The Policy provides an avenue to every employee and every person as defined therein to report concerns directly to the Management or to the Chairperson of the Audit Committee. The Company Secretary and HR Head is the designated officer for effective implementation of the Policy and dealing with the complaints registered under the Policy. All cases, registered under the Whistle Blower Policy of the Company, are reported to the Chairperson of Audit Committee and are subject to the review of the Audit Committee. The Company affirms that no personnel has been denied access to the Audit Committee. During the year under review, there were no qualified whistle blower complaint. The Whistle Blower Policy is available on the website of the Company at https://www.medplusindia.com/uploads/content/Whistleblower-Policies.pdf.

Policies of the Company:

In pursuance of the Company's policy to adhere to the ethical and governance standards, the Company, has inter-alia, the following polices and codes. All of them are available on the website – www.medplusindia.com

Name of the policy	Website link
Policy on Materiality	https://www.medplusindia.com/uploads/content/Policy-on-Materiality.pdf
Policy on Material Subsidary	https://www.medplusindia.com/uploads/content/Policy-on-Material-Subsidiary.pdf
Policy on Board Diversity	https://www.medplusindia.com/uploads/content/Policy-on-Board-Diversity.pdf
Policy on succession planning	https://www.medplusindia.com/uploads/content/Succession-Plan.pdf
Nomination and Remuneration Policy	https://www.medplusindia.com/uploads/content/Nomination-and-Remuneration-Policy.pdf
Policy on Dividend Distribution	https://www.medplusindia.com/uploads/content/Policy-on-Dividend-Distribution.pdf
Code of Conduct - Prohibition of Insider Trading	https://www.medplusindia.com/uploads/content/Code%20of%20Conduct_Prohibition%20of%20Insider%20Trading.pdf
Fair Disclosure code	https://www.medplusindia.com/uploads/content/Fair-Disclosure-Code.pdf
Business Responsibility Policy	https://www.medplusindia.com/uploads/content/Business_Responsibility_Policy.pdf
Archival Policy	https://www.medplusindia.com/uploads/content/Archival-Policy.pdf
Policy for preservation of documents	https://www.medplusindia.com/uploads/content/Policy-for-Preservation-of-Documents.pdf
Risk Management Policy	https://www.medplusindia.com/uploads/content/Risk-Management-Policy.pdf

Name of the policy	Website link
Policy on Materiality of and dealing with Related Party Transaction	https://www.medplusindia.com/uploads/content/Policy-on-Materiality-of-and-Dealing-with-Related-Party-Transactions.pdf
Policy on Related Party Transaction	https://www.medplusindia.com/uploads/content/Related-Party-Transaction-Policy.pdf
Policy on Evaluation of Performance	https://www.medplusindia.com/uploads/content/Policy-on-Evaluation-of-Performance.pdf

Means of Communication:

i. Quarterly financial results

The quarterly financial results are generally published in national newspaper i.e. Business Standard (English) and Nava Telangana (Regional Language) and are also displayed on Company's website.

ii. News Releases, Presentations

Official news/press releases are disclosed to both the Stock Exchanges i.e. NSE and BSE from time to time and are also displayed on the Company's website at www.medplusindia.com

iii. Analysts/Investors presentations/Official news releases

The detailed presentations made before the analysts/investors are disseminated to stock exchanges and as well displayed on the Company's website at https://www.medplusindia.com/corporate.jsp.

The management participates in the analyst/earnings call every quarter, after the announcement of results. The audio recording of analyst calls and transcripts are posted on the Company's website

Circulation of Annual Report:

Annual Report containing audited standalone and consolidated financial statements together with Board's Report, Auditors' Report and other reports/information are circulated to members entitled thereto and is also made available on the Company Website at https://www.medplusindia.com/financial-reporting.jsp#annual-return-year-wise.

General Shareholder information:

Company Registration Details:

The Corporate Identity Number (CIN), allotted by Ministry of Corporate Affairs, Government of India is L85110TG2006PLC051845 and The Company Registration Number is 051845.

Annual General Meeting:

The Seventeenth Annual General Meeting of the Company for the financial year 2022-23 is scheduled to be held as under:

Date	Friday, September 29, 2023
Venue (Registered Office)	Video conferencing / facilitated at H. No: 11-6-56, Survey No: 257 & 258/1, Opp: IDPL Railway Siding Road, (Moosapet) ,Kukatpally, Hyderabad - 500 037, Telangana, India.
Time	15.30 Hrs (I.S.T)

Registrar and Share Transfer Agent:

M/S KFin Technologies Limited is acting as Registrar & Share Transfer Agent(R&TA) of the Company. They have adequate infrastructure and VSAT connectivity with both the depositories, which facilitate better and faster services to the investors.

Address for correspondence:
Selenium Tower B, Plot 31-32,
Gachibowli Financial District, Nanakramguda,
Serilingampally, Hyderabad - 500 032, Telangana, India.
Ph.No: (+91) 040 6716 2222
Ph.No: (+91) 040 2300 1153
Email: einward (dot) ris (at) kfintech (dot) com
Website: www.kfintech.com
Android Mobile App: KPRISM

Company Secretary and Compliance Officer:

Mr. Manoj Kumar Srivastava
Address for correspondence:
Corporate and Regd Office: H. No: 11-6-56, Survey No: 257 & 258/1,
Opp: IDPL Railway Siding Road,(Moosapet),
Kukatpally, Hyderabad - 500 037, Telangana, India.
Email: cs (at) medplusindia (dot) com

Listing Information:

(a) Stock Exchanges:

National Stock Exchange ("NSE")	Bombay Stock Exchange ("BSE")
National Stock Exchange of India Limited (NSE), Exchange Plaza, Bandra-Kurla Complex, Bandra (E), Mumbai-400051.	BSE Limited, Phiroze Jeejebhoy Towers, Dalal Street, Fort, Mumbai-400001
Website: www.nseindia.com	Website: www.bseindia.com
Stock Code: MEDPLUS	Scrip Code: 543427

Annual listing fees for the year 2022-23 have been paid by the Company to NSE & BSE.

(b) Depositories:

National Securities Depository Limited (NSDL)	Central Depository Services (India) Limited (CDSL)
Trade World, 4th Floor, Kamala Mills Compound, Senapati Bapat Marg, Lower Parel, Mumbai - 400 013.	PhirozeJeejebhoy Towers, 28th Floor, Dalal Street, Mumbai - 400023.

Plant Locations:

The details of Plant Locations are given below:

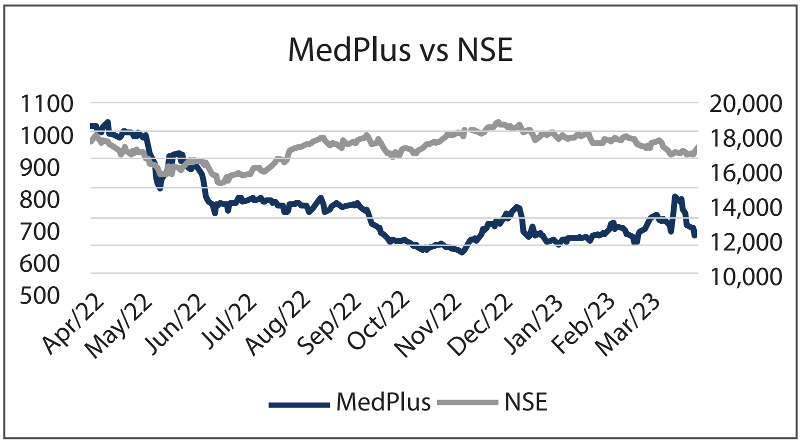
1. Kallakal Factory	2. Shamirpet Factory	3. Pashamylaram Factory	4. Pashamylaram Factory	5. Moosapet Factory
Survey No. 394, 402, 412 and 413, Kallakal Village, Toopran Mandal, Tupran, Medak, Telangana, 502334	Ground Floor and First Floor, Door No. 6-9, Survey No.323, Babaguda Village, Shamirpet Mandal, Hyderabad, Medchal Malkajgiri, Telangana, 500078	Plot No. 110, Phase III, Industrial Park, Pashamylaram Village, Patancheru Mandal, Medak, Telangana, 502307	Plot No. 221/B, Survey No. 171, Ph-III, Pashamylaram Village, Sanga Reddy District, Sangareddy, Telangana, 500050	Municipal No. 12-7-20/64/2, Survey No. 793, Goods Shed Road, Moosapet, Kukat pally, Rangareddy, Telangana, 500018

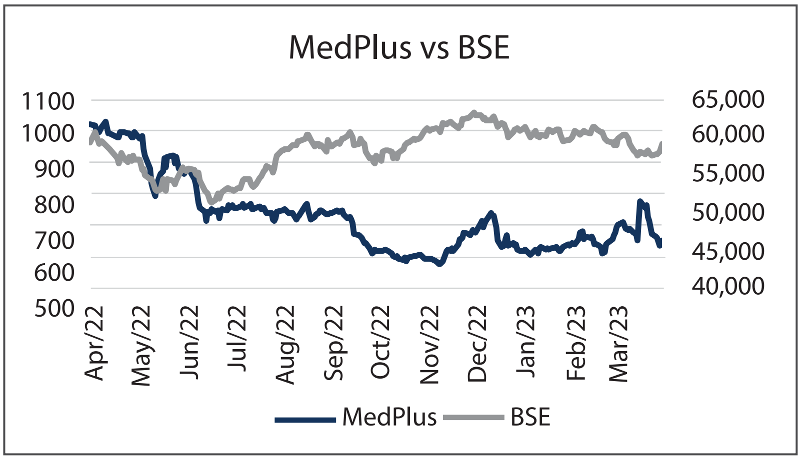
Market Price Data:

a) Market Price Data

Month - Year	BSE			NSE		
	High (₹)	Low (₹)	Close (₹)	High (₹)	Low (₹)	Close (₹)
April'22	1,047.00	961.65	995.65	1,013.86	985.2868	995.8263
May'22	995.95	778.85	860.95	915.6429	870.7405	889.6214
June'22	910.30	706.10	762.35	793.0318	761.8636	775.4955
July'22	777.95	709.70	740.05	762.2857	741.8643	748.8071
August'22	777.40	690.45	735.05	750.795	730.2875	739.1
September'22	772.00	600.00	618.40	702.4295	679.3227	685.8432
October'22	629.90	582.00	592.35	609.6605	595.5158	601.1079
November'22	694.20	570.00	684.80	637.3214	612.381	623.7738
December'22	757.70	610.00	615.35	692.9591	655.6205	672.2
January'23	663.00	599.10	635.65	630.4071	613.6262	622.631
February'23	700.00	605.15	665.35	662.0375	634.6725	648.2525
March'23	792.70	614.50	651.15	712.8405	673.7548	693.0619

b) Movement of the Company's Share Price on NSE Nifty/ BSE Sensex during the period under review





Share Transfer System:

Pursuant to the provisions of Regulation 40(1) of SEBI Listing Regulations, as amended, securities can be transferred only in dematerialized form w.e.f. April 1, 2019, except in case of request received for transmission or transposition of securities. Further, SEBI has fixed March 31,2021 as the cutoff date for re-lodgment of transfer deeds and the shares that are re-lodged for transfer shall be issued only in demat mode. Members holding shares in physical form are requested to consider converting their holdings to dematerialized form. Transfers of equity shares in electronic form are effected through the depositories with no involvement of the Company.

Dematerialization of Shares and Liquidity:

The Equity Shares of the Company are tradable in compulsory dematerialized segment of the Stock Exchanges and are available in depository system of National Securities Depository Limited (NSDL) and Central Depository Services (India) Limited (CDSL). The demat security (ISIN) code for the Equity Share is INE804L01014. As on March 31,2023, 11,92,56,536 Equity Shares (constituting 99.95% of the total paid up share capital) were in dematerialized form. The Company's Equity Shares are regularly traded on the BSE Limited and National Stock Exchange of India Limited.

Credit Ratings:

The Company has not taken any services from credit agencies during the year under review.

Other Disclosures:

Disclosure in relation to the Sexual Harassment:

The Company is committed to ensure that all the employees work in an environment that is inclusive and provides an opportunity to bring their best selves at workplace. The Company is also committed to provide a work environment that ensures every person is treated with dignity, respect and fair treatment. The Company has in place an Anti-Sexual Harassment Policy in line with the requirements of the Sexual Harassment of Women at Workplace (Prevention, Prohibition and Redressal) Act, 2013 (POSH Act). The objective of this policy is to lay clear guidelines and provide right direction in case of any reported incidence of sexual harassment across the Company's office and take appropriate decision in resolving such issues.To build awareness in this area, the Company has been conducting induction/ refresher programs in the organization on a continuous basis. During the year, your Company organized for all employees.

As per the requirement of the POSH Act, the Company has constituted an Internal Complaints Committees (ICC). While maintaining the highest governance norms, the Company has appointed external independent persons who have prior experience in the areas of women empowerment and prevention of sexual harassment. During the year under review, no complaint received, and thus no compliant is pending.

Disclosure of Accounting Treatment:

The financial statements of the Company have been prepared in accordance with the Indian Accounting Standards (Ind AS) referred to in Section 133 of the Act. The significant accounting policies which are consistently applied are set out in the Notes to the Financial Statements.

Compliance with the Code of Conduct:

Pursuant to Regulation 34 (3) and Schedule V of the Listing Regulations, all Directors and Senior Management personnel of the Company have affirmed compliance with the Code of Conduct for the financial year ended March 31, 2023. The same forms part of this report as ANNEXURE H.

CEO / CFO Certificate:

Mr. Gangadi Madhukar Reddy, Managing Director and CEO and Mr. Sujit Kumar Mahato, Chief Financial Officer of the Company have certified to the Board with regard to the compliance in terms of Regulation 17(8) of the SEBI Listing Regulations. The same forms part of this report as Annexure I.

Certification of Non-Disqualification of Directors:

A certificate from Rashida Adenwala, (C.P. NO.:2224; M.No. 4020), R & A Associates, Practicing Company Secretaries, has been obtained under Regulation 34(3) of SEBI Listing Regulations – confirming that none of the Directors on the Board of the Company have been debarred or disqualified from being appointed or continuing as Director of a Company by the Securities and Exchange Board of India and Ministry of Corporate Affairs or any other statutory authority and accordingly the same forms part of this report as Annexure J.

Certificate on Corporate Governance:

The M/s. R & A Associates, Company Secretary in practice and Secretarial Auditors issued a certificate confirming that the Company has complied with the conditions of Corporate Governance is annexed to the 'Report of the Board of Directors & Management Discussion and Analysis', forming part of the Report and Accounts under Regulations 17 to 27 and clauses (b) to (i) of sub-regulation (2) of Regulation 46 of the Listing Regulations. forms part of this report as Annexure K.

Disclosure of materially significant Related Party Transactions:

During the financial year 2022-23, the Company has not entered into any materially significant related party transaction, which could have a potential conflict of interest between the Company and its Promoters, Directors, Management or their relatives other than the transactions carried out in the normal course of business. The related party transactions are disclosed in Notes to Accounts. A copy of the policy on dealing with related party transactions is available on the Company's website i.e. www.medplusindia.com

Code of Conduct to Regulate, Monitor and Report Trading by Insiders:

In compliance with SEBI regulations on prevention of insider trading, the company has implemented a comprehensive code of conduct for promoters, directors, designated employees, and their immediate relatives called Code of Conduct - Prohibition of Insider Trading. This code provides guidelines on procedures, disclosures, and the consequences of violations when dealing with the company's shares. Additionally, the company has adopted an automated tracking system to monitor insider trading, generating reports and sending reminders to employees about prohibited transactions. The company has also established policies for handling leaks of unpublished price-sensitive information (UPSI) and determining legitimate purposes. The Code of Practices and Procedures for Fair Disclosure of Unpublished Price Sensitive Information are readily available on the company's website. To ensure compliance, the company maintains a structured digital database (SDD) internally, capturing all relevant details pertaining to UPSI. Furthermore, the Company has proactively taken measures to strengthen its insider trading prohibition framework and meet regulatory requirements. These efforts demonstrate the company's commitment to maintaining a robust system that prevents insider trading in its securities.

Senior Management Personnel and Key Managerial Personnel (SMP and KMP)

During the year Mr. Sujit Kumar Mahato joined as Chief Financial Officer and Mr. Manoj Kumar Srivastava joined as Head Company Secretary & Compliance Officer and key Managerial Personnel of the Company. Mr. Hemanth Kundavaram Chief Financial Officer, resigned & relieved and Ms. Shilpi Keswani demitted the office of Company Secretary & Compliance Officer of the Company. Other than as mentioned above, there was no changes in the SMP and KMP of the Company. All the SMP's of the Company has made disclosures to the Board confirming that there is no material, financial and commercial transactions where they have personal interest that may have a potential conflict of interest with the Company at large.

Fees paid to Statutory Auditors:

During the year under review, the Company has paid ₹99,14,166 (Ninety Nine Lakhs, Fourteen thousand, one hundered and sixty six only), which includes fee for all services paid/payable by the Company and its Subsidiaries to M/s. BSR & Associates LLP, Chartered Accountants, Statutory Auditors of the Company. Please refer to the Notes to accounts, for the details fees paid by the Company to the Statutory Auditors for the financial year 2022-23.

Policy for determining Material Subsidiary:

The Company has adopted a policy for determining a material subsidiary, in terms of which a subsidiary shall be considered as Material, if, the income or net worth exceeds ten percent of the consolidated income or net worth respectively, of the listed entity and its subsidiaries in the immediately preceding accounting year. In terms of the said policy, your Company is having three material subsidiary company i.e. Optival Health Solutions Private Limited ("OHSPL"), Sai Sridhar Pharma Private Limited("SSPPL"), and Venkata Krishna Enterprises Private Limited ("VKEPL"). Necessary compliances w.r.t. material subsidiaries have been duly carried out. For the purpose of appointing an Independent Director on the Board of the material non-listed subsidiary Company, "material subsidiary" shall mean a subsidiary, whose income or net worth exceeds 10% of the consolidated income or net worth of the holding Company in the immediately preceding accounting year. The income or net worth of Venkata Krishna Enterprises Private Limited does not exceed 10% of the consolidated income or net worth of the holding Company. However, Optival Health Solutions Private Limited being our unlisted material subsidiary company one independent director of our Board have been duly appointed on Board of Optival Health Solutions Private Limited.

Details of non-compliance by the Company, penalties, and strictures imposed on the Company by Stock Exchange or SEBI or any statutory authority, on any matter related to capital markets, during the last three years:

The Company has submitted quarterly compliance report on Corporate Governance with the Stock Exchanges, in accordance with the requirements of Regulation 27(2)(a) of the Listing Regulations. Compliance with the conditions of Corporate Governance The certificate issued by M/S R & A Associates, Practicing Company Secretaries confirming compliance with the conditions of Corporate Governance as stipulated under the Listing Regulations, is annexed. The Company has complied with all the requirements of the Stock Exchange, SEBI and other statutory authorities on the matters related to Capital Markets, as applicable except as mentioned in the Secretarial Audit Report which forms the part of the Annual report as Annexure-K.

Fund raising and utilization :

The Company has not raised any funds through preferential allotment or qualified institutional placement hence requirement specified under Regulation 32(7A) of listing regulation is not applicable to the Company.

Disclosure of Loans and Advances:

Please refer the note no. 8 of the Consolidated Financial Statements and note no. 6 of the Standalone financial statements of the Company.

Outstanding GDRs/ADRs/Warrants or any convertible instruments:

During the year under review, the Company does not have any outstanding GDRs /ADRs / Warrants or any other convertible instruments.

Commodity price risk or foreign exchange risk and hedging activities:

During the year under review no commodity price risk or foreign risk and hedging activities were carried out.

Reconciliation of Share Capital Audit Report:

Pursuant to Regulation 76 of SEBI (Depositories and Participants) Regulation, 2018, a Practicing Company Secretary has been carried out a Secretarial Audit to reconcile the total admitted capital with NSDL and CDSL and the total issued and listed capital. This audit is carried out every quarter and the report thereon is submitted to the Stock Exchanges where the Company's shares are listed. The Secretarial auditors confirms that the total listed and paid-up capital is in agreement with the aggregate of the total number of shares in dematerialized form (held with NSDL and CDSL) and total number of shares in physical form.

Disclosure of information under Regulation 30 of SEBI Listing Regulations:

Pursuant to Regulation 30 read with Clause 5A of paragraph A of Part A of Schedule III of SEBI Listing Regulations, the information required is provided in the Draft Red Herring Prospectus(DRHP) and also available on the Company's website: https://www.medplusindia.com/uploads/content/Disclosure%20under%20Reg.%2030(2).pdf

Compliance with mandatory and discretionary requirements:

The Company has complied with all mandatory requirements prescribed by SEBI Listing Regulations and the Company is in the process of adopt with discretionary requirements as stated under Part E of Schedule II to the SEBI Listing Regulations. During the year under review, there is no audit qualification in the Company's financial statements. The Company continues to adopt best practices to ensure regime of unqualified financial statements. M/s. Ernst & Young LLP, the Internal Auditors report directly to the Audit Committee.

Disclosures with respect to Demat Suspense Account / Unclaimed Suspense Account:

The Company does not have any unclaimed shares and hence the disclosure pursuant to SEBI (LODR) Regulations is not applicable.

Details of Material Subsidiary including date and place of incorporation and name and date of appointment of Statutory Auditors:

Sl.	Name of Material subsidiary	Date of Incorporation	Place of Incorporation	Name and date of appointment of Statutory Auditor
1	Optical Health Solutions Private Limited	11/07/2005	Hyderabad	M/S BSR & Associates LLP, The Statutory Auditors was appointed on September 30, 2018
2	Venkata Krishna Enterprises Private Limited	01/11/2010	Hyderabad	M/S GPHK &Associates, The Statutory Auditors was appointed on September 30, 2019
3	Sai Sridhar Pharma Private Limited	12/10/2007	Hyderabad	M/S GPHK & Associates, The Statutory Auditors was appointed on September 30, 2019

Secretarial Audit

The secretarial audit report of the Company for the year ended March 31, 2023, issued by Rashida Adenwala, (C.P. NO.:2224; M.No. 4020), Founder Partner of R & A Associates, Practicing Company Secretaries forms part of the Board's Report as Annexure C. As on March 31, 2023, none of the subsidiaries of the Company except OHSPL, SSPPL, and VKEPL qualified to be material unlisted subsidiaries.

Agreement on compensation of profit sharing in connection with dealings in securities of the Company

During the financial year under review, no employee including Key Managerial Personnel or Director or Promoter of the Company had entered into any agreement, either for themselves or on behalf of any other person, with any shareholder or any other third party with regard to compensation or profit sharing in connection with dealings in securities of the Company.

Declaration on Code of Conduct

The Company is committed to conducting its business in accordance with the applicable laws, rules and regulations and with the highest standards of business ethics. The Company has adopted a "Code of Ethics and Business Conduct" which is applicable to all Directors, officers and employees.

I hereby certify that the Board Members and senior management personnel of the Company have affirmed compliance with the Code of Ethics and Business conduct for the financial year 2022-23.

For **MedPlus Health Services Limited**
Sd/-
Madhukar Gangadi Reddy
Chairman, MD & CEO

Place: Hyderabad
Date: August 7, 2023

The Distribution of Shareholding as on March 31, 2023 is as follows:

Category (I)	Category of shareholder (II)	Nos. Of shareholders (III)	No. of fully paid up equity shares held (IV)	No. of Partly paid-off equity shares held (V)	No. of shares underlying Depository Receipts (VI)	Total nos. shares held (VII) = (IV)+(V)+ (VI)	Shareholding as a % of total no. of shares (calculated as per SCRR, 1957) (VIII) As a % of (A+B+C2)	Number of Voting Rights held in each class of securities (IX)				Shareholding, as a % assuming full conversion of convertible securities (as a percentage of diluted share capital) (XI)= (VII)+(X) As a % of (A+B+C2)	Number of Locked in shares (XII)		Number of Shares pledged or otherwise encumbered (XIII)		Number of equity shares held in dematerialized form (XIV)
								No of Voting (XIV) Rights			Total as a % of (A+B +C)						
								Class: X	Class: Y	Total			No. (a)	As a % of total Shares held (b)	No. (a)	As a % of total Shares held (b)	
A	Promoter & Promoter Group	3	4,82,33,135	0	0	4,82,33,135	40.43%	4,82,33,135	0	4,82,33,135	40.43%	40.43%	2,38,61,140	49.47%	2,43,71,995	50.53%	4,82,33,135
B	Public	73,508	7,08,44,579	0	0	7,08,44,579	59.38%	7,08,44,579	0	7,08,44,579	59.38%	59.38%	0	0.00%	0	0.00%	7,07,95,439
C	Non Promoter-Non Public	0	0	0	0	0	0.00%	0	0	0	0.00%	0.00%	0	0.00%	0	0.00%	0
D	Shares held by Employee Trusts	1	2,27,962	0	0	2,27,962	0.19%	2,27,962	0	2,27,962	0.19%	0.19%	0	0.00%	0	0.00%	2,27,962
	Total	**73,512**	**11,93,05,676**	**0**	**0**	**11,93,05,676**	**100%**	**11,93,05,676**	**0**	**11,93,05,676**	**100.00%**	**100%**	**2,38,61,140**	**49.47%**	**2,43,71,995**	**50.53%**	**11,92,56,536**

ANNEXURE H

DECLARATION REGARDING AFFIRMATION OF CODE OF CONDUCT

To,

The Members,

MedPlus Health Services Limited

H. No: 11-6-56, Survey No: 257 & 258/1,

Opp: IDPL Railway Siding Road, Moosapet,

Kukatpally Hyderabad – 500037, Telangana, India

I, Gangadi Madhukar Reddy, Chief Executive Officer of MedPlus Health Services Limited hereby confirm that all the Members of the Board and the Senior Management personnel have affirmed Compliance with the Code of Conduct for the year ended March 31, 2023 in accordance with the Regulation 26(3) of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015.

Sd/

Gangadi Madhukar Reddy,

Chairman, MD & CEO

DIN: 00098097

ANNEXURE I

CERTIFICATE OF CHIEF EXECUTIVE OFFICER AND CHIEF FINANCIAL OFFICER UNDER REGULATION 17(8) OF THE SEBI (LISTING OBLIGATION AND REQUIREMENTS) REGULATIONS, 2015

To,

The Board Of Directors,

MEDPLUS HEALTH SERVICES LIMITED

H. No: 11-6-56, Survey No: 257 & 258/1

Opp: IDPL Railway Siding Road, Moosapet,

Kukatpally, Hyderabad - 500037, Telangana, India

Dear Sir/ Madam,

Pursuant to the provisions of Regulation 17(8) read with Part B of Schedule II of SEBI (LODR) Regulations,2015, we hereby certify that:

Subject: Compliance Certificate under Regulation 17(8) of SEBI (LODR) Regulations, 2015

A. We have reviewed financial statement and the cash flow statement for the year ended March 31, 2023 and to the best of our knowledge and belief:

   1. These statements do not contain any materially untrue statement or omit any material fact or contain statements that might be misleading.

   2. These statements together present a true and fair view of the Company's affairs and are in compliance with existing accounting standards, applicable laws and regulations.

B. There are to the best of our knowledge and belief, no transactions entered into by the Company during the year ended March 31, 2023 which are fraudulent, illegal or violation of the Company's Code of Conduct.

C. We accept responsibility for establishing and maintaining internal controls for financial reporting and that we have evaluated the effectiveness of internal control systems of the Company pertaining to financial reporting and we have disclosed to the auditors and the audit committee, deficiencies in the design or operation of such internal controls, if any, of which we are aware and the steps we have taken or propose to take to rectify these deficiencies.

D. We have indicated to the auditors and the Audit committee:

   (1) No significant changes in internal control over financial reporting during the year;

   (2) No significant changes in accounting policies during the year and that the same have been disclosed in the notes to the financial statements; and

   (3) instances of significant fraud of which we have become aware and the involvement therein, if any, of the management or an employee having a significant role in the Company's internal control system over financial reporting.

Place: Hyderabad
Date: May 25, 2023

Sd/-
Gangadi Madhukar Reddy
Managing Director & CEO

Sd/-
Sujit Kumar Mahato
Chief Financial Officer

ANNEXURE J

CERTIFICATE OF NON-DISQUALIFICATION OF DIRECTORS

(Pursuant to Regulation 34(3) of SEBI (LODR) Regulations, 2015 read with PARA-C Clause 10 (i) of Schedule V)

To

The Members of

MedPlus Health Services Limited,
H. No: 11-6-56, Survey No: 257 & 258/1,
Opp: IDPL Railway Siding Road, (Moosapet),
Kukatpally, Hyderabad – 500037, Telangana, India

We have examined the relevant registers, records, forms, returns and disclosures received from the Directors of MedPlus Health Services Limited, bearing CIN: L85110TG2006PLC051845 and having registered office at H. No: 11-6-56, Survey No: 257 & 258/1 Opp: IDPL Railway Siding Road, Moosapet, Kukatpally Hyderabad Telangana 500037 (herein after referred to as 'the Company'), and produced before us by the Company for the purpose of issuing this Certificate, in accordance with Regulation 34(3) read with Schedule V Para - C clause 10 (i) of the Securities Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015. Ensuring the eligibility for the appointment / continuity of every Director on the Board is the responsibility of the management of the Company. Our responsibility is to express an opinion based on our verification. This certificate 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.

In our opinion and to the best of our information and according to the verifications (including Directors Identification Number (DIN) status at the portal www.mca.gov.in) as considered necessary and explanations furnished to us by the Company and its officers, we hereby certify as on date that, none of the Directors on the Board of the Company as stated below for the financial year ending on 31st March 2023, have been debarred or disqualified from being appointed or continuing as directors of Company by the Securities and Exchange Board of India, Ministry of Corporate Affairs or any such other Statutory Authorities.

S. No	Name of Director	DIN
1	Madhukar Reddy Gangadi	00098097
2	Anish Kumar Saraf	00322784
3	Murali Sivaraman	01461231
4	Madhavan Ganesan	01674529
5	Atul Gupta	06940578
6	Hiroo Mirchandani	06992518

Ensuring the eligibility of the appointment / continuity of every Director on the Board is the responsibility of the management of the Company. Our responsibility is to express an opinion on these, based on our verification.

This certificate 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.

Place: Hyderabad

Date: August 7, 2023

For **R&A Associates**
Practising Company Secretaries

Rashida Adenwala
Founder Partner
M. No: F4020 C. P. No: 2224
UDIN: F004020E000764505

ANNEXURE K

PRACTISING COMPANY SECRETARY CERTIFICATE ON COMPLIANCE OF CORPORATE GOVERNANCE

[Pursuant to Regulation 34(3) read with in Part E of Schedule V of SEBI (LODR), 2015]

To
The Members of
MedPlus Health Services Limited,

We have examined the compliance of conditions of Corporate Governance by MedPlus Health Services Limited for the year ended 31st March 2023 as stipulated in Chapter IV of the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 (Listing Regulations) as per the Listing Agreement entered into the by the said Company with stock exchange.

The compliance with the conditions of Corporate Governance is the responsibility of the management. Our examination was limited to the procedures and implementation thereof, adopted by the Company for ensuring the compliance of the conditions of Corporate Governance. It is neither an audit nor an expression of an opinion on the financial statements of the Company.

In our opinion and to the best of our information and according to the explanations given to us, the Company has complied with the conditions of Corporate Governance as stipulated in the above listing Regulation, except, for the prior approval of the audit committee for the related party transactions for the months April, 2022 to June, 2022 and delay in filing of the disclosures with the stock exchanges relating to the related party transactions for the six months ended March, 2023.

We state that in respect of investor grievances received during the year ended March 31, 2023, no investor grievances are pending against the Company, as per the records maintained by the Company and presented to the Investors/Shareholders Grievance Committee. We further state that such compliance is neither an assurance as to the future viability of the Company nor the efficiency or effectiveness with which the management has conducted the affairs of the Company.

Place: Hyderabad
Date: August 7, 2023

For **R&A Associates**
Practicing Company Secretaries

Rashida Adenwala
Founder Partner
M. No: F4020 C. P. No: 2224
UDIN: F004020E000765627

Annexure L

BUSINESS RESPONSIBILITY & SUSTAINABILITY REPORT

SECTION A: GENERAL DISCLOSURES

I.	**Details of the listed entity**	
1.	Corporate Identity Number (CIN) of the Listed Entity	L85110TG2006PLC051845
2.	Name of the Listed Entity	Medplus Health Services Limited
3.	Year of incorporation	30th November 2006
4.	Registered office address	H. No: 11-6-56, Survey No: 257 & 258/1 Opp: IDPL Railway Siding Road, Moosapet, Kukatpally Hyderabad TG 500037 IN
5.	Corporate address	Same as above
6.	E-mail	cs@medplusindia.com
7.	Telephone	040-62746274
8.	Website	www.medplusindia.com
9.	Financial year for which reporting is being done	1st April 2022 to 31st March2023
10.	Name of the Stock Exchange(s) where shares are listed	BSE Limited & National Stock Exchange of India Ltd.
11.	Paid-up Capital	₹238.61 Mn
12.	Name and contact details (telephone, email address) of the person who may be contacted in case of any queries on the BRSR report	Manoj Kumar Srivastava manoj.srivastava@medplusindia.com; 040 -62746274
13.	Reporting boundary - Are the disclosures under this report made on a standalone basis (i.e. only for the entity) or on a consolidated basis (i.e. for the entity and all the entities which form a part of its consolidated financial statements, taken together).*	Disclosures made in this report are on a standalone basis.

*MedPlus Health Services Limited ('MHSL' or 'MedPlus') being a retail pharmacy Company, has various retail outlets and other operations under Optival Health Solutions Private Limited ('OHSPL or Optival'). As ~80% of the operations are carried out through OHSPL, it has been included in the reporting boundary.

II. Products/services

14. Details of business activities (accounting for 90% of the turnover)

S. No.	Description of Main Activity	Description of Business Activity	% of Turnover of the entity
1	Hospital and Medical Care	Pharmaceutical products, Medical and orthopaedic goods	99%
2	Hospital and Medical Care	Diagnostic-imaging services	1%

15. Products/Services sold by the entity (accounting for 90% of the entity's Turnover):

S. No.	Product/Service	NIC Code	% of total Turnover contributed
1	**Retail Trade services:** Pharmaceutical products Medical and orthopaedic goods	 9962273 9962274	 99%
2	Other human health services: Diagnostic-imaging services	9993196	1%

III. Operations

16. Number of locations where plants and/or operations/offices of the entity are situated:

Location	Number of plants	Number of offices	Total
National	5	3936	3941
International	0	0	0

17. Markets served by the entity:

a. Number of locations

Locations	Number
National (No. of States/Union Territory)	8
International (No. of Countries)	0

b. What is the contribution of exports as a percentage of the total turnover of the entity?	0
c. A brief on types of customers	Our customers are end consumers of pharmaceutical products and fast-moving consumer goods. MedPlus is one of the largest pharmacy retailer in India. We offer a wide range of products, including (i) pharmaceutical and wellness products, including medicines, vitamins, medical devices and test kits, and (ii) fast-moving consumer goods, such as home and personal care products, including toiletries, baby care products, soaps and detergents, and sanitizers. MedPlus has adopted and omnichannel approach to better serve the Company's customers.

IV. Employees

18. Details as at the end of Financial Year:

a. Employees and workers (including differently abled):

S. No.	Particulars	Total (A)	Male		Female	
			No. (B)	% (B / A)	No. (C)	% (C / A)
EMPLOYEES						
1.	Permanent (D)	19,626	14,306	72.89%	5,320	27.11%
2.	Other than Permanent (E)	0	0	0	0	0
3.	Total employees (D + E)	19,626	14,306	72.89%	5,320	27.11%
WORKERS						
4.	Permanent (F)	0	0	0	0	0
5.	Other than Permanent (G)	0	0	0	0	0
6.	Total workers (F + G)	0	0	0	0	0

b. Differently abled Employees and workers:

S. No	Particulars	Total (A)	Male		Female	
			No. (B)	% (B / A)	No. (C)	% (C / A)
DIFFERENTLY ABLED EMPLOYEES						
1.	Permanent (D)	0	0	0	0	0
2.	Other than Permanent (E)	0	0	0	0	0
3.	Total differently abled employees (D + E)	0	0	0	0	0
DIFFERENTLY ABLED WORKERS						
4.	Permanent (F)	0	0	0	0	0
5.	Other than permanent (G)	0	0	0	0	0
6.	Total differently abled workers (F + G)	0	0	0	0	0

19. Participation/Inclusion/Representation of women

	Total (A)	No. and percentage of Females	
		No. (B)	% (B / A)
Board of Directors	6	1	16.67%
Key Management Personnel	3	0	0%

20. Turnover rate for permanent employees and workers (Disclose trends for the past 3 years)

	2022-23 (Turnover rate in current FY)			2021-22 (Turnover rate in previous FY)			2020-21 (Turnover rate in the year prior to the previous FY)		
	Male	Female	Total	Male	Female	Total	Male	Female	Total
Permanent Employees	43.60%	42.10%	43.21%	34.02%	38.84%	35.28%	37.10%	42.89%	38.71%
Permanent Workers	0	0	0	0	0	0	0	0	0

V. Holding, Subsidiary and Associate Companies (including joint ventures)

21. (a) Names of holding/subsidiary/associate companies/joint ventures

S. No.	Name of the holding /subsidiary/ associate companies / joint ventures (A)	Indicate whether holding/ Subsidiary/ Associate/ Joint Venture	% of shares held by listed entity	Does the entity indicated at column A, participate in the Business Responsibility initiatives of the listed entity? (Yes/ No)
1	Optival Health Solutions Private Limited ('OHSPL')	Subsidiary Company	99.99%	Yes
2	Wynclark Pharmaceuticals Private Limited ('WPPL')	Subsidiary Company	100%	No
3	MHS Pharmaceuticals Private Limited ('MHS')	Subsidiary Company	100%	No
4	Nova Sud Pharmaceuticals Private Limited ('NPPL')	Subsidiary Company	100%	No
5	Sai Sridhar Pharma Private Limited ('SSPPL')	Subsidiary Company	100%	No
6	Venkata Krishna Enterprises Private Limited ('VKEPL')	Subsidiary Company	100%	No
7	Deccan Medisales Private Limited ('DMPL')	Subsidiary Company	100%	No
8	Shri Banashankari Pharma Private Limited ('SBPPL')	Subsidiary Company	100%	No
9	Sidson Pharma Distributors Private Limited ('SPDPL')	Subsidiary Company	100%	No
10	Kalyani Meditimes Private Limited ('KMT')	Subsidiary Company	88.04%	No
11	Clearancekart Private Limited	Subsidiary Company	100%	No
12	MedPlus Insurance Brokers Private Limited ("MIBPL")	Subsidiary Company	100%	No

VI. CSR Details

22. (i) Whether CSR is applicable as per section 135 of Companies Act, 2013: (Yes/No)	Yes
(ii) Turnover (in ₹)	₹ 2,301 .65 Mn
(iii) Net worth (in ₹)	₹ 11,412 .78 Mn

VII. Transparency and Disclosures Compliances

23. Complaints/Grievances on any of the principles (Principles 1 to 9) under the National Guidelines on Responsible Business Conduct:

Stakeholder group from whom complaint is received	Grievance Redressal Mechanism in Place (Yes/No) (If Yes, then provide web-link for grievance redress policy)	FY 2022-23			FY 2021-22		
		Number of complaints filed during the year	Number of complaints pending resolution at close of the year	Remarks	Number of complaints filed during the year	Number of complaints pending resolution at close of the year	Remarks
Communities*	Yes	0	0		0	0	
Investors (other than shareholders)	Yes	0	0		0	0	
Shareholders	Yes	122	0		7,714	0	
Employees and workers	Yes	0	0		0	0	
Customers	Yes	16,872	0		10,200	0	
Value Chain Partners	Yes	0	0		0	0	
Other (please specify)							

*The Policies of the Company are placed on the Company's website under investors tab and the same can be accessed through the corporate governance section of the company's website: https://www.medplusindia.com/corporate.jsp . Further, there are some internal policies placed on the intranet of the Company

24. Overview of the entity's material responsible business conduct issues

Please indicate material responsible business conduct and sustainability issues pertaining to environmental and social matters that present a risk or an opportunity to your business, rationale for identifying the same, approach to adapt or mitigate the risk along-with its financial implications, as per the following format

S. No.	Material issue identified	Indicate whether risk or opportunity (R/O)	Rationale for identifying the risk / opportunity	In case of risk, approach to adapt or mitigate	Financial implications of the risk or opportunity (Indicate positive or negative implications)
1	Data Protection & Privacy	Risk	Safeguarding personal and health information holds paramount significance for an omnichannel healthcare pharmaceutical retail Company. As a pharma retailer, companies receive personal information from individuals through various means, such as purchasing and filling prescriptions, enrolling in promotional and loyalty programs, registering on websites, or engaging in communication with the Company. It is essential for companies to prioritize the protection of patient and customer privacy, as well as their data.	The Company safeguards the data using sufficient firewalls against external threats The Company regularly inspects its internal IT systems to prevent data loss or unexpected breakdown	Negative

S. No.	Material issue identified	Indicate whether risk or opportunity (R/O)	Rationale for identifying the risk / opportunity	In case of risk, approach to adapt or mitigate	Financial implications of the risk or opportunity (Indicate positive or negative implications)
2	Corporate Governance	Risk	Effective corporate governance relies on the presence of accessible and impartial policies, as well as well-defined behavioural expectations that are uniformly applied across the entire organization. By conducting business operations with transparency and integrity, companies can successfully attain their long-term financial and strategic goals. Companies are evaluated based on their performance in various essential governance areas, encompassing ownership and control, board compensation, accounting practices, business ethics, and tax transparency.	The Company has comprehensive governance policies in place viz; Risk management, related party transactions, whistleblower policy, dividend distribution policy etc. these policies are accessible on the Company's website. The Company has an independent and diverse Board with vast experience and expertise across industries and retail business as well.	Negative
3	Access to affordable and quality healthcare	Opportunity	Improving patients' access to quality health care can help counter public health challenges. Affordable access to quality healthcare is a top concern to customers across our markets along with employee safety, particularly due to the COVID-19 pandemic. As one of the largest companies in the nation dispensing medications, and through our delivery of other healthcare services, MedPlus is uniquely positioned to make an impact on healthcare access and affordability.	The Company constantly strives to provide quality medicines at affordable prices to its customers by expanding its network and building efficiencies in its supply chain.	Positive
4	Employee health, safety and wellbeing	Risk	The safety, health, and well-being of employees are of utmost importance to MedPlus as a health care service Company. There is a clear connection between employee well-being and the overall vitality of a business. By prioritizing the welfare of workforce, the Company can enhance employee morale and decrease expenses associated with onboarding new employees. Companies are assessed based on several factors, including the composition of their workforce (such as size, labor intensity, and operational regions), the relationship between management and labour, the extent of worker protections, and their initiatives to promote employee engagement.	The Company constantly strives to provide a safe environment to all its employees and has policies in place like POSH, equal opportunity, disciplinary action, leave, whistleblower policy etc.	Negative

S. No.	Material issue identified	Indicate whether risk or opportunity (R/O)	Rationale for identifying the risk / opportunity	In case of risk, approach to adapt or mitigate	Financial implications of the risk or opportunity (Indicate positive or negative implications)
5	Product Safety & Quality	Risk	Our utmost priority is the health and well-being of our patients. We prioritize rigorous safety standards to ensure that the products we sell, including their ingredients, meet the highest safety requirements. We also strive to maximize safety in pharmacy dispensing. The value of our brand relies on our ability to guarantee the safety and quality of pharmaceutical and healthcare products. Customers have the expectation of feeling confident in the transparency and safety of the products they choose to purchase.	The Company sources most of the products directly from manufacturers of the pharmaceutical products or their authorised distributors and ensures that genuine medicines are offered to the customers. The Company ensures that the products which are sold under the Company's label are manufactured at reputed companies having a very strong quality system.	Negative
6	Responsible Marketing	Risk	Marketing is a critical part of the industry's business strategy, as it allows them to promote their products and services to potential customers and build brand awareness. Responsible marketing means avoiding misleading claims, exaggerated promises, and other tactics that could deceive or mislead customers. It also includes avoiding any content that is offensive or discriminatory, and ensuring that marketing materials are respectful and inclusive of all audiences. By prioritizing ethical and transparent marketing practices, the industry can establish a positive reputation and build long-term relationships with customers who value honesty, integrity, and social responsibility.	The Company tries to maintain transparent communication to its customers and follows all regulatory compliances. The Company has a robust process of screening all marketing material internally and where required using external expertise. The Company has a customer helpline and monitors customer feedback constantly.	Negative
7	Responsible and ethical supply chains	Risk	Pharmacists have a responsibility to ensure that products are procured through a licensed and lawful supply chain. Pharmacy systems should be specifically designed to ensure the secure dispensing of medications. Implementing sustainable supply chain management practices can aid in identifying potential areas of high risk or sustainability concerns within the supply chain. This includes pinpointing greenhouse gas emissions and human rights risks, providing detailed insights into where risks may exist. Such information enables companies to effectively focus their efforts and address these issues more efficiently	The Company procures medicines directly from manufacturers or their distributor this ensures less chances of pilferage or counterfeit medicines. The Company ensures availability of medicines and secure dispensing through its pharmacy outlets. This is enabled by a robust IT system put in place by the Company.	Negative

S. No.	Material issue identified	Indicate whether risk or opportunity (R/O)	Rationale for identifying the risk / opportunity	In case of risk, approach to adapt or mitigate	Financial implications of the risk or opportunity (Indicate positive or negative implications)
8	Patient Health Outcomes	Opportunity	MedPlus, a leading pharmaceutical retailer, caters to millions of customers and patients on a daily basis. As an esteemed and innovative presence in the retail pharmacy sector, the Company operates approximately [ ] locations nationwide, playing a vital role in the healthcare ecosystem. Through their business operations, pharma retail companies can promote medication adherence, thereby enhancing health outcomes and empowering patients to actively manage their well-being. Moreover, by strengthening their commitment to social justice and equity, pharma retail companies can work towards improving access to healthcare, ensuring that cost does not act as a barrier to essential preventive services.	The Company ensure availability of healthcare and genuine medicines through its wide network and online presence and continues its mission of providing/ or making available affordable healthcare and other products to all.	Positive
9	Human Rights	Risk	Our dedication lies in safeguarding the inherent rights and freedoms of all individuals, enabling them to lead lives characterized by dignity, freedom, equality, justice, and peace. We firmly commit to respecting and upholding the dignity, wellbeing, and human rights of every person impacted by our business activities, including our patients, customers, employees, suppliers, and local communities. Human rights encompass essential rights and freedoms that are universal and should be granted to all individuals, regardless of their race, colour, religion, language, pregnancy, ancestry, age, gender, national origin, sexual orientation, gender identity, gender expression, mental or physical disability, genetic information, marital status, or veteran status. It is imperative that all colleagues and suppliers recognize this commitment and regularly evaluate their policies accordingly. Companies focussing on respecting human rights demonstrate their commitment to building sustainable and mutually beneficial relationships.	The Company believes in providing equal opportunity to all irrespective of their gender, caste and physical challenges. The Company has put in place policies and ensure adherence while recruiting. The Company provides safe environment to all employees, especially to all female employees and has policies like POSH in place to safeguard their interests.	Negative

S. No.	Material issue identified	Indicate whether risk or opportunity (R/O)	Rationale for identifying the risk / opportunity	In case of risk, approach to adapt or mitigate	Financial implications of the risk or opportunity (Indicate positive or negative implications)
10	Community engagement and partnerships	Opportunity	Thriving businesses are built upon the foundation of local communities. By actively engaging with these vital stakeholders, businesses aim to remove obstacles to access and address community needs, such as affordable prescription drugs. Recognizing and collaborating with these stakeholders is essential for business success and making a significant impact. Developing strong relationships with communities enables companies to minimize potential operational disruptions, mitigate regulatory risks, and maintain a solid social license to operate.	The Company constantly endeavours to improve its offering to the customers by providing various schemes which provide for affordability without compromising on the quality of the medication.	Positive
11	Waste management	Risk	Stakeholders place significant importance on waste management and anticipate the Company to take reasonable measures to prevent operational waste and mitigate its negative consequences through responsible management and the promotion of circular economies. It is crucial to responsibly and sustainably handle waste in retail stores, offices, and other facilities, embracing principles of the circular economy such as reduction, reuse, recycling, and composting. This is essential in mitigating the harmful effects of plastic and other waste in retail stores and distribution operations. Failure to comply with waste management regulations can result in substantial fines being imposed	The Company ensure safe disposal of all hazardous waste through third party vendors who specialize in hazardous waste disposal. The Company has been finding ways to minimize waste generation in the entire supply chain by encouraging staff to shift to reusable packing material like plastic crates in place of carton box etc.	Negative
12	Energy use and climate impacts in Retail	Risk	Climate change is caused by human activities and poses an imminent threat to human health and the health of our planet. With thousands of retail pharmacies, distribution centers, offices, and other facilities across the country, chain drug retailers run numerous establishments that consume substantial amounts of energy, mainly for lighting and refrigeration. The constant operation of many retail locations further escalates energy demand. By improving operational energy efficiency and adopting diverse energy sources, companies can reduce their vulnerability to escalating energy expenses and minimize their indirect greenhouse gas emissions. Each business unit is accountable for recognizing, evaluating, and handling potential opportunities resulting from climate change.	The Company ensure it procure energy efficient electrical equipments and has embarked on replacing all the lighting to energy efficient LED lights. The Company constantly monitors and is looking for ways to minimize energy consumption across its network.	Negative

SECTION B: MANAGEMENT AND PROCESS DISCLOSURES

This section is aimed at helping businesses demonstrate the structures, policies and processes put in place towards adopting the NGRBC Principles and Core Elements.

Disclosure Questions	P 1	P 2	P 3	P 4	P 5	P 6	P 7	P 8	P 9
Policy and management processes									
1. a. Whether your entity's policy/policies cover each principle and its core elements of the NGRBCs. (Yes/No)	Yes	Yes	Yes	Yes	Yes	Yes	Yes	Yes	Yes
b. Has the policy been approved by the Board? (Yes/No)	Yes	Yes	Yes	Yes	Yes	Yes	Yes	Yes	Yes
c. Web Link of the Policies, if available	https://www.medplusindia.com/corporate.jsp								
2. Whether the entity has translated the policy into procedures. (Yes / No)	Yes	Yes	Yes	Yes	Yes	Yes	Yes	Yes	Yes
3. Do the enlisted policies extend to your value chain partners? (Yes/No)	No	No	No	No	No	No	No	No	No
4. Name of the national and international codes/ certifications/labels/ standards (e.g. Forest Stewardship Council, Fairtrade, Rainforest Alliance, Trustea) standards (e.g. SA 8000, OHSAS, ISO, BIS) adopted by your entity and mapped to each principle.	NA	NA	NA	NA	NA	NA	NA	NA	NA
5. Specific commitments, goals and targets set by the entity with defined timelines, if any.	We pledge to stand firm in our adherence to ethical practices, uphold transparency in all our dealings, and guarantee accountability for our actions, as delineated by our established policies.	We are undertaking numerous initiatives, and in the near future, we plan to conduct a comprehensive study to establish specific goals and targets.	We remain committed to ensuring that our employees and workers persistently receive benefits related to their health and safety.	We're currently implementing a variety of initiatives and planning to carry out a detailed study, which will assist us in setting clear and concrete goals.	We pledge to uphold our firm stand against discrimination, as directed by our existing policies.	We are currently engaged in numerous initiatives and plan to undertake a comprehensive study that will help us establish measurable goals and targets.	We pledge to ensure that our actions and engagements align responsibly with the guidelines set forth in our Code of Conduct.	We pledge to allocate our Corporate Social Responsibility (CSR) funds towards fostering societal development.	Our commitment to maintaining a customer-focused approach will persist.
6. Performance of the entity against the specific commitments, goals and targets along-with reasons in case the same are not met.	No	No	No	No	No	No	No	No	No

Governance, leadership and oversight

7. **Statement by director responsible for the business responsibility report, highlighting ESG related challenges, targets and achievements**

   At MedPlus, we are deeply committed to ensuring that our operations and practices are sustainable, inclusive, and responsible. We firmly believe that businesses must serve a purpose beyond profit, encompassing responsibilities to the environment and society. This belief is the foundation of our commitment to Environmental, Social, and Governance (ESG) principles, which guide us in creating sustainable value for our stakeholders.

   We are aware of the challenges our industry faces in terms of sustainability, particularly in relation to energy consumption, waste generation, and emissions. However, we see these challenges as opportunities to innovate, improve, and inspire change, not just within our organization, but across the industry and society at large.

   To this end, we have taken numerous steps to mitigate our impact on the environment. A key initiative has been optimizing energy efficiency across our operations. We have commenced the conversion of our conventional lighting to LED alternatives, and continue to invest in highly energy-efficient equipment. We have also improved the management of our air conditioning systems to ensure they are turned off in areas not in use. These measures have already led to significant energy savings.

   Our commitment to sustainability extends to our approach to waste management and reduction. We have established systems to responsibly collect, manage, and recycle waste, partnering with authorized agencies for this purpose. We have also taken steps to reduce plastic waste, with a shift to paper bags in our stores and reusable cloth bags at our warehouses. Our initiatives in waste reduction are making a positive impact.

   Further, we have restructured our supply chain to be more efficient and localized. By sourcing goods from authorized local producers and strategically locating our warehouses, we have successfully minimized the distance goods need to be transported, thereby reducing fuel consumption and associated emissions.

   As we continue our sustainable journey, we've engaged with stakeholders for material topic identification, initiated emission calculations, and embedded Environment, Health, and Safety Standards across the organization. Our commitment to the well-being of our workforce remains unwavering, with rigorous health and safety systems across our operations.

   In the future, we aim to deepen our market penetration, expand omnichannel presence, increase private offerings, provide adjacent services to customers, and automate back-end operations. All these initiatives ensure our alignment with sustainability while delivering genuine medicines at better value to customers. Our recent investment in diagnostics further enhances our service spectrum, helping us build a strong foundation for sustainable development.

   While we are proud of these accomplishments, we understand that there is still much work to be done. Sustainability is a journey, not a destination. We are steadfast in our commitment to continuously improving our practices, setting more ambitious targets, and leading the way in sustainable and responsible business.

   Thank you for your continued support and trust in MedPlus as we journey towards a sustainable future.

8. **Details of the highest authority responsible for implementation and oversight of the Business Responsibility policy (ies).**

   Bhaskar Reddy Cherukupalli Chief Operating Officer

9. **Does the entity have a specified Committee of the Board/Director responsible for decision making on sustainability related issues? (Yes / No). If yes, provide details.**

   Gangadi Madhukar Reddy Managing Directors and Chief Executive Officer

10. Details of Review of NGRBCs by the Company:

Subject for Review	Indicate whether review was undertaken by Director/Committee of the Board/ Any other Committee									Frequency (Annually/Half yearly/Quarterly/ Any other – please specify)								
	P 1	P 2	P 3	P 4	P 5	P 6	P 7	P 8	P 9	P 1	P 2	P 3	P 4	P 5	P 6	P 7	P 8	P 9
Performance against above policies and follow up action*	Committee of the Board									Annually								
Compliance with statutory requirements of relevance to the principles, and, rectification of any non-compliances**	Committee of the Board									Quarterly								

*The Committee of the Board periodically assesses the effectiveness of these policies and make any necessary amendments to the policies and procedures.

All the Policies are reviewed at least once annually and performance against some of these policies are reviewed usually on annual basis. Policies are reviewed considering various parameters like statutory requirements and the frequency as stated in the policy document or need basis.

**The Company is in compliance with applicable laws. A Compliance report across all statutory requirements is submitted to the Audit Committee on a quarterly basis.

11. Has the entity carried out independent assessment/ evaluation of the working of its policies by an external agency? (Yes/No). If yes, provide name of the agency.*	P 1	P 2	P 3	P 4	P 5	P 6	P 7	P 8	P 9
	No	No	No	No	No	No	No	No	No

*The procedures and compliances are regularly examined by internal auditors, and the Board is kept abreast of the compliance status. Both from the standpoint of best practices and risk analysis, policies are routinely reviewed and revised by respective department or business heads, with approvals granted by the management, Board Committees, or the Board itself. An internal evaluation of the effectiveness of the BR policies has been conducted. We do not have any external agency which has reviewed our policy

12. If answer to question (1) above is "No" i.e. not all Principles are covered by a policy, reasons to be stated:

Questions	P 1	P 2	P 3	P 4	P 5	P 6	P 7	P 8	P 9
The entity does not consider the Principles material to its business (Yes/No)	NA	NA	NA	NA	NA	NA	NA	NA	NA
The entity is not at a stage where it is in a position to formulate and implement the policies on specified principles (Yes/No)	NA	NA	NA	NA	NA	NA	NA	NA	NA
The entity does not have the financial or/human and technical resources available for the task (Yes/No)	NA	NA	NA	NA	NA	NA	NA	NA	NA
It is planned to be done in the next financial year (Yes/No)	NA	NA	NA	NA	NA	NA	NA	NA	NA
Any other reason (please specify)	NA	NA	NA	NA	NA	NA	NA	NA	NA

SECTION C: PRINCIPLE WISE PERFORMANCE DISCLOSURE

PRINCIPLE 1 Businesses should conduct and govern themselves with integrity, and in a manner that is Ethical, Transparent and Accountable.

Essential Indicators

1. Percentage coverage by training and awareness programmes on any of the Principles during the financial year:

Segment	Total number of training and awareness programmes held	Topics/ principles covered under the training and its impact	%age of persons in respective category covered by the awareness programmes
Board of Directors	1	SEBI and regulatory amendments	100%
Key Managerial Personnel	1	SEBI and regulatory amendments	100%
Employees other than BoD and KMPs	732	1. **Skill Upgradation Trainings-** • Training in Drugs, POS, SOP & Soft skills and POSH. • Aptitude, Basic Math, Logical reasoning & SOP modules for upskilling • - Training for the new process update • Training on Retail Management, Behavioral Skills, Team Management Skills, General Aptitude & Maths, Excel & Data Management, MedPlus Process & SOP. • Training for upskilling the training delivery skills of the newly recruited trainers. • Training program including OJT comprised of Communication, Customer Handling Skills & Process Training. 2. **Health and Safety Trainings** • Process Trainings • Training in drugs, POS and Soft skills 3. **Other Trainings** • Human Rights • MedPlus Processes and SOP	74%
Workers	0	0	0

2. Details of fines/penalties/punishment/award/compounding fees/settlement amount paid in proceedings (by the entity or by directors /KMPs) with regulators/law enforcement agencies/judicial institutions, in the financial year, in the following format

	NGRBC Principle	Name of the regulatory/ enforcement agencies/ judicial institutions	Amount (In ₹)	Brief of the Case	Has an appeal been preferred? (Yes/No)
Penalty/ Fine	Nil	Nil	Nil	Nil	Nil
Settlement	Nil	Nil	Nil	Nil	Nil
Compounding fee	Nil	Nil	Nil	Nil	Nil

Non-Monetary

	NGRBC Principle	Name of the regulatory/ enforcement agencies/ judicial institutions	Brief of the Case	Has an appeal been preferred? (Yes/No)
Imprisonment	NA			
Punishment	NA			

3. Of the instances disclosed in Question 2 above, details of the Appeal/Revision preferred in cases where monetary or non-monetary action has been appealed.

Case Details	Name of the regulatory/ enforcement agencies/ judicial institutions
	NA

4. Does the entity have an anti-corruption or anti-bribery policy? If yes, provide details in brief and if available, provide a web-link to the policy.

The Business Responsibility Policy (BR Policy) as approved by the Board of Directors of the Company prohibits practices that are abusive, corrupt, or anti-competitive. Copy of the BR Policy is available at https://www.medplusindia.com/corporate.jsp

5. Number of Directors/KMPs/employees/workers against whom disciplinary action was taken by any law enforcement agency for the charges of bribery/ corruption:

	FY 2022-23	FY 2021-22
Directors	NIL	NIL
KMPs	NIL	NIL
Employees	NIL	NIL
Workers	NIL	NIL

6. Details of complaints with regard to conflict of interest:

	FY 2022-23		FY 2021-22	
	Number	Remarks	Number	Remarks
Number of complaints received in relation to issues of Conflict of Interest of the Directors	NIL		NIL	
Number of complaints received in relation to issues of Conflict of Interest of the KMPs	NIL		NIL	

7. Provide details of any corrective action taken or underway on issues related to fines / penalties / action taken by regulators/ law enforcement agencies/ judicial institutions, on cases of corruption and conflicts of interest.

Not Applicable

Principle 2 Businesses Should Provide Goods and Services In A Manner That Is Sustainable And Safe

Essential Indicators

1. Percentage of R&D and capital expenditure (capex) investments in specific technologies to improve the environmental and social impacts of product and processes to total R & D and capex investments made by the entity, respectively.

	Current Financial Year	Previous Financial Year	Details of improvements in environmental and social impacts
R&D	Nil	Nil	
Capex	Nil	Nil	

2a. Does the entity have procedures in place for sustainable sourcing? (Yes/No) No

2b. If yes, what percentage of inputs were sourced sustainably?

The Company is engaged in the procurement and storage of pharmaceutical and FMCG products from suppliers for retail and e-commerce distribution. Its Business Responsibility Policy serves as a foundational guide for the continuous review and enhancement of its technology development, integrating social, ethical, and environmental factors.

The Company is committed to compliance with all applicable laws to ensure the safety and sustainability of its products, and it continually seeks ways to improve the lifecycle of these products. While there are not yet established procedures for sustainable sourcing, the Company actively strives to minimize waste in product sourcing (finished goods), based on what pharmaceutical and FMCG companies supply.

The procurement process mostly involves bulk purchasing from vendors, using their original packaging with minimal need for additional materials. The Company operates an optimized end-to-end supply chain that reduces waste of fuel and resources.

The Company is committed to developing a comprehensive sustainable sourcing procedure in the future and aims to further refine its overall operations. Currently, goods are procured from producers who are certified manufacturers of FMCG and Pharmaceutical products (finished goods).

3. Describe the processes in place to safely reclaim your products for reusing, recycling and disposing at the end of life, for (a) Plastics (including packaging) (b) E-waste (c) Hazardous waste and (d) other waste.

Waste management in a safe and responsible manner is a crucial priority at MedPlus.

1. Plastics (including packaging) - Not Material to Medplus's operation. All the plastic waste is disposed through third parties.
2. E-waste - Not Material to Medplus's operation. All the e-waste is disposed through third-party agencies as per e-waste management and handling requirements.
3. Hazardous waste - The Company takes necessary steps to collect, manage, and waste disposed through authorised companies. These authorised companies abide by applicable laws and regulations.
4. Other waste - Other non-hazardous wastes are sent for recycling, disposal, through third parties.

4. Whether Extended Producer Responsibility (EPR) is applicable to the entity's activities (Yes / No). If yes, whether the waste collection plan is in line with the Extended Producer Responsibility (EPR) plan submitted to Pollution Control Boards? If not, provide steps taken to address the same. No

PRINCIPLE 3 Businesses Should Respect And Promote The Well-Being Of All Employees, Including Those In Their Value Chains

Essential Indicators

1. a. Details of measures for the well-being of employees:

Category	% of employees covered by										
	Total (A)	Health insurance		Accident insurance		Maternity benefits		Paternity Benefits		Day Care facilities	
		Number (B)	% (B/A)	Number (C)	% (C/A)	Number (D)	% (D/A)	Number (E)	% (E/A)	Number (F)	% (F/A)
Permanent employees											
Male	14,306	1,249	8.73%	14,306	100%	NA	NA	0	0	0	0
Female	5,320	178	3.35%	5,320	100%	5,320	100%	NA	NA	0	0
Total	**19,626**	**1,427**	**7.27%***	**19,626**	**100%**	**5,320**	**100%**	**0**	**0**	**0**	**0**
Other than Permanent employees											
Male	NA	NA	NA	NA	NA	NA	NA	NA	NA	NA	NA
Female	NA	NA	NA	NA	NA	NA	NA	NA	NA	NA	NA
Total	**NA**	**NA**	**NA**	**NA**	**NA**	**NA**	**NA**	**NA**	**NA**	**NA**	**NA**

* All other employees are covered under ESI.

b. Details of measures for the well-being of workers:

Category	% of workers covered by										
	Total (A)	Health insurance		Accident insurance		Maternity benefits		Paternity Benefits		Day Care facilities	
		Number (B)	% (B/A)	Number (C)	% (C/A)	Number (D)	% (D/A)	Number (E)	% (E/A)	Number (F)	% (F/A)
Permanent workers											
Male	Not Applicable										
Female	Not Applicable										
Total											
Other than Permanent workers											
Male	Not Applicable										
Female	Not Applicable										
Total											

2. Details of retirement benefits, for Current Financial Year and Previous Financial Year.

Benefits	FY 2022-23			FY 2021-22		
	No. of employees covered as a % of total employees	No. of workers covered as a % of total workers	Deducted and deposited with the authority (Y/N/N.A.)	No. of employees covered as a % of total employees	No. of workers covered as a % of total workers	Deducted and deposited with the authority (Y/N/N.A.)
PF	100%	0	Yes	100%	0	Yes
Gratuity	100%	0	Yes	100%	0	Yes
ESI*	100%	0	Yes	100%	0	Yes
Others – Please Specify	-	-	-	-	-	-

* 18,199 employees are covered under ESI.

3. **Accessibility of workplaces**

Are the premises/offices of the entity accessible to differently abled employees and workers, as per the requirements of the Rights of Persons with Disabilities Act, 2016? If not, whether any steps are being taken by the entity in this regard.

We ensure that our office is accessible to individuals with disabilities, and we strive to enhance the infrastructure continuously to remove accessibility barriers.

4. **Does the entity have an equal opportunity policy as per the Rights of Persons with Disabilities Act, 2016? If so, provide a web-link to the policy.**

Yes. Our Employees Code of Conduct highlights our policy to provide equal opportunity in all aspects of employment and to ensure that there is no illegal discrimination or harassment of any kind including but not limited to derogatory comments based on racial or ethnic characteristics and unwelcome sexual advances.

The code of conduct can be accessed at https://www.medplusindia.com/corporate.jsp

5. **Return to work and Retention rates of permanent employees and workers that took parental leave.**

Gender	Permanent employees		Permanent workers	
	Return to work rate	Retention rate	Return to work rate	Retention rate
Male	0	0	0	0
Female	62%	62%	0	0
Total	**62%**	**62%**	**0**	**0**

6. **Is there a mechanism available to receive and redress grievances for the following categories of employees and worker? If yes, give details of the mechanism in brief.**

	Yes/No (If Yes, then give details of the mechanism in brief)
Permanent Workers	NA
Other than Permanent Workers	NA
Permanent Employees	Yes
Other than Permanent Employees	Yes

Medplus has Grievance Mechanism which is accessible to internal stakeholders and is available on Company's intranet and brief under code of business conduct that can be accessible on website: https://www.medplusindia.com/corporate.jsp

In case of any unethical matter, all employees are encouraged to report the concern to their supervisor or reporting manager. For Organisational issues, performance and appraisal related concerns, they are directed towards Human Resource Manager. Employees should reach out to the Audit Committee if complaint is of the nature as described in the whistle blower policy which can be accessed via link: https://www.medplusindia.com/corporate.jsp

7. **Membership of employees and worker in association(s) or Unions recognised by the listed entity:**

Category	FY 2022-23			FY 2021-22		
	Total employees/ workers in respective category (A)	No. of employees / workers in respective category, who are part of association(s) or Union (B)	% (B/A)	Total employees/ workers in respective category (C)	No. of employees/ workers in respective category, who are part of association (s) or Union(D)	% (D/C)
Total Permanent Employees	19,626	0	0%	16,351	0	0%
- Male	14,306	0	0%	12,232	0	0%
- Female	5,320	0	0%	4,119	0	0%
Total Permanent Workers	0	0	0%	0	0	0%
- Male	0	0	0%	0	0	0%
- Female	0	0	0%	0	0	0%

8. Details of training given to employees and workers:

Category	FY 2022-23					FY 2021-22				
	Total (A)	On Health and safety measures		On Skill upgradation		Total (D)	On Health and safety measures		On Skill upgradation	
		No. (B)	% (B/A)	No. (C)	% (C/A)		No. (E)	% (E/D)	No. (F)	% (F/D)
Employees										
Male	14,306	6,711	47%	4,527	32%	12,232	5,261	43%	2,283	19%
Female	5,320	2,084	39%	1,272	24%	4,119	1,371	33%	368	9%
Total	**19,626**	**8,795**	**45%**	**5,799**	**30%**	**16,351**	**6,632**	**41%**	**2,651**	**16%**
Workers										
Male	0	0	0	0	0	0	0	0	0	0
Female	0	0	0	0	0	0	0	0	0	0
Total	**0**	**0**	**0**	**0**	**0**	**0**	**0**	**0**	**0**	**0**

9. Details of performance and career development reviews of employees and worker:

Category	FY 2022-23			FY 2021-22		
	Total (A)	No. (B)	% (B / A)	Total (C)	No. (D)	% (D / C)
Employees*						
Male	14,306	14,306	100%	12,232	12,232	100%
Female	5,320	5,320	100%	4,119	4,119	100%
Total	**19,626**	**19,626**	**100%**	**16,351**	**16,351**	**100%**
Workers						
Male	0	0	0	0	0	0
Female	0	0	0	0	0	0
Total	**0**	**0**	**0**	**0**	**0**	**0**

*The employees who have completed atleast six months on rolls as on 31st March are eligible for the performance review, the objective being to assess the overall performance/KRA achievements, provide feedback and identify training needs.

10. Health and safety management system:

a. Whether an occupational health and safety management system has been implemented by the entity? (Yes/ No). If yes, the coverage such system?	No
b. What are the processes used to identify work-related hazards and assess risks on a routine and non-routine basis by the entity?	The Company has embedded Environment, Health and Safety Standards throughout the Organisation and across its value chain. The Company's Environment, Health and Safety practices confirms to applicable local laws as well as ethical business standards. The Company has invested and will continue to invest in the safety of all its employees and human resource surrounding it.
c. Whether you have processes for workers to report the work related hazards and to remove themselves from such risks. (Y/N)	NA
d. Do the employees/ worker of the entity have access to non-occupational medical and healthcare services? (Yes/ No)	Yes. We have Mediclaim in place for our employees

11. Details of safety related incidents, in the following format:

Safety Incident/Number	Category	FY 2022-23	FY 2021-22
Lost Time Injury Frequency Rate (LTIFR) (per one million-person hours worked)	Employees	Nil	Nil
	Workers	Nil	Nil
Total recordable work-related injuries	Employees	Nil	Nil
	Workers	Nil	Nil
No. of fatalities	Employees	Nil	Nil
	Workers	Nil	Nil
High consequence work-related injury or ill-health (excluding fatalities)	Employees	Nil	Nil
	Workers	Nil	Nil

12. Describe the measures taken by the entity to ensure a safe and healthy workplace.

At Medplus, the health, safety, and well-being of our workforce is of paramount importance. We are committed to maintaining a working environment that is devoid of occupational hazards, irrespective of the geographical location or job nature of our staff. Rigorous Health and Safety systems are in place across stores, warehouses, diagnostic centres, collection centres, and business operations, governed and motivated by our set policies and procedures. If any employee was not informed of these standards or procedures during their induction, it's crucial they promptly seek the necessary details from their direct manager. We consistently implement effective strategies to consistently enhance our health and safety performance.

13. Number of Complaints on the following made by employees and workers:

	FY 2022-23			FY 2021-22		
	Filed during the year	Pending resolution at the end of year	Remarks	Filed during the year	Pending resolution at the end of year	Remarks
Working Conditions	0	0		0	0	
Health & Safety	0	0		0	0	

14. Assessments for the year:

	% of your plants and offices that were assessed (by entity or statutory authorities or third parties)
Health and safety practices	100%
Working Conditions	100%

Regular evaluations are carried out to determine the effectiveness of the health and safety systems, and suitable actions are initiated to consistently enhance our performance in health and safety.

15. Provide details of any corrective action taken or underway to address safety-related incidents (if any) and on significant risks / concerns arising from assessments of health & safety practices and working conditions.

Not Applicable

PRINCIPLE 4: Businesses Should Respect The Interests Of And Be Responsive To All Its Stakeholders

Essential Indicators

1. Describe the processes for identifying key stakeholder groups of the entity.

A 'stakeholder' for your Company is defined as an individual, a group of individuals, or institutions that either influence our business or are influenced by it. The inclusivity and prioritization of stakeholders are determined based on their interest, impact and influence on Medplus. Addressing the needs, interests, and expectations of our stakeholders is vital to our operations. To ensure this, we have established a well-organized stakeholder engagement process that allows us to maintain open and reliable communication with our prioritized stakeholder groups.

2. List stakeholder groups identified as key for your entity and the frequency of engagement with each stakeholder group.

Stakeholder Group	Whether identified as Vulnerable & Marginalized Group (Yes/No)	Channels of communication (Email, SMS, Newspaper, Pamphlets, Advertisement, Community Meetings, Notice Board, Website), Other	Frequency of engagement (Annually/ Half yearly/ Quarterly/ others – please specify)	Purpose and scope of engagement including key topics and concerns raised during such engagement
Patients and Customers	No	- Retail Pharmacy interactions - Social Media - Print and Electronic Media	Regular	- Valuable insight to foster trust - Focus on healthcare and service needs - Front of-store products - Payment options - input on partnerships to healthcare accessibility and product transparency
Employees	No	A full range of communications channels, both digital and in-person - Human Resources Management System (HRMS) - Performance Reviews and Development Programs - Whatsapp Groups - Website and Public reports - POS pop-ups - Regular emails - Workplace surveys - Corporate communications - Meetings - Bulletin Board / Notice Board communications	Regular	- Improving health and well-being of employees - Training and upskilling - Modification of benefit offerings - Financial and mental health support - Express insights to management - Compensation practices
Suppliers	No	- training/events - Business Review	regular assess-ments, policies and communi-cations	- Responsible sourcing - Plastics and waste management - Operating as a responsible materials consumer - Respect and maintain human rights - Prioritise operational sustainability - Ensure Product and Procedure safety

Stakeholder Group	Whether identified as Vulnerable & Marginalized Group (Yes/No)	Channels of communication (Email, SMS, Newspaper, Pamphlets, Advertisement, Community Meetings, Notice Board, Website), Other	Frequency of engagement (Annually/ Half yearly/ Quarterly/ others – please specify)	Purpose and scope of engagement including key topics and concerns raised during such engagement
Channel Partners	No	Site/ Market Visits Meetings	Periodic	- To improve availability of medications across different regions - To establish a robust collaboration to ensure a continuous provision of essential medications - To achieve higher market share - To raise awareness regarding new initiatives - To collaborate with partners who demonstrate creditworthiness and adhere to fair business practices - To respond to any inquiries or feedback from channel partners.
Government and Regulators	No	Engagement with Industry Associations / subcommittees Meetings	Need based	- To actively participate and advocate on diverse regulatory and policy matters - To enhance the healthcare ecosystem through policy interventions - Access to affordable and quality healthcare
Shareholders and investors	No	- Frequent dialogue - Shareholders Meeting - Quarterly Earnings Calls - Website - Emails - Stock Exchange and other communications - Annual Report	- Annual/ Event based - Quarterly	- Understanding shareholder's expectations, soliciting inputs and communicating their perspective to the management - Conveying the Company's business achievements, financial results, and comprehensive strategic direction.
Communities	No	- Website - CSR Initiatives	Periodic	- Evaluating social issues or developmental needs faced by the local communities. - Community welfare

PRINCIPLE 5 Businesses Should Respect and Promote Human Rights

Essential Indicators

1. Employees and workers who have been provided training on human rights issues and policy(ies) of the entity, in the following format:

Category	FY 2022-23			FY 2021-22		
	Total (A)	No. employees workers covered (B)	% (B / A)	Total (C)	No. employees workers covered (D)	% (D / C)
Employees						
Permanent	19,626	8,795	45%	16,351	6,632	41%
Other than permanent	0	0	0	0	0	0
Total Employees	**19,626**	**8,795**	**45%**	**16,351**	**6,632**	**41%**
Workers						
Permanent	0	0	0	0	0	0
Other than permanent	0	0	0	0	0	0
Total Workers	**0**	**0**	**0**	**0**	**0**	**0**

2. Details of minimum wages paid to employees and workers, in the following format:

Category	FY 2022-23					FY 2021-22				
	Total (A)	Equal to Minimum Wage		More than Minimum Wage		Total (D)	Equal to Minimum Wage		More than Minimum Wage	
		No.(B)	% (B/A)	No. (C)	% (C/A)		No.(E)	% (E/D)	No.(F)	% (F/D)
Employees										
Permanent	19,626	0	0	19,626	100%	16,351	0	0	16,351	100%
Male	14,306	0	0	14,306	100%	12,232	0	0	12,232	100%
Female	5,320	0	0	5,320	100%	4,119	0	0	4,119	100%
Other than permanent	0	0	0	0	0	0	0	0	0	0
Male	0	0	0	0	0	0	0	0	0	0
Female	0	0	0	0	0	0	0	0	0	0
Workers										
Permanent	0	0	0	0	0	0	0	0	0	0
Male	0	0	0	0	0	0	0	0	0	0
Female	0	0	0	0	0	0	0	0	0	0
Other than permanent	0	0	0	0	0	0	0	0	0	0
Male	0	0	0	0	0	0	0	0	0	0
Female	0	0	0	0	0	0	0	0	0	0

3. Details of remuneration/salary/wages, in the following format:

	Male		Female	
	Number	Median remuneration/ salary/ wages of respective category	Number	Median remuneration/ salary/ wages of respective category
Board of Directors (BoD)*	5	₹ 17,00,000/-	1	₹ 17,00,000/-
Key Managerial Personnel*#	3	₹ 40,00,000/-	0	-
Employees other than BoD and KMP**	14,303	₹ 1,56,000/-	5,320	₹ 1,53,432/-
Workers	0	0	0	0

* Board of Directors (BoD) and KMP includes Directors and KMP of MedPlus only

*Includes 1 Executive Director (ED) and 5 Non-Executive Director (NED)/Sitting fees paid to NED has been annualised for the purpose of median remuneration

#KMP includes 1 ED included in BOD

** Employees other than BoD and KMP includes MedPlus and Optival

Note: All Median salaries mentioned above are on annual basis

4. **Do you have a focal point (Individual/ Committee) responsible for addressing human rights impacts or issues caused or contributed to by the business? (Yes/No)**
   Yes

5. **Describe the internal mechanisms in place to redress grievances related to human rights issues.**

   At Medplus, issues concerning human rights matters are encapsulated within the Company's Code of Conduct.

   The Company is dedicated to fostering a work environment that prioritizes health and wellbeing, free from prejudice, gender bias, and sexual harassment. The goal is to cultivate and uphold a secure workplace where courtesy, dignity, and respect are the norm, irrespective of one's gender, race, caste, creed, religion, origin, sexual orientation, disability, economic status or hierarchy position.

   The Company has a Whistle Blower and Prevention and Resolution of Sexual Harassment at Workplace Policy that allows and encourages its stakeholders to raise concerns about the violations against any victimization of the employee who is complaining or the alleged harasser that may result from a complaint.

   The Management has established an Internal Complaints Committee to address and resolve harassment grievances. The grievances are duly addressed and corrective measures deemed fit are taken.

6. **Number of Complaints on the following made by employees and workers:**

	FY 2022-23			FY 2021-22		
	Filed during the year	Pending resolution at the end of year	Remarks	Filed during the year	Pending resolution at the end of year	Remarks
Sexual Harassment	0	0	Nil	0	0	Nil
Discrimination at workplace	0	0	Nil	0	0	Nil
Child Labour	0	0	Nil	0	0	Nil
Forced Labour/Involuntary Labour	0	0	Nil	0	0	Nil
Wages	0	0	Nil	0	0	Nil
Other human rights related issues	0	0	Nil	0	0	Nil

7. **Mechanisms to prevent adverse consequences to the complainant in discrimination and harassment cases.**

   The Internal Complaints Committee (ICC) has been established to address issues of sexual harassment. It comprises a diverse blend of both internal and external members hailing from relevant backgrounds. Established criteria are already in place for handling instances of sexual harassment. The Company's Code of Conduct sets the groundwork for all employees to foster a productive, positive, enjoyable, and safe working environment free from harassment and discrimination. Any form of discrimination is deemed unacceptable within MedPlus, and all reported incidents are subject to thorough investigation.

8. **Do human rights requirements form part of your business agreements and contracts? (Yes/No)**

   No

9. **Assessments for the year:**

	%age of your plants and offices that were assessed (by entity or statutory authorities or third parties)
Child labour	100%
Forced/involuntary labour	100%
Sexual harassment	100%
Discrimination at workplace	100%
Wages	100%
Others – please specify	-

The Company is conducting assessment at regular intervals of all its places of business.

10. **Provide details of any corrective actions taken or underway to address significant risks/concerns arising from the assessments at Question 9 above.**

    Not Applicable

PRINCIPLE 6: Businesses Should Respect and Make Efforts To Protect And Restore The Environment

Essential Indicators

1. Details of total energy consumption (in Giga Joules) and energy intensity, in the following format:

Parameter	FY 2022-23	FY 2021-22
Total electricity consumption (A)	1,25,753.96	68,905.83
Total fuel consumption (B)	1,788.19	1,276.83
Energy consumption through other sources (C)		
Total energy consumption (A+B+C)	1,27,542.15	70,182.66
Energy intensity per rupee of turnover (Total energy consumption/turnover in rupees)(GJ/₹ in Mn)	2.67 GJ/ ₹ in Mn	1.79 GJ/ ₹ in Mn
Energy intensity (optional) – the relevant metric may be selected by the entity		
Note: Indicate if any independent assessment/ evaluation/assurance has been carried out by an external agency? (Y/N) If yes, name of the external agency.		No

2. Does the entity have any sites / facilities identified as designated consumers (DCs) under the Performance, Achieve and Trade (PAT) Scheme of the Government of India? (Y/N) If yes, disclose whether targets set under the PAT scheme have been achieved. In case targets have not been achieved, provide the remedial action taken, if any.

Not Applicable

3.Provide details of the following disclosures related to water, in the following format:

Parameter	FY 2022-23	FY 2021-22
Water withdrawal by source (in kilolitres)		
(i) Surface water		
(ii) Groundwater		
(iii) Third party water	2,818.22	2,320.93
(iv) Seawater / desalinated water		
(v) Others		
Total volume of water withdrawal (in kilolitres) (i + ii + iii + iv + v)		
Total volume of water consumption (in kilolitres)	2,818.22	2,320.93
Water intensity per rupee of turnover (Water consumed / turnover) (KL/ ₹ in Mn)	0.059 KL/ ₹ in Mn	0.059 KL/ ₹ in Mn
Water intensity (optional) – the relevant metric may be selected by the entity		
Note: Indicate if any independent assessment/ evaluation/assurance has been carried out by an external agency? (Y/N) If yes, name of the external agency.		No

4. Has the entity implemented a mechanism for Zero Liquid Discharge? If yes, provide details of its coverage and implementation.

NA

5. Please provide details of air emissions (other than GHG emissions) by the entity, in the following format:

Parameter	Please specify unit	FY 2022-23	FY 2021-22
Nox		-	-
Sox		-	-
Particulate matter (PM)		-	-
Persistent organic pollutants (POP)		-	-
Volatile organic compounds (VOC)		-	-
Hazardous air pollutants (HAP)		-	-
Others– please specify		-	-
Note: Indicate if any independent assessment/ evaluation/assurance has been carried out by an external agency? (Y/N) If yes, name of the external agency.			No

6. Provide details of greenhouse gas emissions (Scope 1 and Scope 2 emissions) & its intensity, in the following format:

Parameter	Unit	FY 2022-23	FY 2021-22
Total Scope 1 emissions (Break-up of the GHG into CO2, CH4, N2O, HFCs, PFCs, SF6, NF3, if available)	Metric tonnes of CO2 equivalent	307.79	79.31
Total Scope 2 emissions (Break-up of the GHG vinto CO2, CH4, N2O, HFCs, PFCs, SF6, NF3, if available)	Metric tonnes of CO2 equivalent	28,294.64	15,503.81
Total Scope 1 and Scope 2 emissions per rupee of turnover (Metric tonnes of CO2 equivalent/ ₹ in Mn)		0.60 Metric tonnes of CO2 equivalent/ ₹ in Mn	0.40 Metric tonnes of CO2 equivalent/ ₹ in Mn
Total Scope 1 and Scope 2 emission intensity (optional)– the relevant metric may be selected by the entity			
Note: Indicate if any independent assessment/ evaluation/assurance has been carried out by an external agency? (Y/N) If yes, name of the external agency.			No

7. Does the entity have any project related to reducing Green House Gas emission? If Yes, then provide details.

At MedPlus, our continuous goal is to enhance energy efficiency, curtail waste, and minimize fuel consumption throughout our extensive network of retail outlets. We're steadfast in our commitment to lessening our carbon footprint through various measures, including:

Optimizing Energy Efficiency: We have embarked on an initiative to replace conventional lighting with LED alternatives and to invest in equipment that is highly energy-efficient. Additionally, we are actively managing our air conditioning systems, specifically ensuring they are turned off in areas not in use.

We have strategically positioned our warehouses in major metropolitan areas. These decentralized facilities independently handle procurement and use public vehicles to service the stores in surrounding Tier 1 and Tier II cities or towns. This approach promotes reduced energy consumption by minimizing the distance goods need to be transported.

Waste Management and Reduction: We have implemented measures to collect, manage, and recycle waste responsibly, partnering with authorized agencies for this purpose. Our focus extends to the minimization of plastic waste as we use paper bags at our stores and reusable cloth bags at our warehouse facilities. Moreover, we dispose of pharmaceutical waste responsibly to keep emissions at bay.

Efficient and Localized Supply Chain: We source our goods from authorized local producers of FMCG and Pharmaceutical products. Our procurement strategy includes sourcing from seven strategic locations close to vendor points, which aids us in efficiently distributing products to our retail outlets. Our end-to-end supply chain, running from our central warehouse to the retail shops, has been streamlined to ensure maximum efficiency. This optimized system enables us to reduce fuel usage and resource wastage significantly.

8. Provide details related to waste management by the entity, in the following format:

Parameter	FY 2022-23	FY 2021-22
Total Waste generated (in metric tonnes)		
Plastic waste (A)	12.67	6.10
E-waste (B)	40.50	5.81
Bio-medical waste (C)	199.89	140.10
Construction and demolition waste (D)	-	-
Battery waste (E)	4.09	4.60
Radioactive waste (F)	-	-
Other Hazardous waste. Please specify, if any. (G)	-	-
Other Non-hazardous waste generated (H). Please specify, if any. Paper other waste Scrap	318.33 192.44	210.37 89.83
Total (A+B + C + D + E + F + G + H)	**767.92**	**456.81**

Parameter	FY 2022-23	FY 2021-22
For each category of waste generated, total waste recovered through recycling, re-using or other recovery operations (in metric tonnes)		
Category of waste		
(i) Recycled	568.03	315.80
(ii) Re-used	-	
(iii) Other recovery operations	-	
Total	**568.03**	**315.80**
For each category of waste generated, total waste disposed by nature of disposal method (in metric tonnes)		
Category of waste		
(i) Incineration	199.89	140.10
(ii) Landfilling	-	
(iii) Other disposal operations	-	
Total	**199.89**	**140.10**
Note: Indicate if any independent assessment/ evaluation/assurance has been carried out by an external agency? (Y/N) If yes, name of the external agency.		No

9. Briefly describe the waste management practices adopted in your establishments. Describe the strategy adopted by your Company to reduce usage of hazardous and toxic chemicals in your products and processes and the practices adopted to manage such wastes.

The Company follows the necessary procedures to collect, manage, and recycle waste, partnering with authorized companies, who periodically collects and disposes of the waste as mandated.

10. If the entity has operations/offices in/around ecologically sensitive areas (such as national parks, wildlife sanctuaries, biosphere reserves, wetlands, biodiversity hotspots, forests, coastal regulation zones etc.) where environmental approvals / clearances are required, please specify details in the following format:

S.No.	Location of operations/ offices	Type of operations	Whether the conditions of environmental approval / clearance are being complied with? (Y/N) If no, the reasons thereof and corrective action taken, if any.
	Not Applicable		

11. Details of environmental impact assessments of projects undertaken by the entity based on applicable laws, in the current financial year:

Name and brief details of project	EIA Notification No.	Date	Whether conducted by independent external agency (Yes / No)	Results communicated in public domain (Yes / No)	Relevant Web link
			Not Applicable		

12. Is the entity compliant with the applicable environmental law/ regulations/ guidelines in India; such as the Water (Prevention and Control of Pollution) Act, Air (Prevention and Control of Pollution) Act, Environment protection act and rules thereunder (Y/N). If not, provide details of all such non-compliances, in the following format: Yes

S. No.	Specify the law/ regulation/ guidelines which was not complied with	Provide details of the non-compliance	Any fines / penalties /action taken by regulatory agencies such as pollution control boards or by courts	Corrective action taken, if any
			Not Applicable	

PRINCIPLE 7 Businesses, When Engaging in Influencing Public and Regulatory Policy, Should Do So In A Manner That Is Responsible And Transparent

Essential Indicators	
1. a. Number of affiliations with trade and industry chambers/ associations.	No

b. List the top 10 trade and industry chambers/ associations (determined based on the total members of such body) the entity is a member of/ affiliated to.

S.No.	Name of the trade and industry chambers/ associations	Reach of trade and industry chambers/ associations (State/ National)
1	Not Applicable	

2. Provide details of corrective action taken or underway on any issues related to anti- competitive conduct by the entity, based on adverse orders from regulatory authorities.

Name of authority	Brief of the case	Corrective action taken
	Not Applicable	

PRINCIPLE 8 Businesses Should Promote Inclusive Growth and Equitable Development

Essential Indicators

1. Details of Social Impact Assessments (SIA) of projects undertaken by the entity based on applicable laws, in the current financial year.

Name and brief details of project	SIA Notification No.	Date of notification	Whether conducted by independent external agency (Yes /No)	Results communicated in public domain (Yes / No)	Relevant Web link
NA					

2. Provide information on project(s) for which ongoing Rehabilitation and Resettlement (R&R) is being undertaken by your entity, in the following format:

S. No.	Name of Project for which R&R is ongoing	State	District	No. of Project Affected Families (PAFs)	% of PAFs covered by R&R	Amounts paid to PAFs in the FY (In ₹)
NA						

3. Describe the mechanisms to receive and redress grievances of the community.

We aim to ensure that all grievances are addressed efficiently and effectively, thus upholding our commitment to maintaining a strong and positive relationship with our community.

Our primary modes of communication are as follows:

It is integral to our operations to have a transparent and efficient grievance redressal mechanism. The goal is to ensure that any concerns or complaints raised by the community are heard, understood, and resolved in a timely manner. Our primary modes of communication are as follows:

1. Toll-Free Number: A toll-free number is clearly displayed on your Company website and all our promotional materials. This number is manned by a dedicated team of customer care representatives, who are trained to handle inquiries, complaints, and concerns. They ensure that all calls are answered promptly, and necessary actions are taken to address the grievances raised.
2. Call Centre/Customer Care: Our call centre operates around the clock to provide immediate assistance to anyone reaching out.
3. Common Email ID: In addition to the toll-free number, we provide a common email ID for the community to send in their grievances. This email ID is monitored regularly, and all messages are acknowledged within a specified timeframe. The emails are categorized based on the nature of the query or complaint and forwarded to the relevant department for resolution.
4. Feedback Form on Website: We also have a user-friendly feedback form on our website where customers can share their concerns, suggestions or complaints.
5. Social Media Channels: We monitor our social media channels and take note of any comments or messages related to grievances. Our team promptly responds to these messages and directs them to the appropriate department for redressal.

4. Percentage of input material (inputs to total inputs by value) sourced from suppliers:

	FY 2022-23	FY 2021-22
Directly sourced from MSMEs/ small producers	3.21%	0.22%
Sourced directly from within the district and neighbouring districts*	96.79%	99.78%

*Our procurement is made mostly from within the district and neighbouring districts where our warehouses/ branch offices are located.

PRINCIPLE 9 Businesses Should Engage With and Provide Value To Their Consumers In A Responsible Manner

Essential Indicators

1. Describe the mechanisms in place to receive and respond to consumer complaints and feedback.

The Company employs an effective system to accumulate and address all consumer complaints promptly. Our Complaint Management System (CMS) is a dedicated dashboard that funnels consumer complaints to our Customer Service Department (CSD). Based on the nature of the complaint, the CSD channels it to the appropriate departments. We adhere to specific turnaround timelines (TAT) for different types of complaints across various departments.

Issues relating to topics such as online exchange procedures and online delivery complaints are addressed by our Mart Operations Team. Customers can submit their grievances through phone calls or emails. Once a complaint ticket is generated in our Customer Relationship Management (CRM) system, it becomes visible to both the customer and relevant employees within the department.

Moreover, our customer care team is also receptive to feedback from customers, which is essential to our constant improvement and ensures we uphold our commitment to excellent customer service.

2. Turnover of products and/ services as a percentage of turnover from all products/service that carry information about:

	As a percentage to total turnover
Environmental and social parameters relevant to the product	100%
Safe and responsible usage	100%
Recycling and/or safe disposal	100%

3. Number of consumer complaints in respect of the following:

	FY 2022-23		Remarks	FY 2021-22		Remarks
	Received during the year	Pending resolution at end of year		Received during the year	Pending resolution at end of year	
Data privacy	0	0		0	0	
Advertising	0	0		0	0	
Cyber-security	0	0		0	0	
Delivery of essential services	0	0		0	0	
Restrictive Trade Practices	0	0		0	0	
Unfair Trade Practices	0	0		0	0	
Other	16,872	0		10,200	0	

4. Details of instances of product recalls on account of safety issues:

	Number	Reasons for recall
Voluntary recalls	0	NA
Forced recalls	0	NA

5. Does the entity have a framework/ policy on cyber security and risks related to data privacy? (Yes/No) If available, provide a web-link of the policy.

Yes.

The policy can be accessed at -

https://www.medplusindia.com/privacy-policy.jsp

Potential information loss and IT system failures, particularly cyber-attacks, might possibly impair how well shops, centres, warehouses, and distribution networks operate.

- To avoid unexpected system breakdowns, the Company regularly inspects its internal IT security systems
- The Company also safeguards these systems using a range of backup plans and sufficient firewalls

6. Provide details of any corrective actions taken or underway on issues relating to advertising, and delivery of essential services; cyber security and data privacy of customers; re-occurrence of instances of product recalls; penalty / action taken by regulatory authorities on safety of products / services.

No Instances reported.

Independent Auditor's Report

To the Members of MedPlus Health Services Limited

(Formerly known as MedPlus Health Services Private Limited)

Report on the Audit of the Standalone Financial Statements

Opinion

We have audited the standalone financial statements of MedPlus Health Services Limited (Formerly known as MedPlus Health Services Private Limited) (the "Company"), its employee benefit trust which comprise the standalone balance sheet as at March 31, 2023, and the standalone statement of profit and loss (including other comprehensive income), standalone statement of changes in equity and standalone statement of cash flows for the year then ended, and notes to the standalone financial statements, including a summary of significant accounting policies and other explanatory information.

In our opinion and to the best of our information and according to the explanations given to us, the aforesaid standalone financial statements give the information required by the Companies Act, 2013 ("Act") in the manner so required and give a true and fair view in conformity with the accounting principles generally accepted in India, of the state of affairs of the Company as at March 31, 2023, and its profit and other comprehensive loss, changes in equity and its cash flows for the year ended on that date.

Basis for Opinion

We conducted our audit in accordance with the Standards on Auditing (SAs) specified under Section 143(10) of the Act. Our responsibilities under those SAs are further described in the Auditor's Responsibilities for the Audit of the Standalone Financial Statements section of our report. We are independent of the Company in accordance with the Code of Ethics issued by the Institute of Chartered Accountants of India together with the ethical requirements that are relevant to our audit of the standalone financial statements under the provisions of the Act and the Rules thereunder, and we have fulfilled our other ethical responsibilities in accordance with these requirements and the Code of Ethics. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion on the standalone financial statements.

Key Audit Matter(s)

Key audit matters are those matters that, in our professional judgment, were of most significance in our audit of the standalone financial statements of the current period. We have determined that there are no key audit matters to communicate in our report.

Other Information

The Company's Management and Board of Directors are responsible for the other information. The other information comprises the information included in the Company's Annual report, but does not include the financial statements and auditor's report thereon. The Company's Annual report is expected to be made available to us after the date of this auditor's report.

Our opinion on the standalone financial statements does not cover the other information and we will not express any form of assurance conclusion thereon.

In connection with our audit of the standalone financial statements, our responsibility is to read the other information identified above when it becomes available and, in doing so, consider whether the other information is materially inconsistent with the standalone financial statements or our knowledge obtained in the audit, or otherwise appears to be materially misstated.

When we read the annual report, if we conclude that there is a material misstatement therein, we are required to communicate the matter to those charged with governance as required under SA 720 "The Auditor's Responsibilities Relating to Other Information.

Management's and Board of Directors'/Trustees Responsibilities for the Standalone Financial Statements

The Company's Management and Board of Directors are responsible for the matters stated in Section 134(5) of the Act with respect to the preparation of these standalone financial statements that give a true and fair view of the state of affairs, profit and other comprehensive income, changes in equity and cash flows of the Company in accordance with the accounting principles generally accepted in India, including the Indian Accounting Standards (Ind AS) specified under Section 133 of the Act. The respective Management and Board of Directors of the company/ Trustees of the employee benefit trust ("Trust") are responsible for maintenance of adequate accounting records in accordance with the provisions of the Act for safeguarding of the assets of company/ trust and for preventing and detecting frauds and other irregularities; selection and application of appropriate accounting policies; making judgments and estimates that are reasonable and prudent; and design, implementation and maintenance of adequate internal financial controls, that were operating effectively for ensuring the accuracy and completeness of the accounting records, relevant to the preparation and presentation of the standalone financial statements that give a true and fair view and are free from material misstatement, whether due to fraud or error.

In preparing the standalone financial statements, the respective Management and Board of Directors/ Trustees are responsible for assessing the ability of Company/Trust to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless the respective Board of Directors/ Trustees either intends to liquidate the company/trust or to cease operations, or has no realistic alternative but to do so.

The respective Board of Directors/Trustees are responsible for overseeing the financial reporting process of the company/trust.

Auditor's Responsibilities for the Audit of the Standalone Financial Statements

Our objectives are to obtain reasonable assurance about whether the standalone financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with SAs will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these standalone financial statements.

As part of an audit in accordance with SAs, we exercise professional judgment and maintain professional skepticism throughout the audit. We also:

- Identify and assess the risks of material misstatement of the standalone financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.

- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances. Under Section 143(3)(i) of the Act, we are also responsible for expressing our opinion on whether the company has adequate internal financial controls with reference to financial statements in place and the operating effectiveness of such controls.

- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by the Management and Board of Directors.

- Conclude on the appropriateness of the Management and Board of Directors use of the going concern basis of accounting in preparation of standalone financial statements and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Company's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the standalone financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Company to cease to continue as a going concern.

Independent Auditor's Report (Contd.)

- Evaluate the overall presentation, structure and content of the standalone financial statements, including the disclosures, and whether the standalone financial statements represent the underlying transactions and events in a manner that achieves fair presentation.

We communicate with those charged with governance of the Company regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

We also provide those charged with governance with a statement that we have complied with relevant ethical requirements regarding independence, and to communicate with them all relationships and other matters that may reasonably be thought to bear on our independence, and where applicable, related safeguards.

From the matters communicated with those charged with governance, we determine those matters that were of most significance in the audit of the standalone financial statements of the current period and are therefore the key audit matters. We describe these matters in our auditor's report unless law or regulation precludes public disclosure about the matter or when, in extremely rare circumstances, we determine that a matter should not be communicated in our report because the adverse consequences of doing so would reasonably be expected to outweigh the public interest benefits of such communication.

Report on Other Legal and Regulatory Requirements

1. As required by the Companies (Auditor's Report) Order, 2020 ("the Order") issued by the Central Government of India in terms of Section 143(11) of the Act, we give in the "Annexure A" a statement on the matters specified in paragraphs 3 and 4 of the Order, to the extent applicable.

2 A. As required by Section 143(3) of the Act, we report that:

   a. We have sought and obtained all the information and explanations which to the best of our knowledge and belief were necessary for the purposes of our audit.

   b. In our opinion, proper books of account as required by law have been kept by the Company so far as it appears from our examination of those books, except that the back-up of key Microsoft Excel Spreadsheets related to financial reporting and Payroll Software which form part of the books of account and other relevant books and papers in electronic mode has not been kept on servers physically located in India on a daily basis during the period from 11 August 2022 till 31 March 2023.

   c. The standalone balance sheet, the standalone statement of profit and loss (including other comprehensive income), the standalone statement of changes in equity and the standalone statement of cash flows dealt with by this Report are in agreement with the books of account.

   d. In our opinion, the aforesaid standalone financial statements comply with the Ind AS specified under Section 133 of the Act.

   e. On the basis of the written representations received from the directors between 1 April 2023 to 26 April 2023 taken on record by the Board of Directors, none of the directors is disqualified as on 31 March 2023 from being appointed as a director in terms of Section 164(2) of the Act.

   f. With respect to the adequacy of the internal financial controls with reference to financial statements of the Company and the operating effectiveness of such controls, refer to our separate Report in "Annexure B".

B. With respect to the other matters to be included in the Auditor's Report in accordance with Rule 11 of the Companies (Audit and Auditors) Rules, 2014, in our opinion and to the best of our information and according to the explanations given to us:

   a. The Company has disclosed the impact of pending litigations as at 31 March 2023 on its financial position in its standalone financial statements - Refer Note 32 to the standalone financial statements.

   b. The Company did not have any long-term contracts including derivative contracts for which there were any material foreseeable losses.

   c. There were no amounts which were required to be transferred to the Investor

Education and Protection Fund by the Company.

d (i) The management of the Company has represented to us that, to the best of its knowledge and belief, as disclosed in the Note 46 to the standalone financial statements, no funds have been advanced or loaned or invested (either from borrowed funds or share premium or any other sources or kind of funds) by the Company to or in any other person(s) or entity(ies), including foreign entities ("Intermediaries"), with the understanding, whether recorded in writing or otherwise, that the Intermediary shall directly or indirectly lend or invest in other persons or entities identified in any manner whatsoever by or on behalf of the Company ("Ultimate Beneficiaries") or provide any guarantee, security or the like on behalf of the Ultimate Beneficiaries.

(ii) The management of the Company has represented to us that, to the best of its knowledge and belief, as disclosed in the Note 46 to the standalone financial statements, no funds have been received by the Company from any person(s) or entity(ies), including foreign entities ("Funding Parties"), with the understanding, whether recorded in writing or otherwise, that the Company shall directly or indirectly, lend or invest in other persons or entities identified in any manner whatsoever by or on behalf of the Funding Parties ("Ultimate Beneficiaries") or provide any guarantee, security or the like on behalf of the Ultimate Beneficiaries.

(iii) Based on the audit procedures performed that have been considered reasonable and appropriate in the circumstances, nothing has come to our notice that has caused us to believe that the representations under sub-clause (i) and (ii) of Rule 11(e), as provided under (i) and (ii) above, contain any material misstatement.

e. The Company has neither declared nor paid any dividend during the year.

f. As proviso to rule 3(1) of the Companies (Accounts) Rules, 2014 is applicable for the Company only with effect from 1 April 2023, reporting under Rule 11(g) of the Companies (Audit and Auditors) Rules, 2014 is not applicable.

C. With respect to the matter to be included in the Auditor's Report under Section 197(16) of the Act:

In our opinion and according to the information and explanations given to us, the remuneration paid by the Company to its directors during the current year is in accordance with the provisions of Section 197 of the Act. The remuneration paid to any director by the Company is not in excess of the limit laid down under Section 197 of the Act. The Ministry of Corporate Affairs has not prescribed other details under Section 197(16) of the Act which are required to be commented upon by us.

For B S R & Associates LLP
Chartered Accountants
Firm's Registration No.:116231W/W-100024

Arpan Jain
Partner
Membership No.: 125710
ICAI UDIN:23125710BGYBQV8047

Place: Hyderabad
Date: 25 May 2023

Annexure A to the Independent Auditor's Report on the Standalone Financial Statements of MedPlus Health Services Limited (Formerly known as MedPlus Health Services Private Limited) for the year ended 31 March 2023

(Referred to in paragraph 1 under 'Report on Other Legal and Regulatory Requirements' section of our report of even date)

(i) (a) (A) The Company has maintained proper records showing full particulars, including quantitative details and situation of Property, Plant and Equipment.

(B) The Company has maintained proper records showing full particulars of intangible assets.

(i) (b) According to the information and explanations given to us and on the basis of our examination of the records of the Company, the Company has a regular programme of physical verification of its Property, Plant and Equipment by which all property, plant and equipment are verified in a phased manner over a period of two years. In accordance with this programme, certain property, plant and equipment were verified during the year. In our opinion, this periodicity of physical verification is reasonable having regard to the size of the Company and the nature of its assets. No discrepancies was noticed on such verification.

(c) According to the information and explanations given to us and on the basis of our examination of the records of the Company, the title deeds of immovable properties (other than immovable properties where the Company is the lessee and the leases agreements are duly executed in favour of the lessee) disclosed in the standalone financial statements are held in the name of the Company, except for the following which are not held in the name of the Company:

Description of property	Gross carrying value (₹ in millions)	Held in the name of	Whether promoter, director or their relative or employee	Period held- indicate range, where appropriate	Reason for not being held in the name of the Company. Also indicate if in dispute
Free hold Land	5.51	Natco Pharma Limited	No	20-Dec 2020	Note 1 below

Note 1: The aforesaid land has been transferred to the company vide agreement of sale dated 20 December 2020. However, the Company is in the process of completing the registration. Also refer Note: 3a to the Standalone financial statements.

(d) According to the information and explanations given to us and on the basis of our examination of the records of the Company, the Company has not revalued its Property, Plant and Equipment (including Right of Use assets) or intangible assets or both during the year.

(e) According to the information and explanations given to us and on the basis of our examination of the records of the Company, there are no proceedings initiated or pending against the Company for holding any benami property under the Prohibition of Benami Property Transactions Act, 1988 and rules made thereunder.

(ii) (a) The inventory has been physically verified by the management during the year. In our opinion, the frequency of such verification is reasonable and procedures and coverage as followed by management were appropriate. No discrepancies were noticed on verification between the physical stocks and the book records that were more than 10% in the aggregate of each class of inventory

(b) According to the information and explanations given to us and on the basis of our examination of the records of the Company, the Company has not been sanctioned any working capital limits in excess of five crore rupees in aggregate from banks and financial institutions on the basis of security of current assets at any point of time of the year. Accordingly, clause 3(ii)(b) of the Order is not applicable to the Company.

(iii) According to the information and explanations given to us and on the basis of our examination of the records of the Company, the Company has not provided any guarantee or security or advances in the nature of loans, secured or unsecured to companies, firms, limited liability partnership or any other parties during the year. The Company has made investments in and granted loan to companies, in respect of which the

Annexure A to the Independent Auditor's Report on the Standalone Financial Statements of MedPlus Health Services Limited (Formerly known as MedPlus Health Services Private Limited) for the year ended 31 March 2023 (Contd.)

requisite information are as below. The Company has not made any investments in or granted loan to firms, limited liability partnership or any other parties.

(a) Based on the audit procedures carried on by us and as per the information and explanations given to us the Company has provided loans to other company as below:

Particulars	Loans (₹ in millions)
Aggregate amount during the year Subsidiaries*	2.00
Balance outstanding as at balance sheet date Subsidiaries*	17.82**

*As per the Companies Act, 2013.
** Outstanding balances of ₹17.82 millions has been fully provided for.

(b) According to the information and explanations given to us and based on the audit procedures conducted by us, in our opinion the investments made during the year and the terms and conditions of the grant of loans to its subsidiary during the year are, prima facie, not prejudicial to the interest of the Company. Further, the company has not provided gurantees and advances in nature of loans and gurantees during the year.

(c) According to the information and explanations given to us and on the basis of our examination of the records of the Company, in the case of loans given, in our opinion the repayment of principal and payment of interest has been stipulated except for the loan of ₹4.5 millions given to it's subsidiary, Kalyani Meditimes Private Limited which is repayable on demand. As informed to us, the company has not demanded repayment of loan during the year. Further, in respect of other loans, repayment of principal and payment of interest have been regular except for the following

Name of the entity	Amount (₹ in millions)	Due Date (in range of dates)	Extent of delay (in range of days)	Remarks, if any
Kalyani Meditimes Private Limited	6	6 April 2022 - 10 May-22	51 - 85	Delay in repayment of Principal.
Kalyani Meditimes Private Limited	11.32	30 September 2022 - 27 February 2023	Not repaid	Overdue principal amounts. Note 1 below.
Kalyani Meditimes Private Limited	1.14	6 April 2022 - 10 May-22	51 - 85	Delay in repayment of Interest.
Kalyani Meditimes Private Limited	3.16	30 September 2022 - 27 February 2023	Not repaid	Overdue interest amounts. Note 1 below.

Further, the Company has not given any advance in the nature of loan to any party during the year.
Note 1: These overdues have been fully provied for.

(d) According to the information and explanations given to us and on the basis of our examination of the records of the Company, there is no overdue amount for more than ninety days in respect of loans (and advance in the nature of loan) given except an amount of ₹11.32 millions (principal amount) and ₹3.16 millions (interest) overdue for more than ninety days as at 31 March 2023. In our opinion, reasonable steps have been taken by the Company for recovery of the principal and interest. Further, the Company has not given any advance in the nature of loan to any party during the year

(e) According to the information and explanations given to us and on the basis of our examination of the records of the Company, there is no loan or advance in the nature of loan granted falling due during the year, which has been renewed or extended or fresh loans granted to settle the overdues of existing loans given to same parties.

(f) According to the information and explanations given to us and on the basis of our examination of the records of the Company, in our opinion the Company has not granted any loans or advances in the nature of loans either repayable on demand or without specifying any terms or period of repayment except for the following loans to its subsidiary, being related parties as defined in Clause (76) of Section 2 of the Companies Act, 2013 ("the Act"):.

Annexure A to the Independent Auditor's Report on the Standalone Financial Statements of MedPlus Health Services Limited (Formerly known as MedPlus Health Services Private Limited) for the year ended 31 March 2023 (Contd.)

	Related Parties
Aggregate of loans/advances in nature of loan (₹ in millions) - Repayable on demand	4.5
Percentage of loans/advances in nature of loan to the total loans	25.25%

(iv) According to the information and explanations given to us and on the basis of our examination of records of the Company, in respect of investments made and loans, guarantees and security given by the Company, in our opinion the provisions of Section 185 and 186 of the Companies Act, 2013 ("the Act") have been complied with.

(v) The Company has not accepted any deposits or amounts which are deemed to be deposits from the public. Accordingly, clause 3(v) of the Order is not applicable.

(vi) According to the information and explanations given to us, the Central Government has not prescribed the maintenance of cost records under Section 148(1) of the Act for the products manufactured and services provided by it. Accordingly, clause 3(vi) of the Order is not applicable.

(vii) (a) The Company does not have liability in respect of Service tax, Duty of excise, Sales tax and Value added tax during the year since effective 1 July 2017, these statutory dues has been subsumed into GST.

According to the information and explanations given to us and on the basis of our examination of the records of the Company, in our opinion amounts deducted / accrued in the books of account in respect of undisputed statutory dues including Goods and Service Tax (GST), Provident Fund, Employees State Insurance, Income-Tax, Duty of Customs or Cess or other statutory dues have generally been regularly deposited by the Company with the appropriate authorities.

According to the information and explanations given to us and on the basis of our examination of the records of the Company, no undisputed amounts payable in respect of Goods and Service Tax, Provident Fund, Employees State Insurance, Income-Tax, Duty of Customs or Cess or other statutory dues were in arrears as at 31 March 2023 for a period of more than six months from the date they became payable.

(b) According to the information and explanations given to us and on the basis of our examination of the records of the Company, statutory dues relating to Goods and Service Tax, Provident Fund, Employees State Insurance, Income-Tax, Duty of Customs or Cess or other statutory dues which have not been deposited on account of any dispute are as follows:

Name of the statute	Nature of the dues	Amount (₹ in millions)	Period to which the amount relates	Forum where dispute is pending	Remarks , if any
Income-tax Act, 1961	Income-tax	34.86	FY 2020-21	Commissioner of Income-tax (Appeals), Telangana	

(viii) According to the information and explanations given to us and on the basis of our examination of the records of the Company, the Company has not surrendered or disclosed any transactions, previously unrecorded as income in the books of account, in the tax assessments under the Income Tax Act, 1961 as income during the year.

(ix) (a) According to the information and explanations given to us and on the basis of our examination of the records of the Company, the Company did not have any loans or borrowings from any lender during the year. Accordingly, clause 3(ix)(a) of the Order is not applicable to the Company.

(b) According to the information and explanations given to us and on the basis of our examination of the records of the Company, the Company has not been declared a wilful defaulter by any bank or financial institution or government or government authority.

(c) According to the information and explanations given to us by the management, the Company has not obtained any term loans during the year. Accordingly, clause 3(ix)(c) of the Order is not applicable.

(d) According to the information and explanations given to us and on an overall examination of the balance sheet of the Company, we report that no funds raised on short-term basis have been used for long-term purposes by the Company.

Annexure A to the Independent Auditor's Report on the Standalone Financial Statements of MedPlus Health Services Limited (Formerly known as MedPlus Health Services Private Limited) for the year ended 31 March 2023 (Contd.)

(e) According to the information and explanations given to us and on an overall examination of the standalone financial statements of the Company, we report that the Company has not taken any funds from any entity or person on account of or to meet the obligations of its subsidiaries as defined under the Act.

(f) According to the information and explanations given to us and procedures performed by us, we report that the Company has not raised loans during the year on the pledge of securities held in its subsidiaries (as defined under the Act).

(x) (a) In our opinion and according to the information and explanations given to us, the Company has utilised the money raised by way of initial public offer for the purposes for which they were raised though idle/surplus funds which were not required for immediate utilisation have been invested in fixed deposits with Banks. The Company has not raised any moneys by way of further public offer (including debt instruments) during the year.

(b) According to the information and explanations given to us and on the basis of our examination of the records of the Company, the Company has not made any preferential allotment or private placement of shares or fully or partly convertible debentures during the year. Accordingly, clause 3(x)(b) of the Order is not applicable.

(xi) (a) Based on examination of the books and records of the Company and according to the information and explanations given to us, no fraud by the Company or on the Company has been noticed or reported during the course of the audit.

(b) According to the information and explanations given to us, no report under sub-section (12) of Section 143 of the Act has been filed by the auditors in Form ADT-4 as prescribed under Rule 13 of the Companies (Audit and Auditors) Rules, 2014 with the Central Government.

(c) As represented to us by the management, there are no whistle blower complaints received by the Company during the year.

(xii) According to the information and explanations given to us, the Company is not a Nidhi Company. Accordingly, clause 3(xii) of the Order is not applicable.

(xiii) In our opinion and according to the information and explanations given to us, the transactions with related parties are in compliance with Section 177 and 188 of the Act, where applicable, and the details of the related party transactions have been disclosed in the standalone financial statements as required by the applicable accounting standards.

(xiv) (a) Based on information and explanations provided to us and our audit procedures, in our opinion, the Company has an internal audit system commensurate with the size and nature of its business.

(b) We have considered the internal audit reports of the Company issued till date for the period under audit.

(xv) In our opinion and according to the information and explanations given to us, the Company has not entered into any non-cash transactions with its directors or persons connected to its directors and hence, provisions of Section 192 of the Act are not applicable to the Company.

(xvi) (a) The Company is not required to be registered under Section 45-IA of the Reserve Bank of India Act, 1934. Accordingly, clause 3(xvi)(a) of the Order is not applicable.

(b) The Company is not required to be registered under Section 45-IA of the Reserve Bank of India Act, 1934. Accordingly, clause 3(xvi)(b) of the Order is not applicable.

(c) The Company is not a Core Investment Company (CIC) as defined in the regulations made by the Reserve Bank of India. Accordingly, clause 3(xvi)(c) of the Order is not applicable.

Annexure A to the Independent Auditor's Report on the Standalone Financial Statements of MedPlus Health Services Limited (Formerly known as MedPlus Health Services Private Limited) for the year ended 31 March 2023 (Contd.)

(d) Based on the information and explanations provided by the management of the Company, the Group (as per the provisions of the Core Investment Companies (Reserve Bank) Directions, 2016) do not have any Core Investment Company as detailed in note 46 (x) to the standalone financial statements. For reporting on this clause / sub clause, while we have performed audit procedures set out in the Guidance Note on CARO 2020, we have relied on and not been able to independently validate the information provided to us by the management of the Company with respect to entities outside the consolidated Group but covered in the Core Investment Companies (Reserve Bank) Directions, 2016.

(xvii) The Company has not incurred cash losses in the current and in the immediately preceding financial year.

(xviii) There has been no resignation of the statutory auditors during the year. Accordingly, clause 3(xviii) of the Order is not applicable.

(xix) According to the information and explanations given to us and on the basis of the financial ratios, ageing and expected dates of realisation of financial assets and payment of financial liabilities, our knowledge of the Board of Directors and management plans and based on our examination of the evidence supporting the assumptions, nothing has come to our attention, which causes us to believe that any material uncertainty exists as on the date of the audit report that the Company is not capable of meeting its liabilities existing at the date of balance sheet as and when they fall due within a period of one year from the balance sheet date. We, however, state that this is not an assurance as to the future viability of the Company. We further state that our reporting is based on the facts up to the date of the audit report and we neither give any guarantee nor any assurance that all liabilities falling due within a period of one year from the balance sheet date, will get discharged by the Company as and when they fall due.

Also refer to the Other Information paragraph of our main audit report which explains that the other information comprising the information included in Annual Report is expected to be made available to us after the date of this auditor's report.

(xx) The requirements as stipulated by the provisions of Section 135 are not applicable to the Company. Accordingly, clauses 3(xx)(a) and 3(xx)(b) of the Order are not applicable.

For B S R & Associates LLP
Chartered Accountants
Firm's Registration No.:116231W/W-100024

Arpan Jain
Partner
Membership No.: 125710
ICAI UDIN:23125710BGYBQV8047

Place: Hyderabad
Date: 25 May 2023

Annexure B to the Independent Auditor's Report on the standalone financial statements of MedPlus Health Services Limited (Formerly known as MedPlus Health Services Private Limited) for the year ended 31 March 2023

Report on the internal financial controls with reference to the aforesaid standalone financial statements under Clause (i) of Sub-section 3 of Section 143 of the Act

(Referred to in paragraph 2(A)(f) under 'Report on Other Legal and Regulatory Requirements' section of our report of even date)

Opinion

We have audited the internal financial controls with reference to financial statements of MedPlus Health Services Limited (Formerly known as MedPlus Health Services Private Limited) ("the Company") as of 31 March 2023 in conjunction with our audit of the standalone financial statements of the Company for the year ended on that date.

In our opinion, the Company has, in all material respects, adequate internal financial controls with reference to financial statements and such internal financial controls were operating effectively as at 31 March 2023, based on the internal financial controls with reference to financial statements criteria established by the Company considering the essential components of such internal controls stated in the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting issued by the Institute of Chartered Accountants of India (the "Guidance Note").

Management's and Board of Directors' Responsibilities for Internal Financial Controls

The Company's Management and the Board of Directors are responsible for establishing and maintaining internal financial controls based on the internal financial controls with reference to financial statements criteria established by the Company considering the essential components of internal control stated in the Guidance Note. These responsibilities include the design, implementation and maintenance of adequate internal financial controls that were operating effectively for ensuring the orderly and efficient conduct of its business, including adherence tothe 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, as required under the Act.

Auditor's Responsibility

Our responsibility is to express an opinion on the Company's internal financial controls with reference to financial statements based on our audit. We conducted our audit in accordance with the Guidance Note and the Standards on Auditing, prescribed under Section 143(10) of the Act, to the extent applicable to an audit of internal financial controls with reference to financial statements. Those Standards and the Guidance Note require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether adequate internal financial controls with reference to financial statements were established and maintained and if such controls operated effectively in all material respects.

Our audit involves performing procedures to obtain audit evidence about the adequacy of the internal financial controls with reference to financial statements and their operating effectiveness. Our audit of internal financial controls with reference to financial statements included obtaining an understanding of internal financial controls with reference to financial statements, assessing the risk that a material weakness exists, and testing and evaluating the design and operating effectiveness of internal control based on the assessed risk. The procedures selected depend on the auditor's judgement, including the assessment of the risks of material misstatement of the standalone financial statements, whether due to fraud or error.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion on the Company's internal financial controls with reference to financial statements.

Meaning of Internal Financial Controls with Reference to Financial Statements

A company's internal financial controls with reference to financial statements is a process designed to provide reasonable assurance regarding the reliability of financial reporting and the preparation of standalone financial statements for external purposes in accordance with generally accepted accounting principles. A company's internal financial controls with reference to financial statements include those policies and procedures that (1) pertain to the maintenance of records that, in reasonable detail, accurately and fairly reflect the transactions and dispositions of the assets of the company; (2) provide reasonable assurance that transactions are recorded as necessary to permit preparation of standalone financial statements in accordance with generally accepted accounting principles, and that receipts and expenditures of the company are being made only in accordance with authorisations of management and directors of the company; and (3) provide reasonable assurance regarding prevention or timely detection of unauthorised acquisition, use, or disposition of the company's assets that could have a material effect on the standalone financial statements.

Inherent Limitations of Internal Financial Controls with Reference to Financial Statements

Because of the inherent limitations of internal financial controls with reference to financial statements, including the possibility of collusion or improper management override of controls, material misstatements due to error or fraud may occur and not be detected. Also, projections of any evaluation of the internal financial controls with reference to financial statements to future periods are subject to the risk that the internal financial controls with reference to financial statements may become inadequate because of changes in conditions, or that the degree of compliance with the policies or procedures may deteriorate.

For B S R & Associates LLP
Chartered Accountants
Firm's Registration No.:116231W/W-100024

Arpan Jain
Partner
Membership No.: 125710
ICAI UDIN:23125710BGYBQV8047

Place: Hyderabad
Date: May 25, 2023

Standalone **Balance Sheet** as at March 31, 2023

(All amounts in Indian Rupees in millions except for share data or otherwise stated)

	Notes	As at March 31, 2023	As at March 31, 2022
ASSETS			
Non-Current Assets			
Property, plant and equipment	3a	935.58	389.17
Capital work-in-progress	3b	179.09	155.20
Other Intangible assets	3c	34.14	28.24
Right-of-use assets	4	824.40	432.74
Financial assets			
Investments	5	9,171.58	4,184.50
Other financial assets	7	25.75	19.15
Non-current tax assets (net)	8	24.68	26.99
Other non-current assets	9	18.36	65.16
		11,213.58	**5,301.15**
Current Assets			
Inventories	10	66.87	39.00
Financial assets			
Trade receivables	13	376.11	212.88
Cash and cash equivalents	11	357.03	9.38
Bank balances other than cash and cash equivalents	12	544.60	65.00
Loans	6	-	27.82
Other financial assets	7	55.62	6,167.90
Other current assets	9	105.61	51.41
		1,505.84	**6,573.39**
Total Assets		**12,719.42**	**11,874.54**
EQUITY AND LIABILITIES			
Equity			
Equity share capital	14	238.61	238.60
Other equity	15	11,174.17	10,889.21
Total Equity		**11,412.78**	**11,127.81**
Liabilities			
Non-Current Liabilities			
Financial liabilities			
Lease liabilities	17	808.15	416.84
Provisions	19	18.35	7.14
		826.50	**423.98**
Current Liabilities			
Financial liabilities			
Lease liabilities	17	49.89	27.32
Trade payables	16		
- Total outstanding dues to micro and small enterprises		3.61	0.43
- Total outstanding dues to other than micro and small enterprises		124.28	54.87
Other financial liabilities	18	229.61	204.78
Other current liabilities	20	21.02	22.40
Contract liabilities	21	41.40	5.59
Provisions	19	10.33	7.36
		480.14	**322.75**
Total Liabilities		**1,306.64**	**746.73**
Total Equity and Liabilities		**12,719.42**	**11,874.54**
Summary of significant accounting policies	2.2		

The accompanying notes are an integral part of the standalone financial statements.
As per our report of even date attached

For **B S R & Associates LLP**
Chartered Accountants
ICAI Firm Registration Number 116231W/W-100024

Arpan Jain
Partner
Membership Number: 125710

Hyderabad, May 25, 2023

For and on behalf of the Board of Directors of
MedPlus Health Services Limited
(formerly known as MedPlus Health Services Private Limited)

G. Madhukar Reddy
Chairman and Managing Director
DIN: 00098097

Sujit Kumar Mahato
Chief Financial Officer
Hyderabad, May 25, 2023

Manoj Kumar Srivastava
Company Secretary
Hyderabad, May 25, 2023

Standalone Statement of **Profit and Loss** for the year ended March 31, 2023

(All amounts in Indian Rupees in millions except for share data or otherwise stated)

	Notes	As at March 31, 2023	As at March 31, 2022
INCOME			
Revenue from operations	22	2,139.26	1,457.14
Other income	23	162.39	95.41
Total income (I)		**2,301.65**	**1,552.55**
EXPENSES			
Purchases of stock-in-trade	24	1,314.91	972.12
Cost of materials consumed	25	257.77	193.56
Changes in inventories of finished goods, work-in-progress and stock-in-trade	26	(3.96)	20.00
Employee benefits expense	27	281.45	137.32
Finance costs	29	65.45	26.31
Depreciation and amortisation expense	28	153.07	46.32
Impairment reversals (net)	5	(69.44)	-
Other expenses	30	226.54	101.13
Total expenses (II)		**2,225.79**	**1,496.76**
Profit before tax (III) = (I)-(II)		75.86	55.79
Tax expense			
- Current tax		20.42	-
Total tax expense (IV)		**20.42**	**-**
Profit for the year (V) = (III)-(IV)		**55.44**	**55.79**
Other Comprehensive Income (OCI)			
Items that will not to be reclassified to profit or loss:			
Re-measurement (Loss)/Gain on employee defined benefit plans (VI)	33	(3.56)	1.17
Income tax effect on the above (VII)		-	-
Other comprehensive (Loss)/Gain for the year (VIII) = (VI)+(VII)		**(3.56)**	**1.17**
Total comprehensive income for the year (IX) = (V)+(VIII)		**51.88**	**56.96**
Earnings per equity share (EPES) (In absolute ₹ terms)	31		
Basic		0.46	0.50
Diluted		0.46	0.50
Summary of significant accounting policies	2.2		

The accompanying notes are an integral part of the standalone financial statements.
As per our report of even date attached

For **B S R & Associates LLP**
Chartered Accountants
ICAI Firm Registration Number 116231W/W-100024

Arpan Jain
Partner
Membership Number: 125710

Hyderabad, May 25, 2023

For and on behalf of the Board of Directors of
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G. Madhukar Reddy
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Sujit Kumar Mahato
Chief Financial Officer
Hyderabad, May 25, 2023

Manoj Kumar Srivastava
Company Secretary
Hyderabad, May 25, 2023

Standalone Statement of **Changes in Equity** for the year ended March 31, 2023

(All amounts in Indian Rupees in millions except for share data or otherwise stated)

A. Equity Share Capital:

Balance as at April 1, 2022	Changes in equity share capital due to prior period errors	Restated balance as at April 1, 2022	Changes in equity share capital during the year*	Balance as at March 31, 2023
238.60	-	238.60	0.01	238.61

Balance as at April 1, 2021	Changes in equity share capital due to prior period errors	Restated balance as at April 1, 2021	Changes in equity share capital during the year*	Balance as at March 31, 2022
4.58	-	4.58	234.02	238.60

* Refer note 14(a).

B. Other equity

Particulars	Equity component of compound financial instruments (including securities premium on CCPS)	Reserves and surplus						Total other equity
		Securities premium	Share based payment reserve	General reserve	Amalgamation adjustment account	Capital reserve	Retained earnings	
As at April 1, 2021	**3,708.06**	**2,415.25**	**486.55**	**28.64**	**(98.39)**	**7.62**	**(1,377.41)**	**5,170.32**
Employee stock compensation expenses for the year (refer note- 34)	-	-	107.37	-	-	-	-	107.37
Stock options lapsed	-	-	(3.42)	3.42	-	-	-	-
Equity shares								
- 0.001% Series A CCPS	(56.72)	28.36	-	-	-	-	-	(28.36)
- 0.001% Series B CCPS	(239.03)	119.52	-	-	-	-	-	(119.51)
- 0.001% Series B1 CCPS	(61.07)	30.54	-	-	-	-	-	(30.53)
- 0.001% Series B2 CCPS	(66.62)	33.63	-	-	-	-	-	(32.99)
- 0.001% Series C1 CCPS	(11.22)	5.61	-	-	-	-	-	(5.61)
- 0.001% Series C2 CCPS	(3.20)	1.28	-	-	-	-	-	(1.92)
Less: Transfer Series A CCPS securities premium to securities premium	(1,981.65)	1,981.65	-	-	-	-	-	-
Less: Transfer Series C1 CCPS securities premium to securities premium	(751.12)	751.12	-	-	-	-	-	-

Standalone Statement of **Changes in Equity** for the year ended March 31, 2023 (Contd)

(All amounts in Indian Rupees in millions except for share data or otherwise stated)

Particulars	Equity component of compound financial instruments (including securities premium on CCPS)	Reserves and surplus						Total other equity
		Securities premium	Share based payment reserve	General reserve	Amalgamation adjustment account	Capital reserve	Retained earnings	
Less: Transfer Series C2 CCPS securities premium to securities premium	(214.46)	214.46	-	-	-	-	-	-
Less: Transfer to General reserve (Increase in fair value of Series A CCPS)	(322.97)	-	-	322.97	-	-	-	-
Transfer on account of exercise of share options	-	409.05	(409.05)	-	-	-	-	-
Transfer to amount recoverable from ESOP trust in kind	-	67.51	(67.51)	-	-	-	-	-
Proceeds from issue of equity shares under ESOP	-	5.86	-	-	-	-	-	5.86
Less: Share issue expenses	-	(217.27)	-	-	-	-	-	(217.27)
Add: Issue of new shares through IPO (refer note no. 47)	-	5,984.91	-	-	-	-	-	5,984.91
Profit for the year	-	-	-	-	-	-	55.79	55.79
Actuarial loss on post-employment benefit obligations, net of tax benefit	-	-	-	-	-	-	1.17	1.17
As at March 31, 2022	**0.00**	**11,831.46**	**113.94**	**355.03**	**(98.39)**	**7.62**	**(1,320.45)**	**10,889.21**
Employee stock compensation expenses for the year(refer note- 34)	-	-	221.19	-	-	-	-	221.19
Transfer on account of exercise of share options	-	30.78	(30.78)	-	-	-	-	-
Proceeds from issue of equity shares under ESOP	-	11.89	-	-	-	-	-	11.89
Profit for the year	-	-	-	-	-	-	55.44	55.44
Actuarial loss on post-employment benefit obligations, net of tax benefit	-	-	-	-	-	-	(3.56)	(3.56)
As at March 31, 2023	**-**	**11,874.13**	**304.35**	**355.03**	**(98.39)**	**7.62**	**(1,268.56)**	**11,174.17**

MedPlus

Standalone Statement of **Changes in Equity** for the year ended March 31, 2023 (Contd)

(All amounts in Indian Rupees in millions except for share data or otherwise stated)

Equity component of compound financial instruments includes the following:	As at March 31, 2023	As at March 31, 2022
(i) Par value of the instruments issued:		
0.001% Series A CCPS of ₹20/- each		
At the beginning of the year	-	56.72
Less: Conversion of 0.001% Series A CCPS into equity shares	-	(56.72)
At the end of the year	-	-
0.001% Series B CCPS of ₹20/- each		
At the beginning of the year	-	239.03
Less: Conversion of 0.001% Series B CCPS into equity shares	-	(239.03)
At the end of the year	-	-
0.001% Series B1 CCPS of ₹20/- each		
At the beginning of the year		61.07
Less: Conversion of 0.001% Series B1 CCPS in to equity shares	-	(61.07)
At the end of the year	-	-
0.001% Series B2 CCPS of ₹20/- each		
At the beginning of the year		66.62
Less: Conversion of 0.001% Series B2 CCPS in to equity shares	-	(66.62)
At the end of the year	-	-
0.001% Series C1 CCPS of ₹20/- each		
At the beginning of the year		11.22
Less: Conversion of 0.001% Series C1 CCPS in to equity shares	-	(11.22)
At the end of the year	-	-
0.001% Series C2 CCPS of ₹20/- each		
At the beginning of the year		3.20
Less: Conversion of 0.001% Series C2 CCPS in to equity shares	-	(3.20)
At the end of the year	-	-
(ii) Securities premium on CCPS issued		
Opening balance	-	3,270.20
Less: Transfer of CCPS securities premium in to securities premium account	-	(2,947.23)
Less: Fair value movement in the value of the CCPS transfer to general reserve	-	(322.97)
Closing balance	-	-
Amount included in 'Equity component of compound financial instruments' above	**-**	**-**

The accompanying notes are an integral part of the standalone financial statements.
As per our report of even date attached

For **B S R & Associates LLP**
Chartered Accountants
ICAI Firm Registration Number 116231W/W-100024

Arpan Jain
Partner
Membership Number: 125710

Hyderabad, May 25, 2023

For and on behalf of the Board of Directors of
MedPlus Health Services Limited
(formerly known as MedPlus Health Services Private Limited)

G. Madhukar Reddy
Chairman and Managing Director
DIN: 00098097

Sujit Kumar Mahato
Chief Financial Officer
Hyderabad, May 25, 2023

Manoj Kumar Srivastava
Company Secretary
Hyderabad, May 25, 2023

Standalone Statement of **Cash Flows** for the year ended March 31, 2023

(All amounts in Indian Rupees in millions except for share data or otherwise stated)

	For the year ended March 31, 2023	For the year ended March 31, 2022
Cash flow from operating activities		
Profit before tax	75.86	55.79
Adjustments for:		
Depreciation of property, plant and equipment and Amortisation of Intangible assets	77.02	14.23
Depreciation of right-of-use assets	76.06	32.09
Provision for gratuity and leave benefits	11.05	3.60
Provision for doubtful debts	0.43	0.35
Advances/debts written off	0.13	-
Provision for doubtful loans and advances	3.51	-
Interest on lease liabilities	65.45	25.85
Interest income	(142.15)	(75.85)
Financial guarantee income	(1.47)	(9.29)
Liabilities no longer required written back	(2.69)	(0.02)
Impairment Provision reversals	(69.44)	-
Gain on de-recognition of right-of-use assets	(2.03)	(1.76)
Employees stock option compensation expenses	18.07	17.28
Operating profit before working capital changes	**109.80**	**62.27**
Change in assets and liabilities		
Decrease/(Increase) in inventories	(27.87)	8.85
Increase in non-current financial assets	(25.01)	(27.01)
(Increase)/Decrease in current financial assets	(7.71)	(237.84)
Increase in other assets	(49.10)	(29.78)
Increase in current financial liabilities	133.86	42.62
Increase/(Decrease) in other current liabilities	(1.38)	20.61
Decrease in provisions	(0.43)	(3.33)
Cash generated from/(used in) operations	**132.16**	**(163.61)**
Taxes paid (net of refund)	(18.11)	(20.13)
Net cash generated from/(used in) operating activities (A)	**114.05**	**(183.74)**
Cash flow from investing activities		
Purchase of property, plant and equipment and intangibles including capital work-in-progress and capital advances	(617.42)	(406.28)
Proceeds from sale of property, plant and equipment	7.87	33.78
Investment in subsidiaries	(4,691.70)	(0.10)
Business Purchase consideration paid	-	(13.50)
Proceeds from Investment in subsidiaries	-	-
Loan given to Subsidiaires	(2.00)	(23.32)
Repayment of loan from Subsidiaires	12.00	-
Proceeds / (Investment) in bank deposits, net	5,432.95	(5,988.07)
Interest received	175.49	37.57
Net cash generated from/(used in) investing activities (B)	**317.19**	**(6,359.92)**
Cash flows from financing activities		
Proceeds from issue of equity shares	-	5,936.36
Proceeds from issue of equity shares under ESOP's (refer to note 34)	11.89	5.86
Share Issue expenses (refer note 47)	-	(217.27)
Interest Payment on Lease liabilities (refer note b)	(65.45)	(25.85)
Principal Repayment of lease liabilities	(30.03)	(12.85)
Net cash (used in)/generated from financing activities (C)	**(83.59)**	**5,686.25**

Standalone Statement of **Cash Flows** for the year ended March 31, 2023 (contd.)

(All amounts in Indian Rupees in millions except for share data or otherwise stated)

		For the year ended March 31, 2023	For the year ended March 31, 2022
Net (decrease) / increase in cash and cash equivalents (A+B+C)		347.65	(857.41)
Cash and cash equivalents at the beginning of the year		9.38	866.79
Cash and cash equivalents at the end of the year		**357.03**	**9.38**
Components of cash and cash equivalents			
Cash on hand		0.55	0.28
Deposits with original maturity of less than 3 months		345.60	-
Balance with banks in current accounts		10.88	9.10
Total cash and cash equivalents (refer note no.11)		**357.03**	**9.38**
Summary of significant accounting policies	2.2		

Notes:

a. The cash flow statement has been prepared under the indirect method as set out in Indian Accounting Standard (Ind AS 7) Statement of cash flows.

b. Refer note 35 for change in lease liabilities raising from financing activities

The accompanying notes are an integral part of the standalone financial statements.

The accompanying notes are an integral part of the standalone financial statements.
As per our report of even date attached

For **B S R & Associates LLP**
Chartered Accountants
ICAI Firm Registration Number 116231W/W-100024

Arpan Jain
Partner
Membership Number: 125710

Hyderabad, May 25, 2023

For and on behalf of the Board of Directors of
MedPlus Health Services Limited
(formerly known as MedPlus Health Services Private Limited)

G. Madhukar Reddy
Chairman and Managing Director
DIN: 00098097

Sujit Kumar Mahato
Chief Financial Officer
Hyderabad, May 25, 2023

Manoj Kumar Srivastava
Company Secretary
Hyderabad, May 25, 2023

Notes to Standalone **Financial Statements** for the year ended March 31, 2023

(All amounts in Indian Rupees in millions except for share data or otherwise stated)

1. CORPORATE INFORMATION

MedPlus Health Services Limited (the 'Company') is a public company domiciled in India and is incorporated under the provisions of the Companies Act applicable in India. The registered office of the Company is located at H.No:11-6-56, Survey No: 257 & 258/1, Opp: IDPL Railway Siding Road,(Moosapet), Kukatpally, Hyderabad. The Company is in the business of pathological laboratory testing and manufacturing, wholesale trading and contract manufacturing of pharma, fast-moving consumer goods and beauty products and rendering of management services to group companies and holds investments in subsidiary companies. The Company was converted from MedPlus Health Services Private Limited to MedPlus Health Services Limited w.e.f. 28 June 2021 and accordingly the corporate identification number (CIN) changed to U85110TG2006PLC051845. The Company was the subsidiary of Gangadi Investments Private Limited until 05 February 2021. The Board of Directors approved the standalone financial statements for the year ended March 31, 2023 and authorised for issue on May 25, 2023.

2.SIGNIFICANT ACCOUNTING POLICIES

2.1 a. Statement of compliance

These standalone financial statements have been prepared in accordance with the Indian Accounting Standards (referred to as Ind AS) as prescribed under section 133 of the Companies Act, 2013 read with the Companies (Indian Accounting Standards) Rules as amended from time to time.

b. Basis of preparation

The standalone financial statements of a company have been prepared and presented in accordance with the Indian Accounting Standards (Ind AS) notified under the Companies (Indian Accounting Standards) Rules, 2015 (as amended from time to time).

These financial statements have been prepared on a historical cost basis, except for the following assets and liabilities which have been measured at fair value: (i) certain financial assets and financial liabilities that are measured at fair values or at amortised cost depending on the classification at the end of each reporting period, (ii) employee defined benefit assets/(liability) are recognised as the net total of the fair value of plan assets, plus actuarial losses, less actuarial gains and the present value of the defined benefit obligation as stated in the accounting policies set out below. (iii) Share-Based payments are measured at fair value.

c. Functional and presentation currency

These standalone financial statements are presented in Indian rupees (₹), which is also the functional currency of the Company. All financial information presented in Indian rupees has been rounded to the nearest millions (₹ 000,000), unless otherwise indicated. The amount reflected as 0.00 in financials are value with less than ten thousand.

2.2 Summary of significant accounting policies

a. Recent accounting pronouncements:

Ministry of Corporate Affairs (MCA) notifies new standards or amendments to the existing standards under Companies (Indian Accounting Standards) Rules as issued from time to time. On March 31, 2023, MCA amended the Companies (Indian Accounting Standards) Rules, 2015 by issuing the Companies (Indian Accounting Standards) Amendment Rules, 2023, applicable from April 1, 2023, as below:

Ind AS 1 – Presentation of Financial Statements

The amendment require companies to disclose their material accounting policies rather than their significant accounting policies. Accounting policy information, together with other information, is material when it can reasonably be expected to influence decisions of primary users of general purpose financial statements.

Ind AS 12 – Income Taxes

The amendment clarify how companies account for deferred tax on transactions such as leases and decommissioning obligations. The amendments narrowed the scope of the recognition exemption in paragraphs 15 and 24 of Ind AS 12 (recognition exemption) so that it no longer applies to transactions that, on initial recognition, give rise to equal taxable and deductible temporary differences. The Company does not expect this amendment to have any significant impact in its financial statements.

Notes to Standalone **Financial Statements** for the year ended March 31, 2023

(All amounts in Indian Rupees in millions except for share data or otherwise stated)

Ind AS 8 – Accounting Policies, Changes in Accounting Estimates and Errors

The amendment will help entities to distinguish between accounting policies and accounting estimates. The definition of a change in accounting estimates has been replaced with a definition of accounting estimates. Under the new definition, accounting estimates are monetary amounts in financial statements that are subject to measurement uncertainty. Entities develop accounting estimates if accounting policies require items in financial statements to be measured in a way that involves measurement uncertainty.

Ind AS 37 – Onerous Contracts - Costs of Fulfilling a Contract (2022)

The amendment specify that that the 'cost of fulfilling' a contract comprises the 'costs that relate directly to the contract'. Costs that relate directly to a contract can either be incremental costs of fulfilling that contract (examples would be direct labour, materials) or an allocation of other costs that relate directly to fulfilling contracts. The amendment is essentially a clarification and the Company does not expect the amendment to have any significant impact in its financial statements.

Ind AS 103 – Reference to Conceptual Framework (2022)

The amendment specify that to qualify for recognition as part of applying the acquisition method, the identifiable assets acquired and liabilities assumed must meet the definitions of assets and liabilities in the Conceptual Framework for Financial Reporting under Indian Accounting Standards (Conceptual Framework) issued by the Institute of Chartered Accountants of India at the acquisition date. These changes do not significantly change the requirements of Ind AS 103. The Company does not expect the amendment to have any significant impact in its financial statements.

Ind AS 16 – Proceeds before intended use (2022)

The amendment mainly prohibit an entity from deducting from the cost of property, plant and equipment amounts received from selling items produced while the Company is preparing the asset for its intended use. Instead, an entity will recognize such sales proceeds and related cost in profit or loss. The Company does not expect the amendments to have any impact in its recognition of its property, plant and equipment in its financial statements.

b. Significant accounting, estimates and assumptions

The preparation of these standalone financial statements is in conformity with the recognition and measurement principles of Ind AS which requires the management to make judgments, estimates and assumptions that affect the application of accounting policies and reported amounts of assets, liabilities, income and expenses and the disclosure of contingent liabilities as at the date of the standalone financial statements. Accounting estimates could change from period to period. Actual results could differ from those estimates. Appropriate changes in estimates are made as management becomes aware of those estimates. Changes in estimates are reflected in the standalone financial statements in the year in which changes are made, if material, their effects are disclosed in the notes to the standalone financial statements.

Judgements

Information about judgements made in applying accounting policies that have the most significant effects on the amounts recognised in the financial statements is included in the following notes:-
Note 35- Leases

Assumptions and estimation uncertainties

Information about significant areas of assumptions, estimation uncertainty and critical judgements in applying accounting policies that have the most significant effect on the amounts recognised in the standalone financial statements are:

Impairment of trade receivables

The Company has measured the lifetime expected credit loss by using practical expedients. It has accordingly used a provision matrix derived by using a flow rate model to measure the expected credit losses for trade receivables. Further, need for incremental provisions have been evaluated on a case to case basis where forward looking information on the financial health of a customer is available and in cases where there is an ongoing litigation/dispute.

Useful lives of property, plant and equipment and intangible assets

The Company reviews the useful life of property, plant and equipment and intangible at the end of each reporting period. This reassessment may

Notes to Standalone **Financial Statements** for the year ended March 31, 2023

(All amounts in Indian Rupees in millions except for share data or otherwise stated)

result in change in depreciation expense in future periods.

Valuation of deferred tax assets and liabilities

Deferred tax assets and liabilities are recognized for the future tax consequences of temporary differences between the carrying values of assets and liabilities and their respective tax bases, and unutilized business loss and depreciation carry-forwards and tax credits. Deferred tax assets are recognized to the extent there is reasonable certainty of future taxable income which will be available against the deductible temporary differences, unused tax losses and depreciation carry-forwards.

Defined benefit plans

The obligation arising from defined benefit plan is determined on the basis of actuarial assumptions. Key actuarial assumptions include discount rate, trends in salary escalation, actuarial rates and life expectancy. The discount rate is determined by reference to market yields at the end of the reporting period on government bonds. The period to maturity of the underlying bonds correspond to the probable maturity of the post-employment benefit obligations. Due to complexities involved in the valuation and its long term nature, defined benefit obligation is sensitive to changes in these assumptions. All assumptions are reviewed at each reporting period.

Provisions and contingent liabilities

Provisions

The Company estimates the provisions that have present obligations as a result of past events and it is probable that outflow of resources will be required to settle the obligations. These provisions are reviewed at the end of each reporting period and are adjusted to reflect the current best estimates.

Contingent liabilities

The Company uses significant judgements to disclose contingent liabilities. Contingent liabilities are disclosed when there is a possible obligation arising from past events, the existence of which will be confirmed only by the occurrence or non-occurrence of one or more uncertain future events not wholly within the control of the Company or a present obligation that arises from past events where it is either not probable that an outflow of resources will be required to settle the obligation or a reliable estimate of the amount cannot be made. Contingent assets are neither recognised nor disclosed in the financial statements.

Fair value measurement of financial instruments

When the fair value of financial assets and financial liabilities recorded in the balance sheet cannot be measured based on quoted prices in active markets, their fair value is measured using valuation techniques including the Discounted Cash Flow model. The inputs to these models are taken from observable markets where possible, but where this is not feasible, a degree of judgement is required in establishing fair values. Judgements include considerations of inputs such as liquidity risk, credit risk and volatility. Changes in assumptions about these factors could affect the reported fair value of financial instruments.

Leases

The Company evaluates if an arrangement qualifies to be a lease as per the requirements of Ind AS 116. Identification of a lease requires significant judgement. The Company uses significant judgement in assessing the lease term (including anticipated renewals) and the applicable discount rate. The Company determines the lease term as the non-cancellable period of a lease, together with both periods covered by an option to extend the lease of the Company is reasonably certain to exercise that option and periods covered by an option to terminate the lease if the Company is reasonably certain not to exercise that option. In assessing whether the Company is reasonably certain to exercise an option to extend a lease, or not to exercise an option to terminate the lease, it considers all relevant facts and circumstances that create an economic incentive for the Company to exercise the option to extend the lease, or not to exercise the option to terminate the lease. The Company revises the lease term if there is a change in the non-cancellable period of a lease. The discount rate is generally based on the incremental borrowing rate specific to the lease being evaluated or for a portfolio of leases with similar characteristics.

c. Operating segments

Operating segments are reported in a manner consistent with the internal reporting provided to chief operating decision maker (CODM). The Managing Director is the Company CODM within the meaning of Ind AS 108.

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d. Current and non current classification

The Company presents assets and liabilities in the balance sheet based on current/ non-current classification. An asset is treated as current when it is:

- Expected to be realised or intended to be sold or consumed in normal operating cycle
- Held primarily for the purpose of trading
- Expected to be realised within twelve months after the reporting period, or
- Cash or cash equivalent unless restricted from being exchanged or used to settle a liability for at least twelve months after the reporting period All other assets are classified as non-current.

A liability is current when :

- It is expected to be settled in normal operating cycle
- It is held primarily for the purpose of trading
- It is due to be settled within twelve months after the reporting period, or
- There is no unconditional right to defer the settlement of the liability for at least twelve months after the reporting period The Company classifies all other liabilities as non-current.

Deferred tax assets and liabilities are classified as non-current assets and liabilities.

The operating cycle is the time between the acquisition of assets for processing and their realisation in cash and cash equivalents. The Company has identified twelve months as its operating cycle.

e. Foreign currencies

Initial recognition

Transactions in foreign currencies are translated into functional currency of the company at the exchange rates at the dates of the transactions or an average rate if the average rate approximates the actual rate at the date of the transaction.

Conversion

Monetary assets and liabilities denominated in foreign currencies at the reporting date are translated into the functional currency at the exchange rate at that date. Non-monetary items that are measured based on historical cost in a foreign currency are translated at the exchange rate at the date of the transaction. Non-monetary items that are measured at fair value in a foreign currency are translated using the exchange rates at the date when the fair value was measured.

Exchange differences

Exchange differences arising on the settlement of monetary items or on translating monetary items at rates different from those at which they were translated on initial recognition during the period or in previous standalone financial statements are recognised in the statement of profit and loss in the period in which they arise.

f. Fair Value Measurement

In determining the fair value of its financial instruments, the Company uses following hierarchy and assumptions that are based on market conditions and risks existing at each reporting date.

All assets and liabilities for which fair value is measured or disclosed in the standalone financial statements are categorised within the fair value hierarchy, described as follows, based on the lowest level input that is significant to the fair value measurement as a whole: Level 1: Quoted (unadjusted) market prices in active markets for identical assets or liabilities. Level 2: Valuation techniques for which the lowest level input that is significant to the fair value measurement is directly or indirectly observable. Level 3: Valuation techniques for which the lowest level input that is significant to the fair value measurement is unobservable.

For assets and liabilities that are recognised in the financial statements on a recurring basis, the Company determines whether transfers have occurred between levels in the hierarchy by re-assessing categorisation (based on the lowest level input that is significant to the fair value measurement as a whole) at the end of each reporting period.

When the fair values of financial assets and financial liabilities recorded in the financial statements cannot be measured based on quoted prices in active markets, their fair value is measured using valuation techniques including the discounted cash flow model. The inputs to these models are taken from observable markets where possible, but where this is not feasible, a degree of judgements is required in establishing fair values. Judgements include considerations of

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inputs such as liquidity risk, credit risk volatility and discount rates. Changes in assumptions about these factors could affect the reported fair value of financial instruments.

g. Revenue recognition

Revenue towards satisfaction of a performance obligation is measured at the amount of transaction price (net of variable consideration) allocated to that performance obligation. The transaction price of goods sold and services rendered is net of variable consideration on account of various discounts and schemes offered by the Company as part of the contract. However Goods and Service Tax (GST) is not received by the Company on its own account. Rather, it is tax collected on value added to the commodity by the seller on behalf of the government. Accordingly, it is excluded from revenue. The specific recognition criteria described below must also be met before revenue is recognised.

Sale of general and pharmaceutical items

Revenue from sale of goods is recognized when it transfers the control of goods to the buyer, usually on delivery of the goods. Revenue from the sale of goods is measured at the transaction price received or receivable, net of returns and allowances, trade discounts and volume rebates.

Brand Fee

Brand fee is a percentage on revenue generated by the subsidiaries, recognised on accrual basis in accordance with the terms of the relevant agreement and there is significant certainty as to its collectability.

Management & Administrative fee Income

Management fee is recognised based on the services rendered and as per the terms of agreement and there is significant certainty as to its collectability.

Rental Income

Rental income arising from operating leases on building is accounted for on a straight-line basis over the lease terms and is included in revenue in the statement of profit and loss due to its operating nature.

Sale of Services

Revenue from diagnostics services is recognized on amount billed net of discounts/ concessions if any. No element of financing is deemed present as the sales are made primarily on cash and carry basis. The Company recognises revenue when the underlying tests are conducted, samples are processed for requisitioned diagnostic tests. Each diagnostic service is generally a separate performance obligation and therefore revenue is recognised at a point in time when the tests are conducted, samples are processed. For multiple tests, the Company measures the revenue in respect of each performance obligation at its relative stand alone selling price and the transaction price is allocated accordingly. The price that is regularly charged for a test separately registered is considered to be the best evidence of its stand alone selling price. The amount collected on sale of discount coupon is recognised as liability and transferred to revenue when redeemed against diagnostic services as per the terms of the contract or when expired. Revenue contracts are on principal to principal basis and the Company is primarily responsible for fulfilling the performance obligation. A contract liability is the obligation to transfer services to a customer for which the Company has received consideration from the customer. If a customer pays consideration before the Company transfers services to the customer, a contract liability is recognised when the payment is made. Contract liabilities are recognised as revenue when the Company performs its obligation under the contract.

h. Taxes

Current income tax

Current income tax assets and liabilities are measured at the amount expected to be recovered from or paid to the income tax authority. The tax rates and tax laws used to compute the amount are those that are enacted or substantively enacted at the reporting date.

Current income tax relating to items recognised outside profit or loss is recognised outside profit or loss (either in other comprehensive income or in equity). Current tax items are recognised in correlation to the underlying transaction either in OCI or directly in equity. Management periodically evaluates positions taken in the tax return with respect to situations in which applicable tax regulations are subject to interpretation and establishes provisions where appropriate.

Deferred tax

Deferred tax is provided using the balance sheet method on temporary differences between the tax bases of assets and liabilities and their carrying amounts for financial reporting purposes at the reporting date.

Deferred tax liabilities are recognised for all taxable temporary differences, except, when the deferred tax liability arises from the initial recognition of goodwill or an asset or liability in a transaction that is not a business combination and, at the time of the transaction, affects neither the accounting profit nor taxable profit or loss.

Deferred tax assets are recognised for all deductible temporary differences, the carry forward of unused tax credits and any unused tax losses. Deferred tax assets are recognised to the extent that it is probable that taxable profit will be available against which the deductible temporary differences, and the carry forward of unused tax credits and unused tax losses can be utilised, except, When the deferred tax asset relating to the deductible temporary difference arises from the initial recognition of an asset or liability in a transaction that is not a business combination and, at the time of the transaction, affects neither the accounting profit nor taxable profit or loss.

The carrying amount of deferred tax assets is reviewed at each reporting date and reduced to the extent that it is no longer probable that sufficient taxable profit will be available to allow all or part of the deferred tax asset to be utilised. Unrecognised deferred tax assets are re-assessed at each reporting date and are recognised to the extent that it has become probable that future taxable profits will allow the deferred tax asset to be recovered.

Deferred tax assets and liabilities are measured at the tax rates that are expected to apply in the year when the asset is realised or the liability is settled, based on tax rates (and tax laws) that have been enacted or substantively enacted at the reporting date.

Deferred tax relating to items recognised outside the standalone statement of profit or loss is recognised outside the standalone statement ofprofit or loss (either in other comprehensive income or in equity). Deferred tax items are recognised in correlation to the underlying transaction either in OCI or directly in equity.

Deferred tax assets and deferred tax liabilities are offset if a legally enforceable right exists to set off current tax assets against current tax liabilities and the deferred taxes relate to the same taxable entity and the same taxation authority.

Tax benefits acquired as part of a business combination, but not satisfying the criteria for separate recognition at that date, are recognised subsequently if new information about facts and circumstances change. Acquired deferred tax benefits recognised within the measurement period reduce goodwill related to that acquisition if they result from new information obtained about facts and circumstances existing at the acquisition date. If the carrying amount of goodwill is zero, any remaining deferred tax benefits are recognised in OCI/ capital reserve depending on the principle explained for bargain purchase gains. All other acquired tax benefits realised are recognised in profit or loss.

i. Property, Plant and Equipment

Capital work in progress is stated at cost, net of accumulated impairment loss, if any. Plant and equipment are stated at cost net of accumulated depreciation and accumulated impairment losses, if any. Such cost includes the cost of replacing part of the plant and equipment and borrowing costs for long-term construction projects if the recognition criteria are met. Cost includes purchase price, non-recoverable taxes and duties, labour cost and direct overheads for self-constructed assets and other direct costs incurred up to the date the asset is ready for its intended use. When significant parts of plant and equipment are required to be replaced at intervals, the Company depreciates them separately based on their specific useful lives. Likewise, when a major inspection is performed, its cost is recognised in the carrying amount of the plant and equipment as a replacement if the recognition criteria are satisfied. All other repair and maintenance costs are recognised in profit or loss as incurred. The present value of the expected cost for the decommissioning of an asset after its use is included in the cost of the respective asset if the recognition criteria for a provision are met.

Items of stores and spares that meet the definition of property, plant and equipment are capitalized at cost and depreciated over their useful life. Otherwise, such items are classified as inventories. The Company identifies and determines cost of each component/ part of the asset separately, if the component/ part has a cost which is significant to the total cost of the asset and has useful life that is materially different from that of the remaining asset.

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An item of property, plant and equipment and any significant part initially recognised is derecognised upon disposal or when no future economic benefits are expected from its use or disposal. Any gain or loss arising on derecognition of the asset (calculated as the difference between the net disposal proceeds and the carrying amount of the asset) is included in the standalone statement of profit and loss when the asset is derecognised.

Property, plant and equipment held for sale is valued at lower of their carrying amount and net realisable value. Any write-down is recognised in the standalone statement of profit and loss.

Subsequent expenditure is capitalised only if it is probable that the future economic benefits associated with the expenditure will flow to the Company and the cost of the item can be measured reliably

Depreciation

Depreciation on property, plant and equipment other than leasehold improvements is calculated on a straight-line basis using the following rates arrived at based on the useful lives estimated by the management which coincide with the lives prescribed under the schedule II to the Companies Act, 2013, except for depreciation on Leasehold Improvements:

Asset class	Useful lives estimated by the management (years)	Estimated useful as per schedule III
Furniture and fixtures	10	10
Vehicles	10	10
Data Processing Equipment	3-6	3-6
Plant and Equipment	5-10	5-10

Depreciation on leasehold improvements is provided over the lease term or 5 years, whichever is shorter, which is higher than the rates prescribed under the schedule II to the Companies Act, 2013.

The residual values, useful lives and methods of depreciation of property, plant and equipment are reviewed at each financial year end and adjusted prospectively, if appropriate.

j. Intangible assets

Intangibles

Intangible assets acquired separately are measured on initial recognition at cost. The cost of intangible assets acquired in a business combination is their fair value at the date of acquisition. Following initial recognition, intangible assets are carried at cost less accumulated amortisation and accumulated impairment losses, if any. Internally generated intangibles, excluding capitalised development costs, are not capitalised and the related expenditure is reflected in profit or loss in the period in which the expenditure is incurred.

Amortisation

The useful lives of intangible assets are assessed as either finite or indefinite.

Intangible assets of the Company represents having finite lives are amortised over the useful economic life and assessed for impairment whenever there is an indication that the intangible asset may be impaired. The amortisation period and the amortisation method are reviewed at least at the end of each reporting period. Changes in the expected useful life or the expected pattern of consumption of future economic benefits embodied in the asset are considered to modify the amortisation period or method, as appropriate, and are treated as changes in accounting estimates. The amortisation expense on these intangible assets is recognised in the statement of profit and loss unless such expenditure forms part of carrying value of another asset.

Intangible assets with indefinite useful lives are not amortised, but are tested for impairment annually, either individually or at the cash-generating unit level. The assessment of indefinite life is reviewed annually to determine whether the indefinite life continues to be supportable. If not, the change in useful life from indefinite to finite is made on a prospective basis.

Gains or losses arising from de-recognition of an intangible asset are measured as the difference between the net disposal proceeds and the carrying amount of the asset and are recognised in the statement of profit and loss when the asset is derecognised.

Intangible assets consist of rights under licensing agreement and software licences which are amortised over licence period which equates the economic useful life ranging between 2-5 years on a straight-line basis over the period of its economic useful life.

k. Borrowing costs

Borrowing costs directly attributable to the acquisition, construction or production of an

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asset that necessarily takes a substantial period of time to get ready for its intended use or sale are capitalised as part of the cost of the asset. All other borrowing costs are expensed in the period in which they occur. Borrowing costs consist of interest and other costs that an entity incurs in connection with the borrowing of funds.

l. Leases

A contract is, or contains, a lease if the contract conveys the right to control the use of an identified asset for a period of time in exchange for consideration.

Company as a lessee

The Company accounts for each lease component within the contract as a lease separately from non-lease components of the contract and allocates the consideration in the contract to each lease component on the basis of the relative standalone price of the lease component and the aggregate standalone price of the non-lease components.

The Company recognises right-of-use asset representing its right to use the underlying asset for the lease term at the lease commencement date. The cost of the right-of-use asset measured at inception shall comprise of the amount of the initial measurement of the lease liability adjusted for any lease payments made at or before the commencement date less any lease incentives received, plus any initial direct costs incurred and an estimate of costs to be incurred by the lessee in dismantling and removing the underlying asset or restoring the underlying asset or site on which it is located. The right-of-use assets is subsequently measured at cost less any accumulated depreciation, accumulated impairment losses, if any and adjusted for any remeasurement of the lease liability. The right-of-use assets is depreciated using the straight-line method from the commencement date over the shorter of lease term or useful life of right-of-use asset. The estimated useful lives of right-of-use assets are determined on the same basis as those of property, plant and equipment. Right-of-use assets are tested for impairment whenever there is any indication that their carrying amounts may not be recoverable. Impairment loss, if any, is recognised in the statement of profit and loss.

The Company measures the lease liability at the present value of the lease payments that are not paid at the commencement date of the lease. The lease payments are discounted using the interest rate implicit in the lease, if that rate can be readily determined. If that rate cannot be readily determined, the Company uses incremental borrowing rate. For leases with reasonably similar characteristics, the Company, on a lease-by-lease basis, may adopt either the incremental borrowing rate specific to the lease or the incremental borrowing rate for the portfolio as a whole. The lease payments shall include fixed payments, variable lease payments, residual value guarantees, exercise price of a purchase option where the Company is reasonably certain to exercise that option and payments of penalties for terminating the lease, if the lease term reflects the lessee exercising an option to terminate the lease. The lease liability is subsequently remeasured by increasing the carrying amount to reflect interest on the lease liability, reducing the carrying amount to reflect the lease payments made and remeasuring the carrying amount to reflect any reassessment or lease modifications or to reflect revised in-substance fixed lease payments. The Company recognises the amount of the re-measurement of lease liability due to modification as an adjustment to the right-of-use asset and statement of profit and loss depending upon the nature of modification. Where the carrying amount of the right-of-use asset is reduced to zero and there is a further reduction in the measurement of the lease liability, the Company recognises any remaining amount of the re-measurement in standalone statement of profit and loss.

The Company has elected not to apply the requirements of Ind AS 116 Leases to short-term leases of all assets that have a lease term of 12 months or less and leases for which the underlying asset is of low value. The lease payments associated with these leases are recognised as an expense on a straight-line basis over the lease term.

Company as a lessor

At the inception of the lease the Company classifies each of its leases as either an operating lease or a finance lease. The Company recognises lease payments received under operating leases as income on a straight-line basis over the lease term. In case of a finance lease, finance income is recognised over the lease term based on a pattern reflecting a constant periodic rate of return on the lessor's net investment in the lease. When the Company is an intermediate lessor it accounts for

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its interests in the head lease and the sub-lease separately. It assesses the lease classification of a sub-lease with reference to the right-of-use asset arising from the head lease, not with reference to the underlying asset. If a head lease is a short-term lease to which the Company applies the exemption described above, then it classifies the sub-lease as an operating lease.

If an arrangement contains lease and non-lease components, the Company applies Ind AS 115 Revenue from contracts with customers to allocate the consideration in the contract.

m. Inventories

Inventories comprise of raw materials, packing materials, finished goods, stock-in-trade and stores and consumables and are valued at lower of cost or net realizable value. Cost includes cost of purchase, cost of conversion and other costs incurred in bringing the inventories to their present location and condition.

Cost is determined on first in first out basis. Net realizable value is the estimated selling price in the ordinary course of business reduced by the estimated costs of completion and estimated costs necessary to make the sale. Stores and spares which do not meet the definition of property, plant and equipment are accounted as inventories until expected to be capitalised.

The factors that the Company considers in determining the valuation of inventory includes shelf life and ageing of Inventory. The Company considers these factors and adjust valuation to reflect actual value of inventory.

n. Impairment of Non-Financial Assets

The Company assesses at each reporting date whether there is an indication that an asset may be impaired. If any indication exists, or when annual impairment testing for an asset is required, the Company estimates the asset's recoverable amount. An asset's recoverable amount is the higher of an asset's net selling price and its value in use. The recoverable amount is determined for an individual asset, unless the asset does not generate cash inflows that are largely independent of those from other assets or groups of assets. Where the carrying amount of an asset exceeds its recoverable amount, the asset is considered impaired and is written down to its recoverable amount. In assessing value in use, the estimated future cash flows are discounted to their present value using a pre-tax discount rate that reflects current market assessments of the time value of money and the risks specific to the asset. In determining net selling price, recent market transactions are taken into account, if available. If no such transactions can be identified, an appropriate valuation model is used.

Impairment losses, including impairment on inventories, are recognised in the standalone statement of profit and loss. After impairment, depreciation is provided on the revised carrying amount of the asset over its remaining useful life.

An assessment is made at each reporting date as to whether there is any indication that previously recognised impairment losses may no longer exist or may have decreased. If such indication exists, the company estimates the asset's or cash-generating unit's recoverable amount. A previously recognised impairment loss is reversed only if there has been a change in the assumptions used to determine the asset's recoverable amount since the last impairment loss was recognised. The reversal is limited so that the carrying amount of the asset does not exceed its recoverable amount, nor exceed the carrying amount that would have been determined, net of depreciation, had no impairment loss been recognised for the asset in prior years. Such reversal is recognised in the statement of profit and loss unless the asset is carried at a revalued amount, in which case the reversal is treated as a revaluation increase.

o. Provisions, contingent liabilities and contingent assets

Provisions

Provisions are recognised when the Company has a present obligation (legal or constructive) as a result of a past event, it is probable that an outflow of resources embodying economic benefits will be required to settle the obligation and a reliable estimate can be made of the amount of the obligation. When the Company expects some or all of a provision to be reimbursed, the reimbursement is recognised as a separate asset, but only when the reimbursement is virtually certain. The expense relating to a provision is presented in the standalone statement of profit and loss net of any reimbursement. If the effect of the time value of money is material, provisions are discounted using a current pre-tax rate that reflects, when appropriate, the risks specific to the liability. When discounting is used, the increase in the provision due to the passage of time is recognised as a finance cost.

Contingent liabilities

A contingent liability is a possible obligation that arises from past events whose existence will be confirmed by the occurrence or non-occurrence of one or more uncertain future events beyond the control of the Company or a present obligation that is not recognised because it is not probable that an outflow of resources will be required to settle the obligation. A contingent liability also arises in extremely rare cases where there is a liability that cannot be recognised because it cannot be measured reliably. The company does not recognize a contingent liability but discloses its existence in the standalone financial statements.

Contingent assets

Contingent assets has to be recognised in the financial statements in the period in which if it is virtually certain that an inflow of economic benefits will arise. Contingent assets are assessed continually and no such benefits were found for the current financial year.

p. Retirement and other employee benefits

Retirement benefit in the form of provident fund is a defined contribution scheme. The Company has no obligation, other than the contribution payable to the provident fund. The Company recognises the contribution payable to the provident fund scheme as an expense, when an employee renders the related service. If the contribution payable to the scheme for service received before the balance sheet date exceeds the contribution already paid, the deficit payable to the scheme is recognised as a liability after deducting the contribution already paid. If the contribution already paid exceeds the contribution due for services received before the balance sheet date, then excess is recognised as an asset.

The Company operates a defined benefit plan for its employees, viz., gratuity. The costs of providing benefits under the plan are determined on the basis of actuarial valuation at each year-end using the projected unit credit method consistent with the advice of qualified actuaries.

Remeasurements, comprising of actuarial gains and losses, the effect of the asset ceiling, excluding amounts included in net interest on the net defined benefit liability and the return on plan assets (excluding amounts included in net interest on the net defined benefit liability), are recognised immediately in the balance sheet with a corresponding debit or credit to retained earnings through OCI in the period in which they occur. Remeasurements are not reclassified to the standalone statement of profit and loss in the subsequent periods.

Past service costs are recognised in profit or loss on the earlier of:

- The date of the plan amendment or curtailment, and
- The date that the Company recognises related restructuring costs

  Net interest is calculated by applying the discount rate to the net defined benefit liability or asset. The Company recognises the following changes in the net defined benefit obligation as an expense in the standalone statement of profit and loss:

- Service costs comprising current service costs, past-service costs, gains and losses on curtailments and non-routine settlements; and
- Net interest expense or income

Accumulated leave, which is expected to be utilized within the next 12 months, is treated as short-term employee benefit. The Company measures the expected cost of such absences as the additional amount that it expects to pay as a result of the unused entitlement that has accumulated at the reporting date.

The Company treats accumulated leave expected to be carried forward beyond twelve months, as long-term employee benefit for measurement purposes. Such long-term compensated absences are provided for based on the actuarial valuation using the projected unit credit method at the year-end. Actuarial gains/losses are immediately taken to the statement of profit and loss and are not deferred. The company presents the entire leave as a current liability in the balance sheet, since it does not have an unconditional right to defer its settlement for 12 months after the reporting date.

q. Employee share based payments

Employees (including senior executives) of the Company receive remuneration in the form of share based payment transactions, whereby employees render services as consideration for equity instruments.

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The cost of equity-settled transactions is determined by the fair value at the date when the grant is made using an appropriate valuation model.

That cost is recognised, together with a corresponding increase in share-based payment (SBP) reserves in equity, over the period in which the performance and/or service conditions are fulfilled in employee benefits expense. The cumulative expense recognised for equity-settled transactions at each reporting date until the vesting date reflects the extent to which the vesting period has expired and the Company's best estimate of the number of equity instruments that will ultimately vest.

The standalone statement of profit and loss expense or credit for a period represents the movement in cumulative expense recognised as at the beginning and end of that period and is recognised in employee benefits expense.

The amount of expenses pertaining to options granted to employees of the Company's subsidiaries are treated as Deemed Investments in respective subsidiaries to which employees belong and are recognised at each reporting period date until the vesting date, with corresponding impact in Share-based payment reserve.

Service and non-market performance conditions are not taken into account when determining the grant date fair value of awards, but the likelihood of the conditions being met is assessed as part of the Company's best estimate of the number of equity instruments that will ultimately vest. Market performance conditions are reflected within the grant date fair value.

Any other conditions attached to an award, but without an associated service requirement, are considered to be non-vesting conditions. Non-vesting conditions are reflected in the fair value of an award and lead to an immediate expensing of an award unless there are also service and/or performance conditions.

No expense is recognised for awards that do not ultimately vest because non-market performance and/or service conditions have not been met. Where awards include a market or non-vesting condition, the transactions are treated as vested irrespective of whether the market or non-vesting condition is satisfied, provided that all other performance and/or service conditions are satisfied.

When the terms of an equity-settled award are modified, the minimum expense recognised is the expense had the terms had not been modified, if the original terms of the award are met. An additional expense is recognised for any modification that increases the total fair value of the share-based payment transaction, or is otherwise beneficial to the employee as measured at the date of modification. Where an award is cancelled by the entity or by the counterparty, any remaining element of the fair value of the award is expensed immediately through statement of profit and loss.

The dilutive effect of outstanding options is reflected as additional share dilution in the computation of diluted earnings per share, unless its anti-dilutive to Company's earnings in nature.

Shares allotted to Trust:

The Company has created an Employees benefit trust (Trust) for implementation of the schemes that are notified or may be notified from time to time by the Company under the plan, providing share based payment to its employees. The company allocated shares to Trust at the time of formation of trust. The Company treats trust as its extension and these equity instruments are recognised at cost and deducted from equity.

r. Financial Instruments

A financial instrument is any contract that gives rise to a financial asset of one entity and a financial liability or equity instrument of another entity.

Financial assets

Initial recognition and measurement

All financial assets are recognised initially at fair value plus except for trade receivables, transaction costs that are attributable to the acquisition of the financial asset.Purchases or sales of financial assets that require delivery of assets within a time frame established by regulation or convention in the market place (regular way trades) are recognised on the trade date, i.e., the date that the Company commits to purchase or sell the asset. However, trade receivables that do not contain a significant financing component are measured at transaction price.

Subsequent measurement

For purposes of subsequent measurement, financial assets are classified in four categories:

i) Debt instruments at amortised cost

ii) Debt instruments at fair value through other comprehensive income (FVTOCI)

iii) Debt instruments, derivatives and equity instruments at fair value through profit or loss (FVTPL)

iv) Equity instruments measured at fair value through other comprehensive income (FVTOCI)

Debt instruments at amortised cost

A 'debt instrument' is measured at the amortised cost if both the following conditions are met:

a) The asset is held within a business model whose objective is to hold assets for collecting contractual cash flows, and

b) Contractual terms of the asset give rise on specified dates to cash flows that are solely payments of principal and interest (SPPI) on the principal amount outstanding.

After initial measurement, such financial assets are subsequently measured at amortised cost using the effective interest rate (EIR) method. Amortised cost is calculated by taking into account any discount or premium on acquisition and fees or costs that are an integral part of the EIR. The EIR amortisation is included in other income in the statement of profit and loss. The losses arising from impairment are recognised in the statement of profit and loss. This category generally applies to trade and other receivables.

Derecognition

A financial asset (or, where applicable, a part of a financial asset or part of a group of similar financial assets) is primarily derecognised (i.e. removed from the Company's balance sheet) when:

- the rights to receive Cash flows from the asset have expired, or

- The Company has transferred its rights to receive cash flows from the asset or has assumed an obligation to pay the received cash flows in full without material delay to a third party under a 'pass-through' arrangement; and either (a) the Company has transferred substantially all the risks and rewards of the asset, or (b) the Company has neither transferred nor retained substantially all the risks and rewards of the asset, but has transferred control of the asset.

When the Company has transferred its rights to receive cash flows from an asset or has entered into a pass-through arrangement, it valuates if and to what extent it has retained the risks and rewards of ownership. When it has neither transferred nor retained substantially all of the risks and rewards of the asset, nor transferred control of the asset, the Company continues to recognise the transferred asset to the extent of the Company's continuing involvement. In that case, the Company also recognises an associated liability. The transferred asset and the associated liability are measured on a basis that reflects the rights and obligations that the Company has retained.

Continuing involvement that takes the form of a guarantee over the transferred asset is measured at the lower of the original carrying amount of the asset and the maximum amount of consideration that the Company could be required to repay.

Impairment of financial assets

In accordance with Ind AS 109, the Company applies expected credit loss (ECL) model for measurement and recognition of impairment loss on the following financial assets and credit risk exposure:

a) Financial assets that are debt instruments, and are measured at amortised cost e.g., loans, debt securities, deposits, trade receivables and bank balance.

b) Financial assets that are debt instruments and are measured as at FVTOCI

In case of trade receivables, the Company follows a simplified approach wherein an amount equal to lifetime ECL is measured and recognised as loss allowance. The application of simplified approach does not require the Company to track changes in credit risk. Rather, it recognises impairment loss allowance based on lifetime ECLs at each reporting date, right from its initial recognition.

For recognition of impairment loss on other financial assets and risk exposure, the Company determines that whether there has been a significant increase in the credit risk since initial recognition. If credit risk has not increased significantly, 12-month ECL is used to provide for impairment loss. However, if credit risk has increased significantly, lifetime ECL is used. If, in a subsequent period, credit quality of the instrument improves such that there is no longer

Notes to Standalone **Financial Statements** for the year ended March 31, 2023

(All amounts in Indian Rupees in millions except for share data or otherwise stated)

a significant increase in credit risk since initial recognition, then the entity reverts to recognising impairment loss allowance based on 12-month ECL.

Lifetime ECL are the expected credit losses resulting from all possible default events over the expected life of a financial instrument. The 12-month ECL is a portion of the lifetime ECL which results from default events that are possible within 12 months after the reporting date.

ECL is the difference between all contractual cash flows that are due to the Company in accordance with the contract and all the cash flows that the entity expects to receive (i.e., all cash shortfalls), discounted at the original EIR. When estimating the cash flows, an entity is required to consider:

- All contractual terms of the financial instrument (including prepayment, extension, call and similar options) over the expected life of the financial instrument. However, in rare cases when the expected life of the financial instrument cannot be estimated reliably, then the entity is required to use the remaining contractual term of the financial instrument.
- Cash flows from the sale of collateral held or other credit enhancements that are integral to the contractual terms

As a practical expedient, the Company uses a provision matrix to determine impairment loss allowance on portfolio of its trade receivables. The provision matrix is based on its historically observed default rates over the expected life of the trade receivables and is adjusted for forward-looking estimates. At every reporting date, the historical observed default rates are updated and changes in the forward-looking estimates are analysed.

ECL impairment loss allowance (or reversal) recognised during the period is recognised as income/ expense in the Statement of Profit and Loss under the head 'Other expenses'. The balance sheet presentation for various financial instruments are Financial assets measured as at amortised cost, contractual revenue receivables and lease receivables: ECL is presented as an allowance, i.e., as an integral part of the measurement of those assets in the balance sheet. The allowance reduces the net carrying amount. Until the asset meets write-off criteria, the Company does not reduce impairment allowance from the gross carrying amount.

Financial Liabilities

Financial liability, Equity and Compound Financial Instruments

The debt and equity instruments that are issued are classified as either financial liabilities or as equity in accordance with the substance of the contractual arrangement.

Initial recognition and measurement

Financial liabilities :

Financial liabilities are classified, at initial recognition, as financial liabilities at fair value through profit or loss, loans and borrowings, payables, as appropriate.

All financial liabilities are recognised initially at fair value and, in the case of loans and borrowings and payables, net of directly attributable transaction costs.

The Company's financial liabilities include trade and other payables, loans and borrowings including bank overdrafts, financial guarantee contracts.

Equity:

An equity instrument is any contract that evidences a residual interest in the assets of an entity after deducting all of its liabilities. Equity instruments issued by the company are recognised at the proceeds received, net of direct issue costs.

A conversion option that will be settled by the exchange of a fixed amount of cash or another financial asset for a fixed number of the Company's own equity instruments is an equity instrument.

Compound instruments

Compound financial instruments issued by the company comprise of compulsorily convertible preference shares that can be converted into equity shares where the number of shares to be issued is fixed and does not vary with change in fair value. When establishing the accounting treatment for these non-derivative instruments, the Company first establishes whether the instrument is a compound instrument and classifies such instrument's components separately as financial liabilities or equity instruments in accordance with Ind AS 32. The liability component of a compound financial instrument is initially recognised at the fair value of a similar liability that does not have an equity conversion option. The equity component is initially recognised at the difference between the fair value of the compound financial instrument as a whole and the fair value of the liability component. Subsequently the liability is measured as per requirement of Ind AS 109. The equity component of a compound financial instrument is not subsequently measured.

A Cumulative Compulsorily Convertible Preference Shares (CCPS), with an option to holder to convert the instrument into variable number of equity shares of the entity upon redemption is classified as a financial liability and dividend including dividend distribution tax is accrued on such instruments and recorded as finance cost.

Subsequent measurement

The measurement of financial liabilities depends on their classification, as described below:

Financial liabilities at fair value through profit or loss

Financial liabilities at fair value through profit or loss include financial liabilities held for trading and financial liabilities designated upon initial recognition as at fair value through profit or loss. Financial liabilities are classified as held for trading if they are incurred for the purpose of repurchasing in the near term.

Gains or losses on liabilities held for trading are recognised in the standalone statement of profit and loss.

Financial liabilities designated upon initial recognition at fair value through profit or loss are designated as such at the initial date of recognition, and only if the criteria in Ind AS 109 are satisfied. For liabilities designated as FVTPL, fair value gains/ losses attributable to changes in own credit risk are recognised in OCI. These gains/ losses are not subsequently transferred to the statement of profit and loss. However, the Company may transfer the cumulative gain or loss within equity. All other changes in fair value of such liability are recognised in the standalone statement of profit and loss.

Loans and borrowings

After initial recognition, interest-bearing loans and borrowings are subsequently measured at amortised cost using the EIR method. Gains and losses are recognised in the statement of profit and loss when the liabilities are derecognised as well as through the EIR amortisation process.

Amortised cost is calculated by taking into account any discount or premium on acquisition and fees or costs that are an integral part of the EIR. The EIR amortisation is included as finance costs in the standalone statement of profit and loss.

Derecognition

A financial liability is derecognised when the obligation under the liability is discharged or cancelled or expires. When an existing financial liability is replaced by another from the same lender on substantially different terms, or the terms of an existing liability are substantially modified, such an exchange or modification is treated as the derecognition of the original liability and the recognition of a new liability. The difference in the respective carrying amounts is recognised in the standalone statement of profit and loss. The Company also derecognises a financial liability when its terms are modified and the cash flows under the modified terms are substantially different.

Offsetting of financial instruments

Financial assets and financial liabilities are offset and the net amount is reported in the balance sheet if there is a currently enforceable legal right to offset the recognised amounts and there is an intention to settle on a net basis, to realise the assets and settle the liabilities simultaneously.

s. Financial Guarantee

In a financial guarantee where the parent company has provided guarantee to its subsidiaries, Company treats the fair value of the guarantee as an equity infusion at the time of initial recognition and subsequently recognize the Guarantee premium over the period of guarantee.

t. Cash and cash equivalents

Cash and cash equivalent in the balance sheet comprise cash at banks and on hand and short-term deposits with an original maturity of three months or less, which are subject to an insignificant risk of changes in value.

For the purpose of the standalone statement of cash flows, cash and cash equivalents consist of cash and short-term deposits, as defined above, net of outstanding bank overdrafts as they are

Notes to Standalone **Financial Statements** for the year ended March 31, 2023

(All amounts in Indian Rupees in millions except for share data or otherwise stated)

considered an integral part of the Company's cash management.

u. Investment in subsidiaries

Investments in subsidiaries are carried at cost less accumulated impairment losses, if any. Where an indication of impairment exists, the carrying amount of the investment is assessed and written down immediately to its recoverable amount. On disposal of investments in subsidiaries, the difference between net disposal proceeds and the carrying amounts are recognised in the standalone statement of profit and loss.

v. Interest income

Interest income from financial instruments measured either at amortised cost or at fair value through other comprehensive income is recorded using the effective interest rate (EIR). EIR is the rate that exactly discounts the estimated future cash payments or receipts over the expected life of the financial instrument or a shorter period, where appropriate, to the gross carrying amount of the financial asset or to the amortised cost of a financial liability. When calculating the effective interest rate, the Company estimates the expected cash flows by considering all the contractual terms of the financial instrument (for example, prepayment, extension, call and similar options) but does not consider the expected credit losses. Interest income is included in other income in the standalone statement of profit and loss.

w. Earnings per equity share

Basic earnings equity per share is calculated by dividing the net profit or loss attributable to equity holder of parent company (after deducting preference dividends and attributable taxes) by the weighted average number of equity shares outstanding during the period. Partly paid equity shares are treated as a fraction of an equity share to the extent that they are entitled to participate in dividends relative to a fully paid equity share during the reporting period. Equity shares that will be issued upon the conversion of a mandatorily convertible instrument are included in the calculation of basic earnings per share from the date the contract is entered into. The weighted average number of equity shares outstanding during the period is adjusted for events such as bonus issue, bonus element in a rights issue, share split, and reverse share split (consolidation of shares) that have changed the number of equity shares outstanding, without a corresponding change in resources.

For the purpose of calculating diluted earnings equity per share, the net profit or loss for the period attributable to equity shareholders and the weighted average number of shares outstanding during the period are adjusted for the effects of all dilutive potential equity shares.

x. Cash flow statement

Cash flow statement is prepared in accordance with the indirect method prescribed in Ind AS 7 'Statement of Cash Flows'.

y. Share issue expenses

The share issue expenses incurred by the Company on account of new shares issued are netted off from securities premium account. The share issue expenses incurred by the Company on behalf of selling shareholders are considered to be recoverable from selling shareholders and are classified as share issue expenses recoverable under other current financials assets.

z .Events after Reporting date

Where events occurring after the Balance Sheet date provide evidence of conditions that existed at the end of the reporting period, the impact of such events is adjusted within the standalone financial statements. Otherwise, events after the Balance Sheet date of material size or nature are only disclosed.

Notes to Standalone **Financial Statements** for the year ended March 31, 2023

(All amounts in Indian Rupees in millions except for share data or otherwise stated)

3a. PROPERTY, PLANT AND EQUIPMENT

Particulars	Land	Leasehold improvements	Plant and equipment	Data processing equipment	Furniture and fixtures	Vehicles	Total
Gross carrying amount							
As at April 01, 2021	79.50	4.04	89.28	2.62	3.21	2.82	181.47
Additions	63.80	25.18	169.65	8.84	9.02	0.85	277.34
Disposals	-	-	(34.89)	(0.15)	(0.20)	(0.34)	(35.58)
As at March 31, 2022	**143.30**	**29.22**	**224.04**	**11.31**	**12.03**	**3.33**	**423.23**
Additions	7.77	122.79	438.50	23.56	18.04	3.34	614.00
As at March 31, 2023	**151.07**	**152.01**	**662.54**	**34.87**	**30.07**	**6.67**	**1,037.23**
Accumulated Depreciation							
Up to April 01, 2021	-	1.93	16.22	1.51	2.84	0.61	23.11
Charge for the year	-	1.71	9.03	1.36	0.36	0.29	12.75
Disposals	-	-	(1.40)	(0.04)	(0.02)	(0.34)	(1.80)
Up to March 31, 2022	**-**	**3.64**	**23.85**	**2.83**	**3.18**	**0.56**	**34.06**
Charge for the year	-	13.67	45.64	6.06	1.72	0.50	67.59
Disposals	-	-	-	-	-	-	-
Up to March 31, 2023	**-**	**17.31**	**69.49**	**8.89**	**4.90**	**1.06**	**101.65**
Net carrying amount							
As at March 31, 2022	143.30	25.58	200.18	8.48	8.85	2.77	389.17
As at March 31, 2023	**151.07**	**134.70**	**593.05**	**25.98**	**25.17**	**5.61**	**935.58**

Title deeds of Immovable Properties not held in name of the Company:

Particulars	Description of item of property	Gross carrying value as on March 31, 2023	Gross carrying value as on March 31, 2022	Title deeds held in the name of	Whether title deed holder is a promoter, director or relative of promoter/ director or employee of promoter/ director	Property held since	Reason for not held in the name of company
Property, plant and equipment	Land	5.51	63.80	Natco Pharma Limited	No	December 20, 2020	refer note 1 below

Note 1: Propety has been transferred vide agreement of sale dated December 20, 2020. However, the Company is in the process of completing the registration of the same.

Notes to Standalone **Financial Statements** for the year ended March 31, 2023

(All amounts in Indian Rupees in millions except for share data or otherwise stated)

3b. Capital work-in-progress

Particulars	As at March 31, 2023	As at March 31, 2022
Opening Balances	155.20	20.09
Additions during the year	614.01	244.05
Less: Capitalised during the year	(590.12)	(108.94)
Closing Balance	**179.09**	**155.20**

Note: The Company does not have any capital work-in-progress which is overdue or has exceeded its cost compared to its original plan.

Capital work-in-progress Ageing Schedule

As at March 31, 2023

Particulars	Amount in capital-work-in-progress for a period of				Total
	Less than 1 year	1-2 years	2-3 years	More than 3 years	
Projects in progress	167.82	3.09	8.18	-	179.09
Projects temporarily suspended	-	-	-	-	-

As at March 31, 2022

Particulars	Amount in capital-work-in-progress for a period of				Total
	Less than 1 year	1-2 years	2-3 years	More than 3 years	
Projects in progress	143.39	11.81	-	-	155.20
Projects temporarily suspended	-	-	-	-	-

3c. Intangible assets

Particulars	Software	Total Intangible assets
Gross carrying amount		
As at April 01, 2021	0.09	0.09
Additions	29.71	29.71
As at March 31, 2022	29.80	29.80
Additions	23.20	23.20
Disposals (Refer Note :39(B))	(11.18)	(11.18)
As at March 31, 2023	**41.82**	**41.82**
Accumulated Amortisation		
Up to April 01, 2021	0.08	0.08
Charge for the year	1.48	1.48
Up to March 31, 2022	1.56	1.56
Charge for the year	9.43	9.43
Disposals	(3.31)	(3.31)
Up to March 31, 2023	**7.68**	**7.68**
Net carrying amount		
As at March 31, 2022	28.24	28.24
As at March 31, 2023	**34.14**	**34.14**

Note: The Company doesn't have Intangible Assets under development

Notes to Standalone **Financial Statements** for the year ended March 31, 2023

(All amounts in Indian Rupees in millions except for share data or otherwise stated)

4. Right-of-use assets

Particulars	As at March 31, 2023	As at March 31, 2022
Right-of-use assets (Refer note: 35A)	824.40	432.74
	824.40	**432.74**

5. Investments

Particulars	As at March 31, 2023	As at March 31, 2022
Investments in subsidiaries carried at cost less impairment (refer note: 1)		
a) Unquoted equity instruments		
209,784,441 (March 31, 2022: 199,521,041) equity shares of ₹10 each fully paid-up in Optival Health Solutions Private Limited (refer note: 1)	8,271.15	3,599.45
7,010,000 (March 31, 2022: 7,010,000) equity shares of ₹10 each fully paid-up in MHS Pharmaceuticals Private Limited (Refer Note:49)	70.10	70.10
6,860,000 (March 31, 2022: 6,860,000) equity shares of ₹10 each fully paid-up in Nova Sud Pharmaceuticals Private Limited (formerly known as Pan India Pharma Distributors Private Limited)	68.60	68.60
14,077,350 (March 31, 2022: 14,077,350) equity shares of ₹10 each fully paid-up in Wynclark Pharmaceuticals Private Limited (formerly known as Med supply Distributors Private Limited)	140.77	140.77
20,000,000 (March 31, 2022: Nil) equity shares of ₹10 each fully paid-up in MedPlus Insurance Brokers Private Limited	20.00	-
10,000 (March 31, 2022: 10,000) equity shares of ₹10 each fully paid-up in Clearancekart Private Limited	0.10	0.10
386,636 (March 31, 2022: 386,636) equity shares of ₹10 each fully paid-up in Kalyani Meditimes Private Limited	35.00	35.00
Aggregate gross value of unquoted investments (A)	**8,605.72**	**3,914.02**
b) Deemed investment (refer note 39)		
Optival Health Solutions Private Limited	591.23	388.03
MHS Pharmaceuticals Private Limited	1.92	1.92
Venkata Krishna Enterprises Private Limited	7.37	6.21
Sidson Pharma Distributors Private Limited	0.34	0.09
Aggregate value of deemed investments (B)	**600.86**	**396.25**
Aggregate value of unquoted investments including deemed investments (C=A+B)	**9,206.58**	**4,310.27**
Less: Impairment in value of investments	(35.00)	(125.77)
Aggregate amount of impairment in value of investments (D)	**(35.00)**	**(125.77)**
Total (C+D)	**9,171.58**	**4,184.50**
Aggregate value of unquoted investments including deemed investments	9,206.58	4,310.27
Aggregate provision for impairment in value of investments	35.00	125.77
Movement in provision for impairment:		
Opening balance	(125.77)	(125.77)
Created during the year	(35.00)	-
Reversals during the year	125.77	-
Closing balance	**(35.00)**	**(125.77)**

Note 1

The Company holds 100% (31 March 2022: 100%) of the shareholding in all subsidiaries except for Optival Health Solutions Private Limited and Kalyani Meditimes Private Limited (KMT) wherein the Company's holding constitutes to 99.99% & 88.04% respectively (31 March 2022: 99.99% and 65.53% respectively) of the paid-up capital of the subsidiary.

Notes to Standalone **Financial Statements** for the year ended March 31, 2023

(All amounts in Indian Rupees in millions except for share data or otherwise stated)

Note 2	March 31. 2023	March 31. 2022
Impairment reversal of Wynclark Pharmaceuticals Private Limited	125.77	-
Provision for impairment of investment in KMT	(35.00)	-
Provision on loan and other receivables from KMT	(21.33)	-
Net Impairment Reversal	**69.44**	**-**

The Company has performed an assessment of realisability of the carrying value of its investments in subsidiaries as at 31 March 2023, pursuant to which an amount of ₹125.77 recognized as an impairment loss towards investments in Wynclark Pharmaceuticals Private Limited during the earlier years has now been reversed. This reversal was mainly due to significant improvement in the operational and financial performance of the aforesaid subsidiary leading to consistent profits being earned from its operations and the Company's plan with respect to the future operations.

Further, pursuant to the aforesaid said assessment carried out, Company has also recognized a provision towards impairment of its investments and loans receivable (including interest receivables) from Kalyani Meditimes Private Limited (KMT) to the tune of ₹35.00 and ₹ 21.33, respectively. The provision for impairment was mainly on account of a significant decline in the operations of KMT.

6. Loans

Particulars	As at March 31, 2023	As at March 31, 2022
Loans receivables considered good- secured	-	-
Loans receivables considered good- unsecured	-	-
Loan to related party (refer note below)	17.82	27.82
Loans receivable which have significant increase in credit risk	-	-
Loans receivable- credit impaired	-	-
	17.82	27.82
Less: Loss allowance	(17.82)	-
	-	**27.82**

Note:

Loan 1

The Company has given loan to Kalyani Meditimes Private Limited (Borrower) for use by the borrower towards its working capital and general corporate use purposes and carries an interest rate of 18% p.a. and payable monthly. The loan is repayable on demand within one working day of such demand. The outstanding balance of the loan as at March 31, 2023 is ₹4.50 millions (March 31, 2022 : 4.5 millions)

Loan 2

The Company has given loan to Kalyani Meditimes Private Limited (Borrower) for use by the borrower towards its working capital and general corporate use purposes and carries an interest rate of 18% p.a. and payable yearly. The loan is repayable in 12 months from the issue date. The Outstanding balance of the loan as at March 31, 2023 is ₹ 13.32 millions (March 31, 2022 : 23.32 millions)

7. Other financial assets

Particulars		As at March 31, 2023	As at March 31, 2022
(a) Non-current			
Unsecured, considered good			
Security deposits		25.75	19.15
	(A)	**25.75**	**19.15**

Notes to Standalone **Financial Statements** for the year ended March 31, 2023

(All amounts in Indian Rupees in millions except for share data or otherwise stated)

Particulars			As at March 31, 2023	As at March 31, 2022
	Unsecured, considered Doubtful			
	Security deposits		0.46	0.46
			0.46	0.46
	Less: Provision for doubtful deposits		(0.46)	(0.46)
		(B)	-	-
	Total	**(A+B)**	**25.75**	**19.15**
(b)	**Current**			
	Unsecured, considered good			
	Bank Deposits with remaining maturity of less than 12 months		10.52	5,923.07
	Deposit with others*		30.00	30.00
	Interest accrued on bank deposits		4.83	41.46
	Advance to employees		1.33	1.09
	Share issue expense receivable**		8.94	172.28
	Total current		**55.62**	**6,167.90**

* Deposits paid to Bombay Stock Exchange Limited ('BSE') in connection with IPO.

** The Company has spent / accrued ₹536.83 towards IPO related expenses which includes legal expenses, certification fees, listing fees, audit expenses and others. These expenses are shared between the selling shareholders and company in proportion of their shares. The share issue expenses incurred by the Company on behalf of selling shareholders are considered to be recoverable from selling shareholders / IPO public issue account and are classified as share issue expenses receivable under other current financial assets.

8. Non-current tax asset

Particulars	As at March 31, 2023	As at March 31, 2022
Unsecured, considered good		
Advance Tax (Net of provision ₹20.43 (March 31, 2022: ₹ Nil))	24.68	26.99
Total	**24.68**	**26.99**

9. Other assets

Particulars		As at March 31, 2023	As at March 31, 2022
(a)	**Non-current**		
	Unsecured, considered good		
	Capital advances	17.95	59.65
	Balances with statutory or government authorities	0.41	5.51
	Unsecured, considered doubtful		
	Balances with statutory or government authorities	0.11	0.11
	Advance to vendors	7.02	-
		25.49	**65.27**
	Provision for doubtful balances	(7.13)	(0.11)
		18.36	**65.16**

Notes to Standalone **Financial Statements** for the year ended March 31, 2023

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9. Other assets (Contd.)

Particulars		As at March 31, 2023	As at March 31, 2022
(b)	**Current**		
	Unsecured, considered good		
	Balances with statutory or government authorities	3.08	3.69
	Advance to vendors	98.30	45.72
	Prepaid expenses	4.23	2.00
		105.61	**51.41**

10. Inventories

Particulars	As at March 31, 2023	As at March 31, 2022
(Valued at lower of cost or net realisable value)		
Raw material (including packing material)	51.21	29.76
Work-In-progress	5.78	1.25
Finished goods	5.24	4.86
Stock-in-trade	-	0.95
Stores and consumables	4.64	2.18
	66.87	**39.00**

11. Cash and cash equivalents

Particulars	As at March 31, 2023	As at March 31, 2022
Balances with banks		
- On current accounts	10.88	9.10
Bank deposits with original maturity of less than three months	345.60	-
Cash on hand	0.55	0.28
	357.03	**9.38**

12. Other bank balances

Particulars	As at March 31, 2023	As at March 31, 2022
Bank deposits with original maturity of more than 3 months and less than 12 months	544.60	65.00
	544.60	**65.00**

Note: Interest accrued on fixed deposits is disclosed in note no.7(b)

13. Trade receivables

Particulars	As at March 31, 2023	As at March 31, 2022
Current		
Trade receivables considered good - secured	-	-
Trade receivables considered good - unsecured*	376.11	212.88
Trade receivables which have significant increase in credit risk	-	-
Trade receivables - credit impaired	0.82	0.39
	376.93	**213.27**
Less: Loss allowance	(0.82)	(0.39)
Total	**376.11**	**212.88**

* Includes amount receivable from related parties (refer note 39 C)

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No trade or other receivable are due from directors or other officers of the Company either severally or jointly with any other person. Nor any trade or other receivable are due from firms or private companies respectively in which any director is a partner, a director or a member.

Trade receivables are non-interest bearing and are generally on terms of 30 to 60 days.

Ageing for trade receivables as at March 31, 2023 is as follows:

Particulars	Not Due	Outstanding for following periods from due date of payment					Total
		Less than 6 months	6 months - 1 year	1-2 years	2-3 years	More than 3 years	
(i) Undisputed Trade receivables – considered good	373.67	2.42	0.01	-	-	-	376.10
(ii) Undisputed Trade Receivables – which have significant increase in credit risk	-	-	-	-	-	-	-
(iii) Undisputed Trade Receivables – credit impaired	-	0.04	0.50	0.28	-	-	0.82
(iv) Disputed Trade Receivables– considered good	-	-	-	-	-	-	-
(v) Disputed Trade Receivables – which have significant increase in credit risk	-	-	-	-	-	-	-
(vi) Disputed Trade Receivables – credit Impaired	-	-	-	-	-	-	-
Total	**373.67**	**2.46**	**0.51**	**0.28**	**-**	**-**	**376.92**
Less: Loss allowance							(0.82)
							376.10

Ageing for trade receivables as at March 31, 2022 is as follows:

Particulars	Not due	Outstanding for following periods from due date of payment					Total
		Less than 6 months	6 months - 1 year	1-2 years	2-3 years	More than 3 years	
(i) Undisputed Trade receivables – considered good	135.88	77.00	0.00	0.00	0.00	0.00	212.88
(ii) Undisputed Trade Receivables – which have significant increase in credit risk	-	-	-	-	-	-	-
(iii) Undisputed Trade Receivables – credit impaired	-	-	0.34	0.02	0.01	0.02	0.39
(iv) Disputed Trade Receivables– considered good	-	-	-	-	-	-	-
(v) Disputed Trade Receivables – which have significant increase in credit risk	-	-	-	-	-	-	-
(vi) Disputed Trade Receivables – credit Impaired	-	-	-	-	-	-	-
Total	**135.88**	**77.00**	**0.34**	**0.02**	**0.01**	**0.02**	**213.27**
Less: Loss allowance							**(0.39)**
							212.88

Note: There are no unsecured and no disputed trade receivable outstanding as at March 31, 2023 and March 31, 2022.

Notes to Standalone **Financial Statements** for the year ended March 31, 2023

(All amounts in Indian Rupees in millions except for share data or otherwise stated)

14. Share capital

Particulars	As at March 31, 2023	As at March 31, 2022
Equity shares		
Authorised share capital		
(i) Equity shares of ₹2/- each (March 31, 2022: ₹2/- each)		
As at beginning of the year (270,883,000 (March 31, 2022: 4,650,000) equity shares)	541.77	4.65
Cancellation of Nil (March 31, 2022: 21,950,000 unissued preference shares having face value of ₹ 20 each and increase of 219,500,000 equity shares having face value of ₹2 each)	-	439.00
Increase during the year (Nil (March 31, 2022: 49,058,000) equity shares)	-	98.12
As at end of the year (270,883,000 (March 31, 2022: 270,883,000 equity shares of ₹2/- each) equity shares of ₹2 /- each)	**541.77**	**541.77**
*On July 23, 2021 the equity shares of the Company having the face value of ₹10 each were subdivided into 5 equity shares having face value of ₹2 each. Accordingly 465,000 equity shares of face value of ₹10 each were subdivided into 2,325,000 equity shares of face value of ₹2 each.		
(ii) Preference shares of ₹20/- each		
As at beginning of the year Nil Preference shares (March 31, 2022: 21,950,000) of ₹10/- each preference shares	-	439.00
Cancellation of 21,950,000 unissued preference shares having face value of ₹20 each and increase of 219,500,000 equity shares having face value of ₹2 each	-	(439.00)
As at end of the year (Nil (March 31, 2022: Nil) preference shares)	**-**	**-**
Total Authorised share capital	**541.77**	**541.77**
Equity shares		
Issued, subscribed and fully paid up shares (No's)		
(i) Equity shares		
119,305,676 equity shares of ₹2/- each	238.61	238.61
Less: Amount recoverable from Medplus Employees Benefit Trust (ESOP Trust) 10,420 (March 31, 2022: 21,764 equity shares of ₹10/- each) equity shares of ₹2/- each (refer note 34)	-	(0.01)
Total Issued, subscribed and fully paid up equity share capital	**238.61**	**238.60**
Total issued, subscribed and fully paid up share capital	**238.61**	**238.60**

(a) Reconciliation of the equity shares outstanding at the beginning and at the end of the reporting year

i) Equity shares	As at March 31, 2023		As at March 31, 2022	
	No. of shares	₹	No. of shares	₹
At the beginning of the year	11,93,05,676	238.60	4,58,409	4.58
Increase in shares on account of subdivision *	-	-	18,33,636	-
Conversion of Series A CCPS in to equity shares	-	-	1,41,82,105	28.36
Conversion of Series B CCPS in to equity shares	-	-	5,97,58,400	119.52
Conversion of Series B1 CCPS in to equity shares	-	-	1,52,67,800	30.54
Conversion of Series B2 CCPS in to equity shares	-	-	1,68,16,850	33.63
Conversion of Series C1 CCPS in to equity shares	-	-	28,04,480	5.61
Conversion of Series C2 CCPS in to equity shares	-	-	6,39,485	1.28
Increase in shares on account of Fresh Issue of shares in IPO**	-	-	75,44,511	15.09
Outstanding at the end of the year	11,93,05,676	238.60	11,93,05,676	238.61
Less : Recoverable from ESOP trust	-	-	(4,19,841)	(0.01)
Net outstanding at the end of the year	**11,93,05,676**	**238.60**	**11,88,85,835**	**238.60**

Notes to Standalone **Financial Statements** for the year ended March 31, 2023

(All amounts in Indian Rupees in millions except for share data or otherwise stated)

* On July 23, 2021 the equity shares of the Company having the face value of ₹10 each were subdivided into 5 equity shares having face value of ₹2 each. Accordingly 458,409 equity shares of face value of ₹10 each were subdivided into 2,292,045 equity shares of face value of ₹2 each.

** The Company has completed its Initial Public Offer ('IPO') and listed its equity shares on Bombay Stock Exchange Limited ('BSE') and National Stock Exchange of India Limited ('NSE') on December 23, 2021.The Company has made fresh Issue of 7,544,511 equity shares.(refer note 46 for details of the same)

ii) 0.001% Series A CCPS

Particulars	As at March 31, 2023		As at March 31, 2022	
	No. of shares	₹	No. of shares	₹
At the beginning of the year	-	-	28,36,421	56.72
Conversion of Nil (March 31, 2022: 2,836,421), 0.001% Series A CCPS into Nil (March 31, 2022: 14,182,105) equity shares of ₹2 each	-	-	(28,36,421)	(56.72)
Outstanding at the end of the year	-	-	-	-

iii) 0.001% Series B CCPS

Particulars	As at March 31, 2023		As at March 31, 2022	
	No. of shares	₹	No. of shares	₹
At the beginning of the year	-	-	1,19,51,680	239.03
Conversion of Nil (March 31, 2022: 11,951,680), 0.001% Series B CCPS into Nil (March 31, 2022: 59,758,400) equity shares of ₹2 each	-	-	(1,19,51,680)	(239.03)
Outstanding at the end of the year	-	-	-	-

iv) 0.001% Series B1 CCPS

Particulars	As at March 31, 2023		As at March 31, 2022	
	No. of shares	₹	No. of shares	₹
At the beginning of the year	-	-	30,53,560	61.07
Conversion of Nil (March 31, 2022: 3,053,560), 0.001% Series B1 CCPS into Nil (March 31, 2022: 15,267,800) equity shares of ₹2 each	-	-	(30,53,560)	(61.07)
Outstanding at the end of the year	-	-	-	-
Share capital (continued)				

v) 0.001% Series B2 CCPS

Particulars	As at March 31, 2023		As at March 31, 2022	
	No. of shares	₹	No. of shares	₹
At the beginning of the year	-	-	33,31,120	66.62
Conversion of Nil (March 31, 2022: 1,654,702), 0.001% Series B2 CCPS into Nil (March 31, 2022: 8,273,510) equity shares of ₹2 each	-	-	(16,54,702)	(33.09)
Conversion of Nil (March 31, 2022: 1,676,418), 0.001% Series B2 CCPS into Nil (March 31, 2022: 8,543,340) equity shares of ₹2 each	-	-	(16,76,418)	(33.53)
Outstanding at the end of the year	-	-	-	-

Notes to Standalone **Financial Statements** for the year ended March 31, 2023

(All amounts in Indian Rupees in millions except for share data or otherwise stated)

vi) 0.001% Series C1 CCPS

Particulars	As at March 31, 2023		As at March 31, 2022	
	No. of shares	₹	No. of shares	₹
At the beginning of the year	-	-	5,60,896	11.22
Conversion of Nil (March 31, 2022: 560,896), 0.001% Series C1 CCPS into Nil (March 31, 2022: 2,804,480) equity shares of ₹2 each	-	-	(5,60,896)	(11.22)
Outstanding at the end of the year	-	-	-	-

vii) 0.001% Series C2 CCPS

Particulars	As at March 31, 2023		As at March 31, 2022	
	No. of shares	₹	No. of shares	₹
At the beginning of the year	-	-	1,60,147	3.20
Conversion of Nil (March 31, 2022: 160,147), 0.001% Series C2 CCPS into Nil (March 31, 2022: 639,485) equity shares of ₹2 each	-	-	(1,60,147)	(3.20)
Outstanding at the end of the year	-	-	-	-

(b)Terms and rights attached to equity shares

(i) Equity shares

The Company has only one class of equity shares having par value of ₹2 per share (March 31, 2022- ₹ 2 per share). Each holder of equity shares is entitled to one vote per share. The Company declares and pays dividends in Indian rupees.

In the event of liquidation of the Company, the holders of equity shares will be entitled to receive remaining assets of the company, after distribution of all preferential amounts. The distribution will be in proportion to the number of equity shares held by the shareholders.

ii) 0.001% Series A CCPS

The Company has issued 0.001% Series A CCPS having face value of ₹20 per share. The CCPS carries preference as to dividend over equity share holders. If dividend on cumulative preference shares is not declared for a financial year, the entitlement thereto is carried forward to the next year. The preference share holders are entitled to one vote per share at meetings of the company on any resolutions of the company directly affecting their rights on fully convertible basis. In the event of liquidation, preference shareholders have a preferential right over equity shareholders to be repaid to the extent of capital paid-up and dividend in arrears on such shares.

iii) 0.001% Series B CCPS

The Company has issued 0.001% Series B CCPS having face value of ₹20 per share. The CCPS carries preference as to dividend over equity share holders. If dividend on cumulative preference shares is not declared for a financial year, the entitlement thereto is carried forward to the next year. The preference share holders are entitled to one vote per share at meetings of the company on any resolutions of the company directly affecting their rights on fully convertible basis.

iv) 0.001% Series B1 CCPS

The Company has issued 0.001% Series B1 CCPS having face value of ₹20 per share. The CCPS carries preference as to dividend over equity share holders. If dividend on cumulative preference shares is not declared for a financial year, the entitlement thereto is carried forward to the next year. The preference share holders are entitled to one vote per share at meetings of the company on any resolutions of the company directly affecting their rights on fully convertible basis.

v) 0.001% Series B2 CCPS

The Company has issued 0.001% Series B2 CCPS having face value of ₹20 per share. The CCPS carries preference as to dividend over equity share holders. If dividend on cumulative preference shares is not declared for a financial year, the entitlement thereto is carried forward to the next year. The preference share holders are entitled to one vote per share at meetings of the company on any resolutions of the company directly affecting their rights on fully convertible basis.

Notes to Standalone **Financial Statements** for the year ended March 31, 2023

(All amounts in Indian Rupees in millions except for share data or otherwise stated)

vi) 0.001% Series C1 CCPS

The Company has issued 0.001% Series C1 CCPS having face value of ₹20 per share. The CCPS carries preference as to dividend over equity share holders. If dividend on cumulative preference shares is not declared for a financial year, the entitlement thereto is carried forward to the next year. The preference share holders are entitled to one vote per share at meetings of the company on any resolutions of the company directly affecting their rights on fully convertible basis. In the event of liquidation, preference shareholders have a preferential right in accordance with the terms of the agreement.

vii) 0.001% Series C2 CCPS

The Company has issued 0.001% Series C2 CCPS having face value of ₹20 per share. The CCPS carries preference as to dividend over equity share holders. If dividend on cumulative preference shares is not declared for a financial year, the entitlement thereto is carried forward to the next year. The preference share holders are entitled to one vote per share at meetings of the company on any resolutions of the company directly affecting their rights on fully convertible basis. In the event of liquidation, preference shareholders have a preferential right in accordance with the terms of the agreement.

(c) Terms of conversion of preference shares

i) 0.001% Series A CCPS

0.001% Series A CCPS having face value of ₹20 per share shall be entitled to be converted into equity shares at the earliest of the following events in the manner stipulated under Articles of association ('AOA'):
a. upon filing of the Draft Red Herring Prospectus with SEBI in connection with the Initial Public Offer ('IPO') and
b. exercise of option by the CCPS shareholder in respect of either the full or part of the CCPS , not later than maturity date i.e., 19 years from the issue date.

ii) 0.001% Series B CCPS

0.001% Series B CCPS having face value of ₹20 per share shall be entitled to be converted into equity shares at the earliest of the following events in the manner stipulated under Articles of association ('AOA'):
a. upon filing of the Red Herring Prospectus with SEBI in connection with the IPO and
b. exercise of option by the CCPS shareholder in respect of either the full or part of the CCPS, not later than maturity date i.e., 19 years from the issue and allotment date.

iii) 0.001% Series B1 CCPS

0.001% Series B1 CCPS having face value of ₹20 per share shall be entitled to be converted into equity shares at the earliest of the following events in the manner stipulated under Articles of association ('AOA'):
a. upon occurrence of the B1 Measurement Event i.e., (i) one day prior to filing of the Red Herring Prospectus ('RHP') for an IPO or Qualified IPO as defined in the agreement or (ii) Transfer of all New Investor 3 Specific Shares pursuant to (a) a Third Party Sale, (b) a Strategic Sale or (c) any other sale of all the New Investor 3 Specific Shares, which, in case of (ii) above, would be deemed to be Transferred last, i.e., after Transfer of all other Shares in the Company held by the New Investor 3; and
b. B1 CCPS that have not been converted into Equity Shares as per option above, shall compulsorily convert into Equity Shares on the Maturity Date i.e.,19 years from the issue and allotment date.

iv) 0.001% Series B2 CCPS

0.001% Series B2 CCPS having face value of ₹20 per share shall be entitled to be converted into equity shares at the earliest of the following events in the manner stipulated under Articles of association ('AOA'):
a. upon occurrence of the B2 Measurement Event i.e., (i) one day prior to filing of the Red Herring Prospectus ('RHP') for an IPO or Qualified IPO as defined in the agreement or (ii) Transfer of all the Subscription Shares 2 pursuant to (a) a Third Party Sale, (b) a Strategic Sale or (c) any other sale of all Subscription Shares 2 Shares, which, in case of (ii) above, would be deemed to be Transferred last, i.e., after Transfer of all other Shares in the Company held by the Investor; and
b. B2 CCPS that have not been converted into Equity Shares as per option above, shall compulsorily convert into Equity Shares on the Maturity Date i.e.,19 years from the issue and allotment date.

v) 0.001% Series C1 CCPS

0.001% Series C1 CCPS having face value of ₹20 per share shall be entitled to be converted into equity shares at the earliest of the following events in the manner stipulated under Articles of association ('AOA'):

Notes to Standalone **Financial Statements** for the year ended March 31, 2023

(All amounts in Indian Rupees in millions except for share data or otherwise stated)

a. upon occurrence of the New Investor 3 Measurement Event i.e.,(i) one day prior to filing of the Red Herring Prospectus ('RHP') for an IPO or Qualified IPO as defined in the agreement or (ii) Transfer of all New Investor 3 Specific Shares pursuant to (a) a Third Party Sale, (b) a Strategic Sale or (c) any other sale of all the New Investor 3 Specific Shares, which, in case of (ii) above, would be deemed to be Transferred last, i.e., after Transfer of all other Shares in the Company held by the New Investor 3; and
b. exercise of option by the CCPS shareholder in respect of either the full or part of the CCPS, not later than maturity date i.e., 19 years from the issue and allotment date.

vi) 0.001% Series C2 CCPS

0.001% Series C2 CCPS having face value of ₹20 per share shall be entitled to be converted into equity shares at the earliest of the following events in the manner stipulated under Articles of association ('AOA'):
a. upon occurrence of the Investor Measurement Event i.e., (i) one day prior to filing of the Red Herring Prospectus ('RHP') for an IPO or Qualified IPO as defined in the agreement or (ii) Transfer of all the Subscription Shares 2 pursuant to (a) a Third Party Sale, (b) a Strategic Sale or (c) any other sale of all the Subscription Shares 2 Shares, which, in case of (ii) above, would be deemed to be Transferred last, i.e., after Transfer of all other Shares in the Company held by the Investor; and
b. exercise of option by the CCPS shareholder in respect of either the full or part of the CCPS, not later than maturity date i.e., 19 years from the issue and allotment date.

(d) Details of shareholders holding more than 5% shares in the Company

Particulars	As at March 31, 2023		As at March 31, 2022	
	No. of shares	% of holding	No. of shares	% of holding
Equity shares of ₹2 each fully paid up				
G.Madhukar Reddy	1,53,50,400	12.87%	1,53,50,400	12.87%
PI Opportunities Fund I	1,68,34,759	14.11%	1,68,34,759	14.11%
Lavender Rose Investment Ltd	1,77,59,127	14.89%	2,05,63,607	17.24%
Lone furrow investment private limited	1,72,33,240	14.44%	1,72,33,240	14.44%
Agilemed Investments Private Limited	1,56,49,495	13.12%	1,56,49,495	13.12%
SBI Mutual Fund	79,00,000	6.62%	1,06,23,576	8.90%

(e) During the five years immediately preceding the year, ended March 31, 2023, no shares have been bought back or issued for consideration other than cash except for bonus shares issued which have been disclosed in point (g) below.

(f) Shares reserved for issue under options

For details of shares reserved for issue under the Employee Stock Options and Shares Plan, 2009 (ESOP 2009) of the Company. (Refer note 34)

(g)	**Details of Bonus issue**	**Number of shares**
	During the year ended March 31, 2021 the following bonus shares were issued by way of capitalisation of securities premium balance:	
(i)	1.25 equity shares issued as bonus for every 1 equity share held by the equity share holders, rounded off to nearest number	2,54,674
(ii)	1.25 Series A CCPS shares issued as bonus for every 1 Series A CCPS held by the Series A CCPS holders, rounded off to nearest number	38,434
(iii)	40 Series A CCPS shares issued as bonus for every 1 Series A CCPS held by the Series A CCPS holders after considering the impact of bonus issue as per (ii) above, rounded off to nearest number	27,67,240
(iv)	40 Series B CCPS shares issued as bonus for every 1 equity shares held by the equity share holders after considering the impact of bonus issue as per (i) above and except to Lone furrow investment private limited and Agilemed Investments Private Limited, rounded off to nearest number	1,19,51,680
(v)	40 Series B1 CCPS shares issued as bonus for every 1 equity shares held by Agilemed Investments Private Limited after considering the impact of bonus issue as per (i) above, rounded off to nearest number	30,53,560
(vi)	40 Series B2 CCPS shares issued as bonus for every 1 equity shares held by Lone furrow investment private limited after considering the impact of bonus issue as per (i) above, rounded off to nearest number	33,31,120
		2,13,96,708

Notes to Standalone **Financial Statements** for the year ended March 31, 2023

(All amounts in Indian Rupees in millions except for share data or otherwise stated)

(h) Details of Promoter shareholding

Promoter Name	As at March 31, 2023 No. of Shares	As at March 31, 2023 % of total shares	As at March 31, 2023 % Change during the year	As at March 31, 2022 No. of Shares	As at March 31, 2022 % of total shares
Madhukar Reddy Gangadi	1,53,50,400	12.87%	0.00%	1,53,50,400	12.87%
Agilemed Investments Private Limited	1,56,49,495	13.12%	0.00%	1,56,49,495	13.12%
Lone Furrow Investment Limited	1,72,33,240	14.44%	0.00%	1,72,33,240	14.44%

15. Other equity

Particulars	As at March 31, 2023	As at March 31, 2022
(i) Securities premium		
Opening balance	11,835.53	2,492.69
Add: Issue of shares (refer note 14(a))	-	5,984.91
Less: Share Issue expenses	-	(217.27)
Add: Conversion of CCPS to equity shares	-	3,166.15
Add: Transferred from share based payment reserve upon exercise of options	30.78	409.05
Add: Proceeds from issue of equity shares issued under ESOP	10.70	-
Less: Utilized for issue of bonus shares	-	-
	11,877.01	**11,835.53**
Less: Amount recoverable from ESOP trust (refer note 34)	(77.44)	(77.44)
Add: Share based payment reserve adjusted against securities premium	67.51	67.51
Add: Proceeds from issue of equity shares under ESOP	7.05	5.86
	(2.88)	(4.07)
Closing Balance	**11,874.13**	**11,831.46**
(ii) Equity component of compound financial instruments		
Opening balance	-	3,708.06
Less: Conversion of 0.001% Series A CCPS into Equity shares	-	(56.72)
Less: Conversion of 0.001% Series B CCPS into Equity shares	-	(239.03)
Less: Conversion of 0.001% Series B1 CCPS	-	(61.07)
Less: Conversion of 0.001% Series B2 CCPS	-	(66.62)
Less: Conversion of 0.001% Series C1 CCPS	-	(11.22)
Less: Conversion of 0.001% Series C2 CCPS	-	(3.20)
Less: Transfer of Series A CCPS securities premium in to securities premium account	-	(1,981.65)
Less: Transfer of Series C1 CCPS securities premium in to securities premium account	-	(751.12)
Less: Transfer of Series C2 CCPS securities premium in to securities premium account	-	(214.46)
Less: Transfer of Series C2 CCPS fair value increment in to General reserve	-	(322.97)
Closing Balance	**-**	**-**

Equity component of compound financial instruments includes the following:

Particulars	As at March 31, 2023	As at March 31, 2022
(i) Par value of the instruments issued:		
0.001% Series A CCPS of ₹20/- each		
At the beginning of the year	-	56.72
Less: Conversion of 0.001% Series A CCPS into equity shares	-	(56.72)
At the end of the year	-	-
0.001% Series B CCPS of ₹20/- each		
At the beginning of the year	-	239.03
Less: Conversion of 0.001% Series B CCPS into equity shares	-	(239.03)
At the end of the year	**-**	**-**

Notes to Standalone **Financial Statements** for the year ended March 31, 2023

(All amounts in Indian Rupees in millions except for share data or otherwise stated)

Equity component of compound financial instruments includes the following:

Particulars	As at March 31, 2023	As at March 31, 2022
0.001% Series B1 CCPS of ₹20/- each		
At the beginning of the year	-	61.07
Less: Conversion of 0.001% Series B1 CCPS in to equity shares	-	(61.07)
At the end of the year	**-**	**-**
0.001% Series B2 CCPS of ₹20/- each		
At the beginning of the year	-	66.62
Less: Conversion of 0.001% Series B2 CCPS in to equity shares	-	(66.62)
At the end of the year	**-**	**-**
0.001% Series C1 CCPS of ₹20/- each		
At the beginning of the year	-	11.22
Less: Conversion of 0.001% Series C1 CCPS in to equity shares	-	(11.22)
At the end of the year	**-**	**-**
0.001% Series C2 CCPS of ₹20/- each		
At the beginning of the year	-	3.20
Less: Conversion of 0.001% Series C2 CCPS in to equity shares	-	(3.20)
At the end of the year	**-**	**-**

Equity component of compound financial instruments includes the following:

Particulars	As at March 31, 2023	As at March 31, 2022
(ii) Securities premium on CCPS issued		
Opening balance	-	3,708.06
Less: Fair value movement in the value of the CCPS transfer to general reserve	-	(322.97)
Less: Transfer to Securities premium account due to conversion of CCPS in to Equity	-	(3,385.09)
Amount included in 'Equity component of compound financial instruments' above	**-**	**-**

* Rounded off to millions.

Particulars	As at March 31, 2023	As at March 31, 2022
(iii) Share based payment reserve		
Opening balance	113.94	486.55
Add: Gross compensation for options granted during the year	221.19	107.37
Less: Transfer to Security premium account	(30.78)	(409.05)
Less: Stock options lapsed	-	(3.42)
Less: Transfer to Amount Recoverable From ESOP Trust	-	(67.51)
Closing balance	**304.35**	**113.94**
(iv) General reserve		
Balance at the beginning of the year	355.03	28.64
Add: Stock options lapsed	-	3.42
Add: Fair value movement in the value of the CCPS transfer to general reserve	-	322.97
Balance at the end of the year	**355.03**	**355.03**

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(All amounts in Indian Rupees in millions except for share data or otherwise stated)

Particulars	As at March 31, 2023	As at March 31, 2022
(v) Capital reserve		
Opening balance (refer note no; 44)	7.62	7.62
Add: During the year	-	-
Closing balance	**7.62**	**7.62**
(vi) Amalgamation adjustment account		
Opening balance (refer note no; 44)	(98.39)	(98.39)
Closing balance	**(98.39)**	**(98.39)**
(vii) Retained earnings		
Opening balance	(1,320.45)	(1,377.41)
Profit for the year	55.44	55.79
Other comprehensive (loss)/ income for the year	(3.56)	1.17
Closing balance	**(1,268.57)**	**(1,320.45)**
Total Other equity ((i)+(ii)+(iii)+(iv)+(v)+(vi)+(vii))	**11,174.17**	**10,889.21**

Nature and purpose of reserves

a) Securities premium

Securities premium is used to record the premium on issue of shares. The premium will be utilised in accordance with the provisions of the Act.

b) Share based payment reserve

The Company has granted equity settled share based payment plans for certain categories of employees of the Company. (Refer note 34).

c) General Reserve

General reserve is used from time to time to transfer profit from reserves, for appropriation purposes.

d) Retained earnings

Retained earnings are profits that the Company has earned till date, less any transfers to general reserve, dividends or other distributions paid to shareholders.

e) Capital reserve

Capital reserve represents reserve created as part of common control transaction (business transfer) in financial year 2021.

f) Amalgamation adjustment account

Represents reserve created as part of common control transaction (business transfer) in financial year 2021.

16. Trade payables

Particulars	As at March 31, 2023	As at March 31, 2022
- Total outstanding dues to micro and small enterprises ('MSME') (refer note 38)	3.61	0.43
- Total outstanding dues to other than micro and small enterprises ('MSME'):		
- to related parties (refer note 39)	1.36	-
- to others	122.92	54.87
	127.89	**55.30**

Notes to Standalone **Financial Statements** for the year ended March 31, 2023

(All amounts in Indian Rupees in millions except for share data or otherwise stated)

Ageing of trade payables outstanding as at March 31, 2023 is as follows:

Particulars	Not due	Outstanding for following periods from due date of payment				Total
		Less than 1 year	1-2 years	2-3 years	Morethan 3 years	
(i) MSME	0.01	3.60	-	-	-	3.61
(ii) Others	0.18	106.36	0.05	0.07	-	106.66
(iii) Disputed dues - MSME	-	-	-	-	-	-
(iv) Disputed dues - Others	-	-	-	-	-	-
Total	**0.19**	**109.96**	**0.05**	**0.07**	**-**	**110.26**
Accrued expenses						17.63
						127.89

Ageing of trade payables outstanding as at March 31, 2022 is as follows:

Particulars	Not due	Outstanding for following periods from due date of payment				Total
		Less than 1 year	1-2 years	2-3 years	Morethan 3 years	
(i) MSME	-	0.43	-	-	-	0.43
(ii) Others	1.92	48.32	0.44	-	0.02	50.70
(iii) Disputed dues - MSME	-	-	-	-	-	-
(iv) Disputed dues - Others	-	-	-	-	-	-
Total	**1.92**	**48.75**	**0.44**	**-**	**0.02**	**51.13**
Accrued expenses						4.17
						55.30

17. Lease liabilities

Particulars	As at March 31, 2023	As at March 31, 2022
Non-current		
Lease liabilities (refer note 35 C)	808.15	416.84
	808.15	416.84
Current		
Lease liabilities (refer note 35 C)	49.89	27.32
	49.89	**27.32**

18. Other financial liabilities

Particulars	As at March 31, 2023	As at March 31, 2022
Creditors for capital goods	20.20	18.23
Employee dues payable	33.42	10.56
Purchase consideration payable	175.99	175.99
	229.61	**204.78**

19. Provisions

	Particulars	As at March 31, 2023	As at March 31, 2022
(a)	**Non-current**		
	Provision for gratuity, partly funded (refer note 33)	18.35	7.14
		18.35	**7.14**

Notes to Standalone **Financial Statements** for the year ended March 31, 2023

(All amounts in Indian Rupees in millions except for share data or otherwise stated)

	Particulars	As at March 31, 2023	As at March 31, 2022
(b)	**Current**		
	Provision for gratuity, partly funded (refer note 33)	1.45	1.38
	Provision for compensated absences, unfunded	8.88	5.98
		10.33	**7.36**

20. Other current liabilities

Particulars	As at March 31, 2023	As at March 331, 2022
Statutory liabilities	21.02	22.40
	21.02	**22.40**

21. Contract liabilities

Particulars	As at March 31, 2023	As at March 31, 2022
Advance from customers	2.34	1.18
Unearned revenue	39.06	4.41
	41.40	5.59
Movement in unearned revenue on Membership Fees		
As at beginning of the year	4.41	-
Collected during the year	114.99	4.90
Revenue recognised during the year	(80.34)	(0.49)
As at end of the year	**39.06**	**4.41**

22. Revenue from Contract with customers

	Particulars	For the year ended March 31, 2023	For the year ended March 31, 2022
a.	**Revenue from Operations**		
	Sale of services	305.54	74.76
	Sale of general and pharmaceutical items	1,718.21	1,285.95
		2,023.75	1,360.71
b.	**Other operating revenue**		
	Management and administrative fees income	48.75	41.44
	Brand fee	66.76	54.99
		115.51	96.43
	Total	**2,139.26**	**1,457.14**

Refer note 39 for transactions with related parties

Disclosures as per Ind AS 115 - Revenue from contract with customers

a. Reconciliation of Revenue from contract with customers

Particulars	For the year ended March 31, 2023	For the year ended March 31, 2022
Revenue from contract with customers at contracted price	2,193.04	1,462.95
Less: Discounts offered	(169.29)	(102.24)
Revenue from contract with customers	**2,023.75**	**1,360.71**

Notes to Standalone **Financial Statements** for the year ended March 31, 2023

(All amounts in Indian Rupees in millions except for share data or otherwise stated)

b. Disaggregation of revenues

(i) Based on geography: Entire revenue from contract with customers is from India.

(ii) Based on segment:

Particulars	For the year ended March 31, 2023	For the year ended March 31, 2022
Diagnostic services	305.54	74.76
Sale of general and pharmaceutical items	1,718.21	1,285.95
Revenue from contract with customers	**2,023.75**	**1,360.71**

c. Details of deferred revenue

Tabulated below is the reconciliation of deferred revenue for the year ended March 31, 2023 and March 31, 2022:

As at beginning of the year	4.41	-
Collected during the year	114.99	4.90
Revenue recognised during the year	(80.34)	(0.49)
As at end of the year	**39.06**	**4.41**

d. Revenues from significant customers

Revenues from one customer amounts to ₹ 1,718.20 (March 31, 2022: ₹ 979.95) which is 100% of total revenue (March 31, 2022 76%)

e. Contract balances:

Particulars	As at March 31, 2023	As at March 31, 2022
Trade receivables (refer note 13)	376.11	212.88
Advance from customers (refer note 21)	2.34	1.18
Unearned revenue on membership fees (refer note 21)	39.06	4.41

23. Other income

Particulars	For the year ended March 31, 2023	For the year ended March 31, 2022
Interest income		
- On bank deposits	134.66	71.95
- Others	7.49	3.90
Rental income (refer notes 35B and 39)	6.31	3.30
Financial guarantee income (Refer note 39)	1.47	9.29
Liabilities no longer required written back	2.69	0.02
Gain on de-recognition of right-of-use assets	2.03	1.76
Miscellaneous income	7.74	5.19
	162.39	**95.41**

24. Purchases of stock-in-trade

Particulars	For the year ended March 31, 2023	For the year ended March 31, 2022
Purchases of stock-in-trade	1,283.83	972.12
Transport Charges	31.08	-
	1,314.91	**972.12**

Notes to Standalone **Financial Statements** for the year ended March 31, 2023

(All amounts in Indian Rupees in millions except for share data or otherwise stated)

25. Cost of materials Consumed

Particulars	For the year ended March 31, 2023	For the year ended March 31, 2022
Raw materials (including stores and consumables) at the beginning of the year	31.94	20.79
Add: Purchases during the year	281.69	204.71
Less: Raw materials (including stores and consumables) at the end of the year	55.86	31.94
	257.77	**193.56**

26. Changes in inventories of finished goods, work-in-progress and stock-in-trade

Particulars	For the year ended March 31, 2023	For the year ended March 31, 2022
Inventories at the beginning of the year		
Finished goods	4.86	5.97
Work-in-progress	1.25	0.71
Stock-in-trade	0.95	20.38
	7.06	27.06
Less : Inventories at the end of the year		
Finished goods	5.24	4.86
Work-in-progress	5.78	1.25
Stock-in-trade	-	0.95
	11.02	7.06
Change in inventories	**(3.96)**	**20.00**

27. Employee benefits expense

Particulars	For the year ended March 31, 2023	For the year ended March 31, 2022
Salaries and wages	236.72	109.14
Contribution to provident fund and other funds (refer note 33)	12.05	3.82
Gratuity expense (refer note 33)	7.80	2.70
Employees stock option compensation expenses (refer note 34)	18.07	17.28
Staff welfare expenses	6.81	4.38
	281.45	**137.32**

28. Depreciation and amortisation expense

Particulars	For the year ended March 31, 2023	For the year ended March 31, 2022
Depreciation of property, plant and equipment (refer note 3a)	67.59	12.75
Amortisation on Intangible asset (refer note 3c)	9.43	1.48
Depreciation on right-of-use assets (refer note 35)	76.05	32.09
	153.07	**46.32**

29. Finance costs

Particulars	For the year ended March 31, 2023	For the year ended March 31, 2022
Interest on lease liabilities (refer note 35C)	65.45	25.85
Interest on others	-	0.46
	65.45	**26.31**

Notes to Standalone **Financial Statements** for the year ended March 31, 2023

(All amounts in Indian Rupees in millions except for share data or otherwise stated)

30. Other expenses

Particulars	For the year ended March 31, 2023	For the year ended March 31, 2022
Rates and taxes	3.91	8.67
Electricity charges	25.72	5.72
Communication costs	1.63	0.26
Travelling and conveyance	6.75	2.84
Printing and stationary	7.62	1.67
Legal and Professional charges - Doctors Fees	56.90	-
Legal and Professional charges - Others	27.08	29.02
Payment to auditors (refer details below)	1.71	1.86
Directors sitting fees	4.85	3.85
Insurance	2.98	1.07
Repairs and maintenance		
- Plant and machinery	14.52	5.09
- Others	-	-
Advertisement and sales promotion	62.84	34.09
Provision for doubtful debts	0.43	0.35
Provision for doubtful Advances	3.51	-
Advances/debts written off	0.13	-
Miscellaneous expenses	5.96	6.64
	226.54	**101.13**

Payment to Statutory auditor

Particulars	For the year ended March 31, 2023	For the year ended March 31, 2022
As auditors:		
Statutory audit fee*	1.50	1.37
Certification fee	-	0.32
Reimbursement of expenses	0.21	0.17
	1.71	**1.86**

* Auditor's fees of ₹18.81 towards IPO related for the year ended March 31, 2022 deliverables is not included.

31. Earnings per equity share (EPES)

The following reflects the earnings and share data used in the basic and diluted EPES computations:

Particulars	For the year ended March 31, 2023	For the year ended March 31, 2022
Profit attributable to equity holders of the Company	55.44	55.79
Earnings per equity share		
Weighted average number of shares for considered for Basic EPES		
(i) Equity shares		
Number of shares at the beginning of the year	11,93,05,676	4,36,645
Weighted average number of shares issued during the year	-	20,46,319
Add: Conversion of preference shares to equity shares	-	4,77,74,742
Add: Exercise of employee stock options during the period	-	65,813
Add: Increase on account of share split during the year	-	17,46,580
Weighted average number of shares outstanding during the year	**11,93,05,676**	**5,20,70,099**

Notes to Standalone **Financial Statements** for the year ended March 31, 2023

(All amounts in Indian Rupees in millions except for share data or otherwise stated)

Particulars	**For the year ended March 31, 2023**	**For the year ended March 31, 2022**
(ii) CCPS		
Number of shares at the beginning of the year	-	2,10,23,264
Add: Increase on account of share split during the year*	-	8,40,93,056
Add: Exercise of employee stock options during the year	-	26,32,517
Less: Conversion of preference shares to equity shares	-	(4,77,74,742)
Weighted average number of shares outstanding during the year	**-**	**5,99,74,095**
Weighted average number of shares considered for Basic EPES (i)+(ii)	**11,93,05,676**	**11,20,44,194**
Add: Number of dilutive potential equity shares on account of share options granted including bonus shares issued during the year	3,45,267	4,31,204
Weighted average number of equity shares for diluted EPES*	**11,96,50,943**	**11,24,75,398**
Face value of each equity share (In absolute ₹ terms)	2.00	2.00
Face value of each CCPS considered as equity (In absolute ₹ terms)	-	-
Earnings per equity share (In absolute ₹ terms)		
- Basic	0.46	0.50
- Diluted	0.46	0.50

* In line with the requirements of para 28 of Ind AS 33, for the purpose of EPES calculations, bonus shares issued and share split have been considered as if the event of bonus issue/ share split had occurred at the beginning of the earliest year presented.

32. Taxes

(a) The major components of income tax expenses for the year ended March 31, 2023 and March 31, 2022 are:

(i) Profit or loss

Particulars	**For the year ended March 31, 2023**	**For the year ended March 31, 2022**
Current tax :		
Current income tax charge	20.42	-
Interest on income tax	-	-
Deferred tax		
Relating to origination and reversal of temporary differences	-	-
Total income tax expense recognised in standalone statement of Profit and Loss	**20.42**	**-**

(b) Reconciliation of tax expense and the accounting profit multiplied by India's domestic tax rate for March 31, 2023 and March 31, 2022:

Particulars	**For the year ended March 31, 2023**	**For the year ended March 31, 2022**
Profit/(Loss) before tax	75.86	55.79
Enacted tax rate in India	25.17%	25.17%
Expected tax expenses	19.09	14.04
Tax effect on impairment reversals	(22.84)	-
Tax effect on others	12.56	(14.04)
Tax for earlier years	11.61	-
Total Tax expense	**20.42**	**-**
Tax expense as per standalone Statement of Profit and Loss Account	**20.42**	**-**

Notes to Standalone **Financial Statements** for the year ended March 31, 2023

(All amounts in Indian Rupees in millions except for share data or otherwise stated)

(c) As a matter of prudence, the Company has not recorded deferred tax asset (net) aggregating to ₹257.49 (March 31, 2022: ₹134.43), since the Company is not probable that taxable profit will be available against which the deferred tax asset can be utilized. The details of deferred tax asset considered to the extent of deferred tax liabilities are as follows:

Particulars	As at March 31, 2023	As at March 31, 2022
Deferred tax liabilities	212.21	109.78
Deferred tax assets	(212.21)	(109.78)
Net amount accounted	-	-

The Company has business losses amounting to ₹ 116.12 which can be carried forward for the next 7 years and unabsorbed depreciation loss amounting to ₹ 8.24.

Note 1:

The Company has received a demand notice of ₹ 34.86 on account of certain disallowances and additions to the total income. The Company has filed an appeal with the Commissioner of Income Tax (Appeals) challenging the said demand. On the basis of evaluation of the said demand notice and the underlying facts by an independent external consultant, the Company is confident that the matter would be settled in its favour. Accordingly, no adjustments have been made to these financial statements in this regard.

33. Employee benefits

I. Post Employment Benefits

A. Defined Benefits Plan - Gratuity

Company has a defined benefit plan which provides for gratuity payments for its employees. Under the plan, every employee who has completed at least five years of service gets gratuity on departure @ 15 days salary (based on last drawn basic salary) for each completed year of service. The scheme is partly funded in the form of a qualifying insurance policy managed by Life Insurance Corporation of India.

The components of gratuity cost recognised in the standalone statement of profit and loss for the year ended March 31, 2023 and March 31, 2022 consist of the following:

Particulars	For the year ended March 31, 2023	For the year ended March 31, 2022
Changes in the present value of defined benefit obligations are as follows:		
Defined benefit obligations at the beginning of the year	12.34	11.72
Current service cost	7.14	2.06
Interest on defined obligations	0.89	0.77
Benefits paid	(0.05)	(0.97)
Re-measurements due to:		
- change in assumptions	(0.29)	(0.33)
- due to experience adjustment	3.75	(0.91)
Defined benefit obligations at the end of the year	**23.78**	**12.34**
Changes in the fair value of plan assets are as follows:		
Fair value of plan assets at the beginning of the year	3.82	1.72
Employer contributions	0.03	3.01
Employer Direct benefits payments	0.05	-
Interest on plan assets	0.28	0.19
Benefits paid	(0.05)	(0.97)
Expenses	(0.04)	(0.06)
Remeasurements-return on plan assets	(0.11)	(0.07)
Plan assets at the end of the year	**3.98**	**3.82**

Notes to Standalone **Financial Statements** for the year ended March 31, 2023

(All amounts in Indian Rupees in millions except for share data or otherwise stated)

Particulars	**For the year ended March 31, 2023**	**For the year ended March 31, 2022**
Amount to be recognised in Statement of Profit and Loss:		
Current service cost	7.14	2.06
Interest on net defined benefit liability, net	0.94	0.83
Excepted return on plan assets	(0.28)	(0.19)
Gratuity cost recognised in statement of profit and loss*	**7.80**	**2.70**

* The above amount doesn't include the gratuity cost related to employees of the acquired MHS Pharmaceuticals business.

Particulars	**For the year ended March 31, 2023**	**For the year ended March 31, 2022**
Remeasurement on the net defined benefit liability:		
Remeasurements - due to change in assumptions	(0.29)	(0.33)
Remeasurements - due to experience adjustment	3.75	(0.91)
Remeasurements - return on plan assets	0.10	0.07
Components of defined benefit costs recognised in other comprehensive income	**3.56**	**(1.17)**

Details of the employee defined benefits obligations and plan assets are provided below:

Particulars	**As at March 31, 2023**	**As at March 31, 2022**
Present value of funded obligations	23.78	12.34
Fair value of plan assets	(3.98)	(3.82)
Fair value of plan assets	**19.80**	**8.52**

Bifurcation of net defined benefit liability

Particulars	**As at March 31, 2023**	**As at March 31, 2022**
Current liabilities	1.45	1.38
Non- current Liabilities	18.35	7.14
	19.80	**8.52**

Sensitivity Analysis: ((Increase) / decrease in obligation)

Particulars	**As at March 31, 2023**	**As at March 31, 2022**
(a) Effect of 1% change in assumed discount rate		
- 1% increase	(1.64)	(0.71)
- 1% decrease	1.88	0.81
(b) Effect of 1% change in assumed salary escalation rate		
- 1% increase	1.56	0.58
- 1% decrease	(1.42)	(0.51)
(c) Effect of 1% change in assumed attrition rate		
- 1% increase	(0.28)	(0.04)
- 1% decrease	0.29	0.05

Notes to Standalone **Financial Statements** for the year ended March 31, 2023

(All amounts in Indian Rupees in millions except for share data or otherwise stated)

Particulars	For the year ended March 31, 2023	For the year ended March 31, 2022
Discount rate	7.51%	7.34%
Rate of return of plan assets	7.51%	7.34%
Attrition rate	10.00%	10.00%
Rate of compensation increase	9.00%	9.00%

The expected future cash flows in respect of gratuity were as follows:

Particulars	As at March 31, 2023	As at March 31, 2022
Expected future benefit payments		
Less than a year	2.09	1.38
Between 2-5 years	10.38	6.88
More than 5 years	10.06	4.44

B. Defined Contribution Plan

Provident fund and other funds

The Company makes contributions, determined as a specified percentage of employee salaries, in respect of qualifying employees towards provident fund and Employee state insurance, which is defined contribution plan. The Company has no obligations other than to make specified contributions. The contributions are charged to the statement of profit and loss as they accrue.

The amount recognised as an expense towards for the year aggregated to ₹ 12.05 (March 31, 2022: ₹ 3.82) and is included in contribution to provident fund and other funds.

II. Other benefits - Leave Encashment

The employees of the Company are entitled to leave encashment which are both accumulating and non-accumulating in nature. The expected cost of accumulating leave encashment is determined by actuarial valuation based on the additional amount expected to be paid as a result of the unused entitlement that has accumulated at the balance sheet date. Expense on non-accumulating leaves is recognized in the year in which the absences occur.

The amount recognised as an expense towards leave compensated absences for the year aggregated to ₹ 3.25 (March 31, 2022: ₹ 0.90).

34. Employee stock option plan

(i) MedPlus Employees Stock Option and Shares Plan 2009 (ESOP 2009)

(a) The Company instituted MedPlus Employees Stock Option and Shares Plan 2009 (ESOP 2009). The Board of directors approved the plan on November 16, 2009. The plan is effective from November 1, 2009 which provided for issue of 9,673 stock options to eligible employees. The options vest over a period of four years or as approved by remuneration committee and would be settled by issue of fully paid equity shares.

Pursuant to a resolution passed by the Board of Directors on February 17, 2011, the Company had formed a trust (MedPlus Employee Benefit Trust) to implement and administer ESOP 2009 and had allotted 9,673 options to the Trust.

The Company has allotted (before giving impact of bonus and split) 4,110 equity shares and 5,563 shares to the trust at premium of ₹ 0.01102 per share and ₹ 0.00578 per share respectively, aggregating total securities premium of ₹ 77.44

Amount receivable from the trust for options granted aggregating to ₹77.54 (Face value – ₹ 0.10 and Premium of ₹ 77.44) has been accounted as 'Amount recoverable from Trust in kind' and has been deducted from share capital and securities premium respectively as these are in the nature of own shares held. The same will be adjusted at the time of exercise of options by the employees.

Notes to Standalone Financial Statements for the year ended March 31, 2023

(All amounts in Indian Rupees in millions except for share data or otherwise stated)

During the year March 31, 2023 416 (March 31, 2022 8,760) options were exercised by employees which resulted in

(i) increase in paid up capital by March 31, 2023 ₹ 0.00 (March 31, 2022: ₹ 0.09) and

(ii) increase of securities premium by March 31, 2023 ₹ Nil (March 31, 2022: ₹ 67.51)

Further, recovery of ₹ 11.89 (March 31, 2022: ₹ 5.86) from ESOP trust was done on account of exercised options during the year ended March 31, 2023

Employees stock option and share plan 2009

Particulars	March 31, 2023	March 31, 2022
Number of options granted	Nil	905
Method of settlement (Cash/Equity)	NA	Equity
Vesting period	NA	300 options have vested 266 options vest over the financial year 2022-23 174 options vest over the financial year 2023-24 153 options vest over the financial year 2024-25 12 options vest over the financial year 2025-26
Exercise period	NA	4 years for 905 options Committee may extend the Exercise period on case to case basis.
Vesting conditions	NA	None

(b) The details of the activity have been summarized below

Particulars	As at March 31, 2023 (No. of options)	As at March 31, 2022 (No. of options)
Outstanding at the beginning of the year	905	9,173
Exercisable at the beginning of the year	300	8,770
Granted during the year	-	562
Forfeited during the year	-	-
Exercised during the year	416	8,760
Vested during the year	216	355
Expired during the year	100	70
Outstanding at the end of the year*	389	905
Exercisable at the end of the year	100	300
Weighted average remaining contractual life (in years)	-	-

*One option equals to 461.25 equity shares

Notes to Standalone **Financial Statements** for the year ended March 31, 2023

(All amounts in Indian Rupees in millions except for share data or otherwise stated)

(ii) MedPlus Employees Stock Option and Shares Plan 2021 (ESOP 2021)

(a) The Company instituted MedPlus Employees Stock Option and Shares Plan 2021 (ESOP 2021). The Board of directors approved the plan on August 9, 2021. The plan is effective from August 9, 2021 which provided for issue of 1,117,612 stock options to eligible employees. The options vest over a period of four years from the grant date at 10%, 25%, 25% and 40% respectively, as a % of options granted. Vesting period may be accelerated on deserving cases, subject to applicable law and minimum vesting period of at least one year. During the year ended March 31, 2023 the Company has granted 95,941 (March 31, 2022: 70,317) Options to its employees and 36,900 (March 31, 2022: 865,587) Options to the employees of its subsidiaries under Employee stock option and Share plan 2021 after taking necessary approval at an exercise price of ₹541.98 per option on March 30, 2023 (March 31, 2022: ₹232 per option on November 22, 2021).

Employees stock option and share plan 2021

Particulars	As at March 31, 2023	As at March 31, 2022
Number of options granted	1,32,841	9,35,904
Method of settlement (Cash/Equity)	Equity	Equity
Vesting period	9,594 options vest in 12 months from the grant date. 23,985options vest in 24 months from the grant date. 23,985 options vest in 30 months from the grant date. 38,377options vest in 36 months from the grant date.	1,06,316 options vest in 12 months from the grant date. 2,39,574 options vest in 24 months from the grant date. 5,095 options vest in 30 months from the grant date. 2,24,289 options vest in 36 months from the grant date. 5,095 options vest in 42 months from the grant date. 3,55,535 options vest in 48 months from the grant date.
Exercise period	3 years Committee may extend the Exercise period on case to case basis.	3 years Committee may extend the Exercise period on case to case basis.
Vesting conditions	None	None

(b) The details of the activity have been summarized below

Particulars	As at March 31, 2023 (No. of options)	As at March 31, 2022 (No. of options)
Outstanding at the beginning of the year	9,35,904	-
Exercisable at the beginning of the year	-	-
Granted during the year	1,32,841	9,35,904
Forfeited during the year	30,987	-
Exercised during the year	-	-
Vested during the year	1,04,328	-
Expired during the year	-	-
Outstanding at the end of the year	10,37,758	9,35,904
Exercisable at the end of the year	1,04,328	-
Weighted average remaining contractual life (in years)	-	-

Notes to Standalone **Financial Statements** for the year ended March 31, 2023

(All amounts in Indian Rupees in millions except for share data or otherwise stated)

(c) Stock options granted during the year

The Black Scholes valuation model has been used for computing the weighted average fair value considering the following inputs:

Particulars	March 31, 2023	March 31, 2022
Weighted average share price/ market value	634.55	795.80
Exercise price (₹ per share)	541.98	232.00
Options granted	1,32,841	9,35,904
Date of grant	March 30, 2023	November 22, 2021
Expected volatility	20.00%	28.8% to 30.04%
Life of the options granted (vesting and exercise period) in years	Vesting period + 4 years	Vesting period + 3 years
Expected dividend	0%	0%
Average risk-free interest rate	6.75% - 7.25%	5.4% to 6.2%
Expected term based on vesting period	1 year - 4 years	1 year - 4 years
Weighted average fair value of the option granted	204.00	634.37

Effect of the employee option plan on the standalone Statement of Profit and Loss and on its financial position

Particulars	For the year ended March 31, 2023	For the year ended March 31, 2022
Total employee compensation cost pertaining to stock option plan *	18.07	17.28
Reserves - employee stock option plan outstanding as at the period end	304.35	113.94

*Does not include ₹ 203.14 (March 31, 2022: ₹90.1) pertaining to ESOP issued to the employees of subsidiaries.

Note: The management of the Company made an application with the Bombay Stock Exchange Limited (BSE) and the National Stock Exchange of India Limited (NSE) during the year ended March 31, 2023 in connection with seeking their approval for allotment of equity shares of the Company to the employees of the subsidiaries granted in accordance with The ESOP 2021 plan. An in-principle approval of the BSE and NSE has been received in this regard. However, the approval is subject to ratification of the scheme and the underlying stock options granted to the employees of the subsidiaries through a separate Special Resolution by the shareholders of the Company. The necessary process to seek the approval of the shareholders has already been initiated by the management subsequent to the year ended March 31, 2023. However, in view of the management, the said process is not expected to have any impact on these financial statements, including the accounting for the stock options granted to the employees of the subsidiaries.

35. Leases

The Company recognises right-of-use asset representing its right to use the underlying asset for the lease term at the lease commencement date. The cost of the right-of-use asset measured at inception shall comprise of the amount of the initial measurement of the lease liability adjusted for any lease payments made at or before the commencement date less any lease incentives received, plus any initial direct costs incurred and an estimate of costs to be incurred by the lessee in dismantling and removing the underlying asset or restoring the underlying asset or site on which it is located. The right-of-use assets is subsequently measured at cost less any accumulated depreciation, accumulated impairment losses, if any and adjusted for any remeasurement of the lease liability. The right-of-use assets is depreciated using the straight-line method from the commencement date over the shorter of lease term or useful life of right-of-use asset.

Notes to Standalone **Financial Statements** for the year ended March 31, 2023

(All amounts in Indian Rupees in millions except for share data or otherwise stated)

A Movement of right of use asset for the year ended March 31, 2023 and March 31, 2022:

Particulars	Machinery	Buildings	Total
Gross carrying amount as at March 31, 2021	-	77.54	77.54
Additions	-	423.43	423.43
Deletions	-	29.36	29.36
Gross carrying amount as at March 31, 2022	**-**	**471.61**	**471.61**
Additions	62.55	446.40	508.95
Deletions	-	46.96	46.96
Gross carrying amount as at March 31, 2023	**62.55**	**871.05**	**933.60**
Accumulated Depreciation			
Upto April 01, 2021	-	(9.14)	(9.14)
Depreciation charge for the year	-	(32.09)	(32.09)
Deletions	-	2.36	2.36
Upto March 31, 2022	-	(38.87)	(38.87)
Depreciation charge for the year	(2.96)	(73.09)	(76.05)
Deletions	-	5.72	5.72
Upto March 31, 2023	**(2.96)**	**(106.24)**	**(109.20)**
Net Carrying amounts			
Balance as at March 31, 2022	**-**	**432.74**	**432.74**
Balance as at March 31, 2023	**59.59**	**764.81**	**824.40**

* The aggregate depreciation expenses for the year on right -of-use assets is included under depreciation and amortisation expense in the Statement of profit and loss.

B The Following is the rental expenses and income recorded for short term leases, variable leases and low value leases for the year ended March 31, 2023 and March 31, 2022:

Particulars	For the year ended March 31, 2023	For the year ended March 31, 2022
Short - term lease expense	-	-
Rental income from sub-lease	6.31	3.30

C Following are the changes in the lease liabilities for the year ended March 31, 2023 and March 31, 2022:

Particulars	Machinery	Buildings	Total
Balance as at March 31, 2021	**-**	**73.06**	**73.06**
Additions	-	412.55	412.55
Finance cost accrued during the year	-	25.85	25.85
Deletions	-	28.60	28.60
Payment of lease liabilities	-	38.70	38.70
Balance as at March 31, 2022	**-**	**444.16**	**444.16**
Additions	56.08	431.11	487.19
Finance cost accrued during the year	2.12	63.33	65.45
Deletions	-	43.28	43.28
Payment of lease liabilities	4.10	91.38	95.48
Balance as at March 31, 2023	**54.10**	**803.94**	**858.04**

* Lease payments during the year have been disclosed under financing activities in the Statement of Cash flows.

Notes to Standalone **Financial Statements** for the year ended March 31, 2023

(All amounts in Indian Rupees in millions except for share data or otherwise stated)

Bifurcation of lease liabilities	**As at March 31, 2023**	**As at March 31, 2022**
Non-current lease liabilities	808.15	416.84
Current lease liabilities	49.89	27.32

D The following is the cash outflow on leases during the year ended March 31, 2023 and March 31, 2022:

Particulars	**For the year ended March 31, 2023**	**For the year ended March 31, 2022**
Payment of lease liabilities	95.48	38.70
Short-term lease expense	-	-
Total cash outflow on leases	**95.48**	**38.70**

E The table below provides details regarding the contractual maturities of lease liabilities on an undiscounted basis :

Particulars	**As at March 31, 2023**	**As at March 31, 2022**
Less than 1 year	129.08	71.80
1 to 5 years	649.99	289.92
Over 5 years	739.51	439.09

The Company does not face a significant liquidity risk with regards to its lease liabilities as the current assets are sufficient to meet the obligations related to lease liabilities as and when fall due.

36. Segment reporting

In accordance with Ind AS 108, Operating Segments, segment information has been given in the consolidated financial statements of MedPlus Health Services Limited and therefore no separate disclosure on segment information is given in these standalone financial statements.

37. Capital Commitments

As at March 31, 2023 the Company has commitments of ₹ 22.51 relating to contracts remaining to be executed on capital account. (March 31, 2022: ₹141.77)

38. Details of dues to micro and small enterprises as defined under the MSMED Act, 2006

The Ministry of Micro, Small and Medium Enterprises has issued an Office Memorandum dated August 26, 2008 which recommends that the Micro and Small Enterprises should mention in their correspondence with its customers the Entrepreneurs Memorandum Number as allocated after filling the Memorandum. Accordingly, the disclosure in respect of the amounts payable to such enterprises as at March 31, 2023 has been made in the standalone financial statements based on information received and available with the Company. Further in the view of the Management, the impact of interest, if any, that may be payable in accordance with the provisions of the Act is not expected to be material. The Company has not received any claim for interest from any supplier under the said Act.

Particulars	**As at March 31, 2023**	**As at March 31, 2022**
The amounts remaining unpaid to micro and small suppliers as at the end of the year		
- Principal	3.61	0.43
- Interest	-	-
The amount of interest paid by the buyer as per the MSMED Act, 2006	-	-
The amounts of the payments made to micro and small suppliers beyond the appointed day during each accounting year.	-	-

Notes to Standalone **Financial Statements** for the year ended March 31, 2023

(All amounts in Indian Rupees in millions except for share data or otherwise stated)

Particulars	As at March 31, 2023	As at March 31, 2022
The amount of interest due and payable for the year for delay in making payment (which have been paid but beyond the appointed day during the year) but without adding the interest specified under MSMED Act;	-	-
The amount of interest accrued and remaining unpaid at the end of each accounting year	-	-
The amount of further interest remaining due and payable even in the succeeding years, until such date when the interest dues as above are actually paid to the small enterprises for the purposes of disallowances as a deductible expenditure under the MSMED Act, 2006	-	-

Note: This information is required to be disclosed under the MSMED Act and has been determined to the extent such parties have been identified on the basis of information available with the Company and has been relied upon by the auditors.

39. Related party Disclosure

A Nature of relationship and names of related parties

(i) Subsidiaries

1. Optival Health Solutions Private Limited
2. MHS Pharmaceuticals Private Limited
3. NovaSud Pharmaceuticals Private Limited (formerly known as Pan India Pharma Distributors Private Limited)
4. Wynclark Pharmaceuticals Private Limited (formerly known as Medsupply Distributors Private Limited)
5. Kalyani Meditimes Private Limited
6. Sai Sridhar Pharma Private Limited – Subsidiary of Nova Sud Pharmaceuticals Private Limited
7. Venkata Krishna Enterprises Private Limited – Subsidiary of Nova Sud Pharmaceuticals Private Limited
8. Deccan Medisales Private Limited – Subsidiary of Nova Sud Pharmaceuticals Private Limited
9. Shri Banashankari Pharma Private Limited – Subsidiary of Nova Sud Pharmaceuticals Private Limited
10. Sidson Pharma Distributors Private Limited – Subsidiary of Nova Sud Pharmaceuticals Private Limited
11. Clearancekart Private Limited
12. Medplus Insurance Brokers Private Limited

(ii) Key management personnel

1. G. Madhukar Reddy – Managing Director
2. C. Bhaskar Reddy – Executive Director (until 5 July 2021)
3. Hemanth Kundavaram - Chief Financial Officer (upto June 5, 2022)
4. Sujit Kumar Mahato- Chief Financial Officer (w.e.f November 11, 2022)
5. Parag Jain- Company Secretary (upto January 14, 2022)
6. Shilpi Keswani- Company Secretary (upto March 30, 2023)
7. Manoj Kumar Srivastava- Company Secretary (w.e.f March 30, 2023)

(iii) Directors

1. Murali Sivaraman - Independent Director (from 11 June 2021)
2. Madhavan Ganesan - Independent Director (from 11 June 2021)
3. Hiroo Mirchandani - Independent Director (from 5 July 2021)
4. Anish Kumar Saraf- Non Executive Director
5. Atul Gupta- Non executive Director

Notes to Standalone **Financial Statements** for the year ended March 31, 2023

(All amounts in Indian Rupees in millions except for share data or otherwise stated)

(iv) Entities over which shareholders, key management personnel exercise control or significant influence

1. Hinshitsu Manufacturing Private Limited
2. Agilemed Investments Private Limited (formerly known as Agilemed Investment Private Limited) (from December 4, 2020)
3. Lone furrow investment private limited

(v) Employee Benefit Plans

1. MedPlus Employees Group Grautity Assurance Scheme

B Related party transactions during the year ended

(i) Subsidiaries	For the year ended March 31, 2023	For the year ended March 31, 2022
1. Optival Health Solutions Private Limited		
Rental income	6.30	3.30
Lease payments [including GST of ₹ 1.85 (March 31,2022 : GST of ₹0.94)]	12.48	6.18
Management services rendered	48.06	40.81
Brand fee received	66.76	54.99
Sale of stock-in-trade (net of taxes)	1,664.92	919.42
Sale of goods	53.28	60.53
Purchase of Materials [including GST of ₹ 0.09 (March 31,2022 : GST of ₹ Nil)]	0.56	-
Sale of intangible asset	7.84	15.70
Purchase of Property plant and equipment [including GST of ₹ 2.12 (March 31,2022 : GST of ₹ Nil)]	14.23	-
Software subscription fees received	6.25	4.43
Collection comission expense paid [including GST of ₹ 0.83 (March 31,2022 : GST of ₹ Nil)]	5.47	0.13
Amount collected on behalf of the company	64.03	-
Investment made	4,671.74	-
Deemed investment		
Corporate Guarantee income	1.47	9.29
Share-based payment expense (refer note 34)	201.73	89.55
1. MHS Pharmaceuticals Private Limited		
Management services rendered	-	0.08
Lease payments	7.17	8.27
Reimbursement of expenses	0.17	0.81
2. Wynclark Pharmaceuticals Private Limited		
Management services rendered	0.68	0.55
Reimbursement of expenses	0.14	0.01
3. Venkata Krishna Enterprises Private Limited		
Share-based payment expense	1.15	0.45
4. Kalyani Meditimes Private Limited		
Unsecured loan given (refer note 6)	2.00	23.32
Unsecured loan repayment	12.00	-

Notes to Standalone **Financial Statements** for the year ended March 31, 2023

(All amounts in Indian Rupees in millions except for share data or otherwise stated)

B Related party transactions during the year ended (Contd.)

(i) Subsidiaries	For the year ended March 31, 2023	For the year ended March 31, 2022
Interest on unsecured loan	3.77	3.11
Purchase of intangible asset [including GST of ₹ 3.51 (March 31,2022 : GST of ₹ Nil)]	23.01	-
Software license fees	0.02	0.45
Provision for doubtful receivables	56.33	-
5. Clearancekart Private Limited		
Investment in subsidiary (refer note 5)	-	0.10
6. Sidson Pharma Distributors Private Limited		
Share-based payment expense	0.24	0.09
7. MedPlus Insurance Brokers Private Limited		
Investment in subsidiary (refer note 5)	20.00	-
(ii) Entities over which shareholders, key management personnel exercise control or significant influence		
1. Hinshitsu Manufacturing Private Limited		
Purchase of intangible asset	-	11.19
Purchase of Property, plant and equipment	25.30	12.90
Purchase of goods	1.40	-
Sale of Property, plant and equipment	-	36.05
Reimbursement of expense	1.93	-
Lease payments	2.70	0.68
2. Agilemed Investments Private Limited		
Rental income	0.03	0.03

(iii) Key Management Personnel	For the year ended March 31, 2023	For the year ended March 31, 2022
1. G. Madhukar Reddy		
a. Managerial remuneration		
- Short-term employee benefits	4.00	4.00
b. Rent	0.08	0.07
2. C. Bhaskar Reddy		
a. Managerial remuneration		
- Short-term employee benefits	-	1.53
b. Share-based payment expense	-	5.14
3. Hemanth Kundavaram		
a. Remuneration		
- Short-term employee benefits	2.14	9.79
b. Share-based payment expense	-	1.85

Notes to Standalone Financial Statements for the year ended March 31, 2023

(All amounts in Indian Rupees in millions except for share data or otherwise stated)

(iii) Key Management Personnel	For the year ended March 31, 2023	For the year ended March 31, 2022
4. Parag Jain		
a. Remuneration		
- Short-term employee benefits	-	1.01
5. Shilpi Keswani		
a. Remuneration		
- Short-term employee benefits	1.03	0.21
6. Sujit Kumar Mahato		
a. Remuneration		
- Short-term employee benefits	4.34	-
b. Share-based payment expense	0.04	-
7. Sitting fees paid to directors	4.85	3.85
(iv) Employee Benefit Plans		
1. MedPlus Employees Group Grautity Assurance Scheme		
Employer contributions	0.03	3.01

C

Balances outstanding receivable/(payable)*	As at March 31, 2023	As at March 31, 2022
(i) Subsidiaries		
1. Optival Health Solutions Private Limited		
Trade receivables	375.21	209.70
2. MHS Pharmaceuticals Private Limited		
Purchase consideration payable	(175.99)	(176.08)
Rent payable	(1.36)	
3. Wynclark Pharmaceuticals Private Limited		
Trade receivables	0.10	0.29
4. Kalyani Meditimes Private Limited** (refer note 5)		
Loan receivable (fully provided)	17.82	27.82
Interest receivable (fully provided for)	0.56	1.20
Corporate Guarantee outstanding on behalf of Optival Health Solutions Private Limited	-	1,850.00
(ii) Entities over which shareholders, key management personnel exercise control or significant influence		
1. Hinshitsu Manufacturing Private Limited	0.30	(1.93)
(iii) Key Management Personnel		
1. G. Madhukar Reddy		
a. Rent	-	(0.01)
(iv) Employee Benefit Plans		
1. MedPlus Employees Group Grautity Assurance Scheme		
a. Group gratuity plan asset	3.98	3.82

* Excluding equity shares of the Company, investments and deemed investments. (refer note 5&14)

** Accrued interest of ₹2.96 (March 31, 2022 : ₹0.95) are not included

Notes to Standalone **Financial Statements** for the year ended March 31, 2023

(All amounts in Indian Rupees in millions except for share data or otherwise stated)

Note:

1. All transactions with related parties are made on terms equivalent to those that prevail in arm's length transactions. Outstanding balances for trade receivable, trade payable and other payables are unsecured, interest free and settlement occurs in cash. The Company has recorded impairment of balances relating to amounts owed by related party during the year ended March 31, 2023, provision for bad and doubtful debts will be made on an aggregate basis i.e. not specific to party. The assessment is undertaken each financial year through evaluating the financial position of the related party and the market in which the related party operates.
2. Managerial remuneration does not include post employment benefit which is determined for Company as whole

40. Fair Values

Refer note 2.2(r.)for accounting policy on Financial Instruments.

Set out below, is a comparison by class of the carrying amounts and fair value of the Company's financial instruments:

Particulars	Carrying value	
	As at March 31, 2023	As at March 31, 2022
Financial assets (excluding investments in subsidiaries)		
Financial assets at amortised cost:		
a) Trade receivables	376.11	212.88
b) Cash and cash equivalents	357.03	9.38
c) Bank balances other than Cash and cash equivalents	544.60	65.00
d) Loans	-	27.82
e) Others	81.37	6,187.05
Total Financial assets	1,359.11	6,502.13
Financial liabilities		
Financial liabilities at amortised cost:		
a) Trade payables	127.89	55.30
b) Lease liabilities	858.04	444.16
c) Others	229.61	204.78
Total Financial Liabilities	**1,215.54**	**704.24**

Particulars	Fair value	
	As at March 31, 2023	As at March 31, 2022
Financial assets (excluding investments in subsidiaries)		
Financial assets at amortised cost:		
a) Trade receivables	376.11	212.88
b) Cash and cash equivalents	357.03	9.38
c) Bank balances other than Cash and cash equivalents	544.60	65.00
d) Loans	-	27.82
e) Others	81.37	6,187.05
Total Financial assets	**1,359.11**	**6,502.13**
Financial liabilities		
Financial liabilities at amortised cost:		
a) Trade payables	127.89	55.30
b) Lease liabilities	858.04	444.16
c) Other financial liabilities	229.61	204.78
Total Financial Liabilities	**1,215.54**	**704.24**

The fair value of the financial assets and liabilities is included at the amount at which the instrument could be exchanged in a current transaction between willing parties, other than in a forced or liquidation sale.

Fair value hierarchy

Refer note 2.2f for accounting policy on Fair value.

The carrying amount of financial assets and financial liabilities measured at amortised cost in the standalone financial statements are a reasonable approximation of their fair values since the Company does not anticipate that the carrying amounts would be significantly different from the values that would eventually be received or settled.

There are no transfers between levels 1 and 2 during the year.

41. Financial risk management

The Company's principal financial liabilities comprise of trade and other payables. The main purpose of these financial liabilities is to finance the Company's operations and investments. The Company's principal financial assets include investments in subsidiaries, trade and other receivables, and cash and cash equivalents that derive directly from its operations.

The Company's activities expose it to a variety of financial risks, including market risk, credit risk and liquidity risk. The Company's primary risk management focus is to minimize potential adverse effects of market risk on its financial performance. The Company's risk management assessment and policies and processes are established to identify and analyse the risks faced by the Company, to set appropriate risk limits and controls, and to monitor such risks and compliance with the same. Risk assessment and management policies and processes are reviewed regularly to reflect changes in market conditions and the Company's activities. The Board of Directors is responsible for overseeing the Company's risk assessment and management policies and processes.

Market risk

Market risk is the risk that the fair value or future cash flows of a financial instrument will fluctuate because of changes in market prices. Such changes in the values of financial instruments may result from changes in the credit, interest rate, liquidity and other market changes. The Company's Financial instruments are not affected by market risk.

Credit risk

Credit risk is the risk that counterparty will not meet its obligations under a financial instrument or customer contract, leading to a financial loss. Credit risk encompasses of both, the direct risk of default and the risk of deterioration of creditworthiness as well as concentration of risks. Credit risk is controlled by analysing credit limits and creditworthiness of customers on a continuous basis to whom the credit has been granted after obtaining necessary approvals for credit. Financial instruments that are subject to concentrations of credit risk principally consist of trade receivables, cash and cash equivalents, bank deposits and other financial assets. None of the financial instruments of the Company result in material concentration of credit risk, except for trade receivables.

Receivables

The customer credit risk is managed by the Company's established policy, procedures and control relating to customer credit risk management. Credit quality of a customer is assessed based on the individual credit limits as defined in accordance with this assessment and outstanding customer receivables are regularly monitored. The Company receivables turnover is quick and historically, there was no significant defaults on account of those customer in the past. Ind AS requires an entity to recognise in profit or loss, the amount of expected credit losses (or reversal) that is required to adjust the loss allowance at the reporting date to the amount that is required to be recognised in accordance with Ind AS 109. The Company assesses at each date of statements of financial position whether a financial asset or a group of financial assets is impaired. Expected credit losses are measured at an amount equal to the 12 month expected credit losses or at an amount equal to the life time expected credit losses if the credit

Notes to Standalone **Financial Statements** for the year ended March 31, 2023

(All amounts in Indian Rupees in millions except for share data or otherwise stated)

risk on the financial asset has increased significantly since initial recognition. The Company has used a practical expedient by computing the expected credit loss allowance for trade receivables based on a provision matrix. The provision matrix takes into account historical credit loss experience and adjusted for forward-looking information. Since the trade receivables are from related parties, no credit risk is observed.

Exposure to credit risk:

The carrying amount of financial assets represents the maximum credit exposure. The maximum exposure to credit risk was ₹ 02.97, 77.34 as of March 31, 2023 and March 31, 2022 respectively, being the total of the carrying amount of balances with trade receivables.

The ageing analysis of trade receivables as of the reporting date is as follows:

Particulars	Less than 180 days	More than 180 days	Total
As at March 31, 2023	2.46	0.51	2.97
As at March 31, 2022	77.00	0.34	77.34

The following table summarizes the changes in the allowances for doubtful accounts for trade receivables :

Particulars	As at March 31, 2023	As at March 31, 2022
Balance at the beginning of the year	0.39	0.04
Change during the year	0.43	0.35
Balance at the end of the year	0.82	0.39

Other financial instruments including cash deposits

Credit risk from balances with banks is managed by the Company's treasury department in accordance with the Company's policy. Investments of surplus funds are made only with approved counterparties and within credit limits assigned to each counterparty. Counterparty credit limits are reviewed by the Company's Board of Directors on an annual basis, and may be updated throughout the period subject to approval of the authorised person. The limits are set to minimise the concentration of risks and therefore mitigate financial loss through counterparty's potential failure to make payments.

Liquidity risk

Liquidity risk refers to the risk that the Company cannot meet its financial obligations. The objective of liquidity risk management is to maintain sufficient liquidity and ensure that funds are available for use as per requirements. The Company manages liquidity risk by maintaining adequate reserves, banking facilities and reserve borrowing facilities, by continuously monitoring forecast and actual cash flows, and by matching the maturity profiles of financial assets and liabilities.

The table below summarises the maturity profile of the Company's financial liabilities based on contractual undiscounted payments:

Particulars	On demand	Less than 1 year	1 to 5 years	> 5 years	Total
March 31, 2023:					
Trade payables	-	127.59	0.30	-	127.89
Lease liabilities	-	129.08	649.99	739.51	1,518.58
Other financial liabilities	-	229.61	-	-	229.61
Financial guarantee	-	-	-	-	-
	-	**486.28**	**650.29**	**739.51**	**1,876.08**

Notes to Standalone **Financial Statements** for the year ended March 31, 2023

(All amounts in Indian Rupees in millions except for share data or otherwise stated)

Particulars	On demand	Less than 1 year	1 to 5 years	> 5 years	Total
March 31, 2022:					
Trade payables	-	48.75	2.38	-	51.13
Lease liability	-	71.80	289.92	439.09	800.81
Other financial liabilities	-	204.78	-	-	204.78
Financial guarantee	1,850.00	-	-	-	1,850.00
	1,850.00	**325.33**	**292.30**	**439.09**	**2,906.72**

Excessive risk concentration

Concentrations arise when a number of counterparties are engaged in similar business activities, or activities in the same geographical region, or have economic features that would cause their ability to meet contractual obligations to be similarly affected by changes in economic, political or other conditions. Concentrations indicate the relative sensitivity of the Company's performance to developments affecting a particular industry.

In order to avoid excessive concentrations of risk, the Company's policies and procedures include specific guidelines to focus on the maintenance of a diversified portfolio. Identified concentrations of credit risks are controlled and managed accordingly

42. Capital Management

For the purpose of the Company's capital management, capital includes issued equity capital and all other equity reserves attributable to the equity holders. The primary objective of the Company's capital management is to maximise the shareholder value.

The Company manages its capital structure in consideration to the changes in economic conditions and the requirements of the financial covenants. The Company monitors capital using a gearing ratio, which is net debt divided by total capital plus net debt. The Company includes within net debt, borrowings including interest accrued on borrowings less cash and short-term deposits.

Particulars	As at March 31, 2023	As at March 31, 2022
Total Borrowings net of cash and cash equivalents	-	-
Equity	238.61	238.60
Other Equity	11,174.17	10,889.21
Total Equity	**11,412.78**	**11,127.81**

43. Details of CSR expenditure

The Company is not required to spend any amount towards CSR as per the provisions of Sec 135 of the Companies Act, 2013 since the Company has losses in previous years.

44. The Company does not have any has long term contracts or derivative contracts on which material foreseeable losses were noted.

45. The Company has granted loans and made investment in some of its subsidiaries. Loans and Investments has been given for general corporate and working capital purpose respectively.None of those borrowings have been utillised for further advancement of loans/investment for the year ended March 31, 2023 and March 31, 2022.

46. Other statutory information

(i) Based on the available information, the Company does not have any transactions with companies struck off under section 248 of the Companies Act, 2013 or section 560 of Companies Act, 1956.

(ii) The Company do not have any Benami property, where any proceeding has been initiated or pending against the Company for holding any Benami property.

Notes to Standalone **Financial Statements** for the year ended March 31, 2023

(All amounts in Indian Rupees in millions except for share data or otherwise stated)

(iii) The Company have not traded or invested in Crypto currency or Virtual Currency during the financial year.

(iv) The Company does not have any such transaction which is not recorded in the books of accounts that has been surrendered or disclosed as income during the year in the tax assessments under the Income Tax Act, 1961 such as, search or survey or any other relevant provisions of the Income Tax Act, 1961.

(v) The Company have not advanced or loaned or invested funds other than disclosed in note 45 to any other person(s) or entity(ies), including foreign entities (Intermediaries) with the understanding that the Intermediary shall:

(a) directly or indirectly lend or invest in other persons or entities identified in any manner whatsoever by or on behalf of the company (Ultimate Beneficiaries) or

(b) provide any guarantee, security or the like to or on behalf of the Ultimate Beneficiaries.

(vi) The Company have not received any fund from any person(s) or entity(ies), including foreign entities (Funding Party) with the understanding (whether recorded in writing or otherwise) that the Comapany shall:

(a) directly or indirectly lend or invest in other persons or entities identified in any manner whatsoever by or on behalf of the Funding Party (Ultimate Beneficiaries) or

(b) provide any guarantee, security or the like on behalf of the Ultimate Beneficiaries.

(vii) On 28 February 2019, the Hon'ble Supreme Court of India has delivered a judgment clarifying the principles that need to be applied in determining the components of salaries and wages on which Provident Fund (PF) contributions need to be made by establishments. However, considering that there are numerous interpretative issues relating to retrospective application of this judgement, the Company has assessed the impact of the matter and concluded that there is no material impact on the financial statements. The Company will evaluate its position and update its provision, if required, on receiving further clarity on the subject.

(viii) The Company is not declared as Wilful Defaulter by any Bank or Financial Institution or other lender.

(ix) The Company do not have any charges or satisfaction which is yet to be registered with ROC beyond the statutory period.

(x) The company is not part of any group (as per the provisions of Core Investment Companies (Reserve Bank) Directions, 2016 as amended).

47. Initial Public Offer and Utilization of Proceeds

The Company has completed an Initial Public Offer ('IPO') of 17,573,342 equity shares of face value of ₹ 2 each during the year ended March 31, 2022 along with a consequent listing of its equity shares on the Bombay Stock Exchange Limited ('BSE') and National Stock Exchange of India Limited ('NSE'). The IPO involved a Fresh Issue of 7,544,511 equity shares by the Company for an amount of ₹ 6,000 and an offer for sale of 10,028,831 equity shares by certain shareholders for an amount of ₹ 7,982.95. Further, an amount of ₹ 536.83 has been incurred towards the IPO related expenses which are proportionately allocated between the Company and the Selling Shareholders as per respective offer size, with the Company' share of expenses aggregating to ₹ ₹ 217.27 being adjusted against the balance of Securities Premium in accordance with the provisions of the Companies Act, 2013. The net proceeds received from the aforesaid IPO would be utilized towards investment in a subsidiary for meeting its working capital requirements and towards general corporate purposes.

The utilization of IPO proceeds received by the holding Company (Net of IPO related expense) is summarized below:

Notes to Standalone **Financial Statements** for the year ended March 31, 2023

(All amounts in Indian Rupees in millions except for share data or otherwise stated)

Objects as per Prospectus	Planned utilisation as per Prospectus	Utilisation up to March 31, 2023	Unutilised amount as on March 31, 2023*
i) Investment in Subsidiary, Optival Health Solutions Private Limited towards their working capital requirements	4,671.70	4,671.70	-
ii) General Corporate Purposes	1,111.03	326.43	784.60
Total	**5,782.73**	**4,998.13**	**784.60**

* Out of the aforesaid unutilised proceeds, amount of ₹ 784.60 have been placed as fixed deposits with bank .

48 Ratios as per the Schedule III requirements

a) Current Ratio = Current Assets divided by Current Liabilities

Particulars		As at March 31, 2023	As at March 31, 2022
Current assets		1,505.84	6,573.39
Current Liabilities		480.14	322.75
Ratio		3.14	20.37
% Change from previous year		-85%	

Reason for change more than 25%

The ratio has decreased from 20.37 in March 2022 to 3.14 in March 2023 mainly due to decrease in the other bank balances which was invested in subsidiary Company during the year ended March 31, 2023.

b) Debt Equity ratio = Total debt divided by Total shareholders equity where total debt refers to sum of current and non current borrowings	This ratio has not been computed as there are no borrowings on reporting dates
c) Debt Service Coverage Ratio = Earnings available for debt services divided by Total interest and principal repayments	This ratio has not been computed as there are no borrowings on reporting dates

d) Return on Equity Ratio / Return on Investment Ratio = Net profit after tax divided by average Equity

Particulars		For the year ended March 31, 2023	For the year ended March 31, 2022
Net profit after tax		55.44	55.79
Average Equity		11,270.30	8,151.31
Ratio		0.00	0.01
% Change from previous year		**-28%**	

Reason for change more than 25%

The ratio has decreased from 0.01 in March 2022 to 0.00 in March 2023 mainly due to find received from IPO and the same has been invested in subsidiary Company.

e) Inventory Turnover Ratio = Cost of materials consumed divided by average inventory

Particulars		For the year ended March 31, 2023	For the year ended March 31, 2022
Cost of materials consumed		257.77	193.56
Average inventory		52.94	43.43
Inventory Turnover Ratio		4.87	4.46
% Change from previous year		**9%**	

f) Trade Receivables turnover ratio = Credit Sales divided by average trade receivables

Particulars		For the year ended March 31, 2023	For the year ended March 31, 2022
Sales		2,139.26	1,457.14
Average trade receivables		295.10	164.19
Ratio		7.25	8.87
% Change from previous year		**-18%**	

Notes to Standalone Financial Statements for the year ended March 31, 2023

(All amounts in Indian Rupees in millions except for share data or otherwise stated)

g) Trade payables turnover ratio = Purchases divided by average trade payables

Particulars		For the year ended March 31, 2023	For the year ended March 31, 2022
Credit Purchases		1,596.60	1,176.83
Average trade payables		91.60	39.47
Ratio		17.43	29.82
% Change from previous year		**-42%**	

Reason for change more than 25%

The ratio has decreased from 29.82 in March 2022 to 17.43 in March 2023 mainly due to increase in the purchase of private label products.

h) Net capital Turnover Ratio = Sales divided by Net Working capital whereas net working capital = current assets - current liabilities

Particulars		For the year ended March 31, 2023	For the year ended March 31, 2022
Revenue from operations		2,139.26	1,457.14
Net working capital (Current assets - Current liabilities)		1,025.70	6,250.64
Ratio		2.09	0.23
% Change from previous year		809%	

Reason for change more than 25%

The ratio has increased from 0.23 in March 2022 to 2.09 in March 2023 mainly due to investment of money received through IPO into the wholly owned subsidiary and also increase in sales is due to increase in volume of private label products.

i) Net profit ratio = Net profit after tax divided by Sales

Particulars		For the year ended March 31, 2023	For the year ended March 31, 2022
Net profit /(loss) after tax		55.44	55.79
Sales		2,139.26	1,457.14
Ratio		0.03	0.04
% Change from previous year		**25%**	

Reason for change more than 25%

The ratio has decreased from 0.04 in March 2022 to 0.03 in March 2023 mainly due to decrease in net profit after tax.

j) Return on Capital employed = Earnings before interest and taxes (EBIT) divided by Capital Employed

Particulars		For the year ended March 31, 2023	For the year ended March 31, 2022
Profit after tax (A)		55.44	55.79
Finance Costs (B)		65.45	26.31
Tax expenses (C)		20.42	-
EBIT (D) = (A)+(B)+(C)		141.31	82.10
Total Equity (E)		11,412.78	11,127.81
Other Intangible assets (F)		34.14	28.24
Intangible assets under development (G)		-	-
Tangible Net worth (H)=(E)-(F)-(G)		11,378.64	11,099.57
Total Debt (I)		-	-
Deferred Tax asset (J)		-	-
Capital Employed (K)=(H)+(I)-(J)		11,378.64	11,099.57
Ratio (D)/(K)		0.01	0.01
% Change from previous year		**68%**	

Notes to Standalone **Financial Statements** for the year ended March 31, 2023

(All amounts in Indian Rupees in millions except for share data or otherwise stated)

Reason for change more than 25%

The ratio has increased from 0.007 in March 2022 to 0.012 in March 2023 mainly due to increase in Earnings before interest and taxes (EBIT).

k) Return on Equity Ratio / Return on Investment Ratio = Net profit after tax divided by Average Equity

Particulars		For the year ended March 31, 2023	For the year ended March 31, 2022
Net profit after tax		55.44	55.79
Average equity		11,270.30	8,151.31
Ratio (percentage)		0%	1%
% Change from previous year		**28%**	
Average equity means Average of Equity as on beginning and end of the year			

Reason for change more than 25%

The ratio has decreased from 1% in March 2022 to 0% in March 2023 mainly due to increase in average equity by holding company.

49. The Board of Directors of the Company, at their meeting held on 10 January 2023, have approved a Scheme of amalgamation (Scheme) between the Company and MHS Pharmaceuticals Private Limited (MHS), a wholly owned subsidiary, with an appointed date of 1 April 2023. The management is in the process of filing the Scheme with the National Company Law Tribunal and other regulators for their approval.

As per our report of even date attached
For B S R & Associates LLP
Chartered Accountants

ICAI Firm Registration Number
116231W/W-100024

Arpan Jain
Partner

Membership Number: 125710

Hyderabad, May 25, 2023

For and on behalf of the Board of Directors of
MedPlus Health Services Limited
(formerly known as Medplus Health Services Private Limited)

G. Madhukar Reddy
Chairman and Managing Director
DIN: 00098097

Sujit Kumar Mahato
Chief Financial Officer
Hyderabad, May 25, 2023

Manoj Kumar Srivastava
Company Secretary
Hyderabad, May 25, 2023

Consolidated Financial Statements

Independent Auditor's Report

To the Members of MedPlus Health Services Limited

(Formerly known as MedPlus Health Services Private Limited)

Report on the Audit of the Consolidated Financial Statements

Opinion

We have audited the consolidated financial statements of MedPlus Health Services Limited (Formerly known as MedPlus Health Services Private Limited (hereinafter referred to as the "Holding Company") and its subsidiaries (Holding Company and its subsidiaries together referred to as "the Group"), which comprise the consolidated balance sheet as at March 31, 2023, and the consolidated statement of profit and loss (including other comprehensive income), consolidated statement of changes in equity and consolidated statement of cash flows for the year then ended, and notes to the consolidated financial statements, including a summary of significant accounting policies and other explanatory information (hereinafter referred to as "the consolidated financial statements").

In our opinion and to the best of our information and according to the explanations given to us, and based on the consideration of reports of the other auditor on separate financial statements of such subsidiaries as were audited by the other auditor the aforesaid consolidated financial statements give the information required by the Companies Act, 2013 ("Act") in the manner so required and give a true and fair view in conformity with the accounting principles generally accepted in India, of the consolidated state of affairs of the Group as at March 31, 2023, of its consolidated profit and other comprehensive income, consolidated changes in equity and consolidated cash flows for the year then ended.

Basis for Opinion

We conducted our audit in accordance with the Standards on Auditing (SAs) specified under Section 143(10) of the Act. Our responsibilities under those SAs are further described in the Auditor's Responsibilities for the Audit of the Consolidated Financial Statements section of our report. We are independent of the Group in accordance with the ethical requirements that are relevant to our audit of the consolidated financial statements in terms of the Code of Ethics issued by the Institute of Chartered Accountants of India and the relevant provisions of the Act, and we have fulfilled our other ethical responsibilities in accordance with these requirements. We believe that the audit evidence obtained by us along with the consideration of reports of the other auditor referred to in paragraph (a) of the "Other Matters" section below, is sufficient and appropriate to provide a basis for our opinion on the consolidated financial statements.

Key Audit Matter(s)

Key audit matters are those matters that, in our professional judgment and based on the consideration of report of other auditor on separate financial statements of component audited by them, were of most significance in our audit of the consolidated financial statements of the current period. These matters were addressed in the context of our audit of the consolidated financial statements as a whole, and in forming our opinion thereon, and we do not provide a separate opinion on these matters. In addition to the matters described in the Basis for Opinion section, we have determined matters described below to be the key audit matters to be communicated in our report.

Independent Auditor's Report (Contd.)

Timing of Recognition of Revenue:
See Note 2.2 (h) and Note 27 to consolidated financial statements

The key audit matter	How the matter was addressed in our audit
Revenue from the sale of goods is recognised when the control of the products being sold is transferred to the customer. A significant part of Group's revenue relates to retail sales through a large number of company leased outlets and comprises high volume of individually small transactions made primarily on cash and carry basis which increases the risk of revenue being recognised inappropriately. Revenue is a key performance indicator for the Group. Accordingly, there could be pressure to meet the expectations of investors/ other stakeholders for a reporting period. We have considered that there is a risk of fraud related to revenue being overstated by recognition in the wrong period or before control has passed. In view of the above, we have identified revenue recognition as a key audit matter.	In view of the significance of the matter, we applied the following audit procedures in this area, among others to obtain sufficient appropriate audit evidence: We assessed the appropriateness of the Group's accounting policies in respect of revenue recognition by comparing with applicable accounting standards. We evaluated the design and implementation of the key internal financial controls with respect to the revenue recognition and tested the operating effectiveness of such controls including those related to the reconciliation of sales records to cash /card/online/ wallet receipts. We tested the reconciliation of revenue generated through cash/ card/ online/ wallet receipts and the amount deposited with banks. We performed substantive testing by selecting samples using statistical sampling of revenue transactions recorded during the year by verifying the underlying documents. We tested the periodic reconciliation of the retail sales recognised during the period with the statutory filings (goods and service tax returns). On a sample basis, performed cash counts, at selected stores and examined if the cash balances are in agreement with the books. We examined on a sample basis manual journal entries affecting revenue recognised during the year selected based on specific risk-based criteria to identify unusual or irregular items. We carried out analytical procedures on revenue recognised during the year to identify unusual variances. We tested, on a sample basis, specific revenue transactions recorded around the year end date to determine whether the revenue has been recognised in the appropriate financial period by testing the underlying documents. We assessed adequacy of disclosures in respect of revenue in the consolidated financial statements.

Other Information

The Holding Company's Management and Board of Directors are responsible for the other information. The other information comprises the information included in the Annual Report, but does not include the financial statements and auditor's report thereon. The Annual Report is expected to be made available to us after the date of this auditor's report.

Our opinion on the consolidated financial statements does not cover the other information and we will not express any form of assurance conclusion thereon.

In connection with our audit of the consolidated financial statements, our responsibility is to read the other information identified above when it becomes available and, in doing so, consider whether the other information is materially inconsistent with the consolidated financial statements or our knowledge obtained in the audit, or otherwise appears to be materially misstated.

When we read the annual report, if we conclude that there is a material misstatement therein, we are required to communicate the matter to those charged with governance as required under SA 720 "The Auditor's Responsibilities Relating to Other Information.

Management's and Board of Directors Responsibilities for the Consolidated Financial Statements

The Holding Company's Management and Board of Directors are responsible for the preparation and presentation of these consolidated financial statements in term of the requirements of the Act that give a true and fair view of the consolidated state of affairs, consolidated profit/ loss and other comprehensive income, consolidated statement of changes in equity and consolidated cash flows of the Group in accordance with the accounting principles generally accepted in India, including the Indian Accounting Standards (Ind AS) specified under

Independent Auditor's Report (Contd.)

Section 133 of the Act. The respective Management and Board of Directors of the companies included in the Group are responsible for maintenance of adequate accounting records in accordance with the provisions of the Act for safeguarding the assets of each company and for preventing and detecting frauds and other irregularities; the selection and application of appropriate accounting policies; making judgments and estimates that are reasonable and prudent; and the design, implementation and maintenance of adequate internal financial controls, that were operating effectively for ensuring the accuracy and completeness of the accounting records, relevant to the preparation and presentation of the consolidated financial statements that give a true and fair view and are free from material misstatement, whether due to fraud or error, which have been used for the purpose of preparation of the consolidated financial statements by the Management and Board of Directors of the Holding Company, as aforesaid.

In preparing the consolidated financial statements, the respective Management and Board of Directors of the companies included in the Group are responsible for assessing the ability of each company to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless the respective Board of Directors either intends to liquidate the Company or to cease operations, or has no realistic alternative but to do so.

The respective Board of Directors of the companies included in the Group are responsible for overseeing the financial reporting process of each company.

Auditor's Responsibilities for the Audit of the Consolidated Financial Statements

Our objectives are to obtain reasonable assurance about whether the consolidated financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with SAs will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these consolidated financial statements.

As part of an audit in accordance with SAs, we exercise professional judgment and maintain professional skepticism throughout the audit. We also:

- Identify and assess the risks of material misstatement of the consolidated financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances. Under Section 143(3)(i) of the Act, we are also responsible for expressing our opinion on whether the company has adequate internal financial controls with reference to financial statements in place and the operating effectiveness of such controls.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by the Management and Board of Directors.
- Conclude on the appropriateness of the Management and Board of Directors use of the going concern basis of accounting in preparation of consolidated financial statements and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the appropriateness of this assumption. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the consolidated financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Group to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the consolidated financial statements, including the disclosures, and whether the consolidated financial statements represent the underlying transactions and events in a manner that achieves fair presentation.
- Obtain sufficient appropriate audit evidence regarding the financial statements of such entities or business activities within the Group to express an opinion on the consolidated financial statements. We are responsible for the direction, supervision and performance of the audit of the financial statements of such entities included in the consolidated financial statements of which we are the independent auditors. For the other entities included in the consolidated financial statements, which have been audited by other auditor, such other auditor remain responsible for the direction, supervision and performance of the audits carried out by them. We remain solely responsible for our

Independent Auditor's Report (Contd.)

audit opinion. Our responsibilities in this regard are further described in paragraph (a) of the section titled "Other Matters" in this audit report.

We communicate with those charged with governance of the Holding Company and such other entities included in the consolidated financial statements of which we are the independent auditors regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

We also provide those charged with governance with a statement that we have complied with relevant ethical requirements regarding independence, and to communicate with them all relationships and other matters that may reasonably be thought to bear on our independence, and where applicable, related safeguards.

From the matters communicated with those charged with governance, we determine those matters that were of most significance in the audit of the consolidated financial statements of the current period and are therefore the key audit matters. We describe these matters in our auditor's report unless law or regulation precludes public disclosure about the matter or when, in extremely rare circumstances, we determine that a matter should not be communicated in our report because the adverse consequences of doing so would reasonably be expected to outweigh the public interest benefits of such communication.

Other Matter(s)

a. We did not audit the financial statements of eleven subsidiaries, whose financial statements reflect total assets (before consolidation adjustments) of ₹2,036.98 million as at 31 March 2023, total revenues (before consolidation adjustments) of ₹14,956.96 million and net cash inflows (before consolidation adjustments) amounting to ₹22.24 million for the year ended on that date, as considered in the consolidated financial statements. These financial statements have been audited by other auditor whose reports have been furnished to us by the Management and our opinion on the consolidated financial statements, in so far as it relates to the amounts and disclosures included in respect of these subsidiaries, and our report in terms of sub-section (3) of Section 143 of the Act, in so far as it relates to the aforesaid subsidiaries is based solely on the reports of the other auditor.

   Our opinion on the consolidated financial statements, and our report on Other Legal and Regulatory Requirements below, is not modified in respect of the above matter with respect to our reliance on the work done and the report of the other auditor.

Report on Other Legal and Regulatory Requirements

1. As required by the Companies (Auditor's Report) Order, 2020 ("the Order") issued by the Central Government of India in terms of Section 143(11) of the Act, we give in the "Annexure A" a statement on the matters specified in paragraphs 3 and 4 of the Order, to the extent applicable.

2 A. As required by Section 143(3) of the Act, based on our audit and on the consideration of reports of the other auditor on separate financial statements of such subsidiaries, as were audited by other auditor, as noted in the "Other Matters" paragraph, we report, to the extent applicable, that:

a. We have sought and obtained all the information and explanations which to the best of our knowledge and belief were necessary for the purposes of our audit of the aforesaid consolidated financial statements.

b. In our opinion, proper books of account as required by law relating to preparation of the aforesaid consolidated financial statements have been kept so far as it appears from our examination of those, except that the back-up of key Microsoft Excel Spreadsheets related to financial reporting and Payroll Software which form part of the books of account and other relevant books and papers in electronic mode has not been kept on servers physically located in India on a daily basis during the period from 11 August 2022 till 31 March 2023.

c. The consolidated balance sheet, the consolidated statement of profit and loss (including other comprehensive income), the consolidated statement of changes in equity and the consolidated statement of cash flows dealt with by this Report are in agreement with the relevant books of account maintained for the purpose of preparation of the consolidated financial statements.

d. In our opinion, the aforesaid consolidated financial statements comply with the Ind AS specified under Section 133 of the Act.

e. On the basis of the written representations received from the directors of the Holding Company between 1 April 2023 to 26 April 2023 taken on record by the Board of Directors of the Holding Company and the reports of the statutory auditor of its subsidiary companies incorporated in India, none of the directors of the Group companies incorporated in India is disqualified as on 31 March 2023 from being appointed as a director in terms of Section 164(2) of the Act.

f. With respect to the adequacy of the internal financial controls with reference to financial statements of the Holding Company and its subsidiary companies incorporated in India and the operating effectiveness of such controls, refer to our separate Report in "Annexure B".

Independent Auditor's Report (Contd.)

B. With respect to the other matters to be included in the Auditor's Report in accordance with Rule 11 of the Companies (Audit and Auditors) Rules, 2014, in our opinion and to the best of our information and according to the explanations given to us and based on the consideration of the reports of the other auditor on separate financial statement of the subsidiaries, as noted in the "Other Matters" paragraph:

a. The consolidated financial statements disclose the impact of pending litigations as at 31 March 2023 on the consolidated financial position of the Group. Refer Note 37 and Note 41 to the consolidated financial statements.

b. The Group did not have any material foreseeable losses on long-term contracts including derivative contracts during the year ended 31 March 2023.

c. There are no amounts which are required to be transferred to the Investor Education and Protection Fund by the Holding Company or its subsidiary companies incorporated in India during the year ended 31 March 2023.

d (i) The respective management of the Holding Company and its subsidiary companies incorporated in India whose financial statements has been audited under the Act has represented to us and the other auditor of such subsidiary companies that, to the best of its knowledge and belief, as disclosed in the Note 53 to the consolidated financial statements, no funds have been advanced or loaned or invested (either from borrowed funds or share premium or any other sources or kind of funds) by the Holding Company or any of such subsidiary companies to or in any other person(s) or entity(ies), including foreign entities ("Intermediaries"), with the understanding, whether recorded in writing or otherwise, that the Intermediary shall directly or indirectly lend or invest in other persons or entities identified in any manner whatsoever by or on behalf of the Holding Company or any of such subsidiary companies ("Ultimate Beneficiaries") or provide any guarantee, security or the like on behalf of the Ultimate Beneficiaries.

(ii) The respective management of the Holding Company and its subsidiary companies incorporated in India whose financial statements has been audited under the Act has represented to us and the other auditor of such subsidiary companies that, to the best of its knowledge and belief, as disclosed in the Note 53 to the consolidated financial statements, no funds have been received by the Holding Company or any of such subsidiary companies from any person(s) or entity(ies), including foreign entities ("Funding Parties"), with the understanding, whether recorded in writing or otherwise, that the Holding Company or any of such subsidiary companies shall directly or indirectly, lend or invest in other persons or entities identified in any manner whatsoever by or on behalf of the Funding Parties ("Ultimate Beneficiaries") or provide any guarantee, security or the like on behalf of the Ultimate Beneficiaries.

(iii) Based on the audit procedures performed that have been considered reasonable and appropriate in the circumstances, nothing has come to our notice that has caused us to believe that the representations under sub-clause (i) and (ii) of Rule 11(e), as provided under (i) and (ii) above, contain any material misstatement.

e. The Holding Company and its subsidiary companies incorporated in India has neither declared nor paid any dividend during the year.

f. As proviso to rule 3(1) of the Companies (Accounts) Rules, 2014 is applicable for the Holding Company or any of such subsidiary companies only with effect from 1 April 2023, reporting under Rule 11(g) of the Companies (Audit and Auditors) Rules, 2014 is not applicable.

C. With respect to the matter to be included in the Auditor's Report under Section 197(16) of the Act:

In our opinion and according to the information and explanations given to us and based on the report of the statutory auditor of such subsidiary companies incorporated in India which were not audited by us, the remuneration paid during the current year by the Holding Company and its subsidiary companies to its directors is in accordance with the provisions of Section 197 of the Act. The remuneration paid to any director by the Holding Company and its subsidiary companies is not in excess of the limit laid down under Section 197 of the Act. The Ministry of Corporate Affairs has not prescribed other details under Section 197(16) of the Act which are required to be commented upon by us.

For **B S R & Associates LLP**
Chartered Accountants
Firm's Registration No.:116231W/W-100024

Arpan Jain
Partner
Membership No.: 125710
ICAI UDIN:23125710BGYBQW8554

Place: Hyderabad
Date: 25 May 2023

Annexure A to the Independent Auditor's Report on the Consolidated Financial Statements of MedPlus Health Services Limited (Formerly known as MedPlus Health Services Private Limited) for the year ended 31 March 2023

(Referred to in paragraph 1 under 'Report on Other Legal and Regulatory Requirements' section of our report of even date)

(xxi) In our opinion and according to the information and explanations given to us, following companies incorporated in India and included in the consolidated financial statements, has unfavourable remarks, qualification or adverse remarks given by auditor in their report under the Companies (Auditor's Report) Order, 2020 (CARO):

Sr. No.	Name of the entities	CIN	Holding Company/ Subsidiary/JV/ Associate	Clause number of the CARO report which is unfavourable or qualified or adverse
1	MedPlus Health Services Limited (Formerly known as MedPlus Health Services Private Limited)	L85110TG200 6PLC051845	Holding Company	Clause (i)(c); Clause (iii)(c), Clause (vii)(b)
2	Optival Health Solutions Private Limited	U85110TG2005 PTC046821	Subsidiary Company	Clause (i)(a); Clause (vii)(b)
3	Clearancekart Private Limited	U52100TG2021 PTC149432	Subsidiary Company	Clause (xvii); Clause (xix)
4	Deccan Medisales Private Limited	U51397KA2011 PTC059204	Subsidiary Company	Clause (vii)(b)
5	Kalyani Meditimes Private Limited	U74999TN2016 PTC111701	Subsidiary Company	Clause (xvii), Clause (xix); Clause (ix) (a)
6	Sai Sridhar Pharma Private Limited	U24232TG2007 PTC055902	Subsidiary Company	Clause (xiv)
7	Nova Sud Pharmaceuticals Private Limited	U24232TG2007 PTC055895	Subsidiary Company	Clause (vii)(a)
8	Shri Banashankari Pharma Private Limited	U74900KA2014 PTC074302	Subsidiary Company	Clause (xvii)
9	Venkata Krishna Enterprises Private Limited	U51909TG2010 PTC071012	Subsidiary Company	Clause (xiv)
10	MedPlus Insurance Brokers Private Limited	U67100TG2022 PTC164765	Subsidiary Company	Clause (xvii)

For B S R & Associates LLP
Chartered Accountants
Firm's Registration No.:116231W/W-100024

Arpan Jain
Partner
Membership No.: 125710
ICAI UDIN:23125710BGYBQW8554

Place: Hyderabad
Date: 25 May 2023

Annexure B to the Independent Auditor's Report on the consolidated financial statements of MedPlus Health Services Limited (Formerly known as MedPlus Health Services Private Limited) for the year ended 31 March 2023

Report on the internal financial controls with reference to the aforesaid consolidated financial statements under Clause (i) of Sub-section 3 of Section 143 of the Act

(Referred to in paragraph 2(A)(f) under 'Report on Other Legal and Regulatory Requirements' section of our report of even date)

Opinion

In conjunction with our audit of the consolidated financial statements of MedPlus Health Services Limited (Formerly known as MedPlus Health Services Private Limited (hereinafter referred to as "the Holding Company") as of and for the year ended 31 March 2023, we have audited the internal financial controls with reference to financial statements of the Holding Company and such companies incorporated in India under the Act which are its subsidiary companies, as of that date.

In our opinion and based on the consideration of reports of the other auditor on internal financial controls with reference to financial statements of subsidiary companies, as were audited by the other auditor, the Holding Company and such companies incorporated in India which are its subsidiary companies, have, in all material respects, adequate internal financial controls with reference to financial statements and such internal financial controls were operating effectively as at 31 March 2023, based on the internal financial controls with reference to financial statements criteria established by such companies considering the essential components of such internal controls stated in the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting issued by the Institute of Chartered Accountants of India (the "Guidance Note").

Management's and Board of Directors' Responsibilities for Internal Financial Controls

The respective Company's Management and the Board of Directors are responsible for establishing and maintaining internal financial controls based on the internal financial controls with reference to financial statements criteria established by the respective company considering the essential components of internal control stated in the Guidance Note. These responsibilities include the design, implementation and maintenance of adequate internal financial controls that were operating effectively for ensuring the orderly and efficient conduct of its business, including adherence to the respective 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, as required under the Act.

Auditor's Responsibility

Our responsibility is to express an opinion on the internal financial controls with reference to financial statements based on our audit. We conducted our audit in accordance with the Guidance Note and the Standards on Auditing, prescribed under Section 143(10) of the Act, to the extent applicable to an audit of internal financial controls with reference to financial statements. Those Standards and the Guidance Note require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether adequate internal financial controls with reference to financial statements were established and maintained and if such controls operated effectively in all material respects.

Our audit involves performing procedures to obtain audit evidence about the adequacy of the internal financial controls with reference to financial statements and their operating effectiveness. Our audit of internal financial controls with reference to financial statements included obtaining an understanding of internal financial controls with reference to financial statements, assessing the risk that a material weakness exists, and testing and evaluating the design and operating effectiveness of internal control based on the assessed risk. The procedures selected depend on the auditor's judgement, including the assessment of the risks of material misstatement of the consolidated financial statements, whether due to fraud or error.

We believe that the audit evidence we have obtained and the audit evidence obtained by the other auditor of the relevant subsidiary companies in terms of their reports referred to in the Other Matter paragraph below, is sufficient and appropriate to provide a basis for our audit opinion on the internal financial controls with reference to financial statements.

Meaning of Internal Financial Controls with Reference to Financial Statements

A company's internal financial controls with reference to financial statements is a process designed to provide reasonable assurance regarding the reliability of financial reporting and the preparation of consolidated financial statements for external purposes in accordance with generally accepted

Annexure B to the Independent Auditor's Report on the consolidated financial statements of MedPlus Health Services Limited (Formerly known as MedPlus Health Services Private Limited) for the year ended 31 March 2023 Contd.

accounting principles. A company's internal financial controls with reference to financial statements include those policies and procedures that (1) pertain to the maintenance of records that, in reasonable detail, accurately and fairly reflect the transactions and dispositions of the assets of the company; (2) provide reasonable assurance that transactions are recorded as necessary to permit preparation of consolidated financial statements in accordance with generally accepted accounting principles, and that receipts and expenditures of the company are being made only in accordance with authorisations of management and directors of the company; and (3) provide reasonable assurance regarding prevention or timely detection of unauthorised acquisition, use, or disposition of the company's assets that could have a material effect on the consolidated financial statements.

Inherent Limitations of Internal Financial Controls with Reference to Financial Statements

Because of the inherent limitations of internal financial controls with reference to financial statements, including the possibility of collusion or improper management override of controls, material misstatements due to error or fraud may occur and not be detected. Also, projections of any evaluation of the internal financial controls with reference to financial statements to future periods are subject to the risk that the internal financial controls with reference to financial statements may become inadequate because of changes in conditions, or that the degree of compliance with the policies or procedures may deteriorate.

Other Matter(s)

Our aforesaid report under Section 143(3)(i) of the Act on the adequacy and operating effectiveness of the internal financial controls with reference to financial statements insofar as it relates to twelve subsidiary companies, which are companies incorporated in India, is based on the corresponding reports of the auditor of such companies incorporated in India.

Our opinion is not modified in respect of above matters.

For B S R & Associates LLP
Chartered Accountants
Firm's Registration No.:116231W/W-100024

Arpan Jain
Partner
Membership No.: 125710
ICAI UDIN:23125710BGYBQW8554

Place: Hyderabad
Date: 25 May 2023

Consolidated Financial Statements (Contd.)

Consolidated Balance Sheet as at March 31, 2023

(All amounts in Indian Rupees in millions except for share data or otherwise stated)

	Notes	As at March 31, 2023	As at March 31, 2022
ASSETS			
Non-Current Assets			
Property, plant and equipment	4	2,883.35	1,618.69
Capital work-in-progress	5	239.09	204.47
Goodwill	6	414.51	414.51
Other intangible assets	6	59.76	62.53
Intangible assets under development	6.a	15.62	-
Right-of-use assets	7	8,021.99	5,891.57
Financial assets			
Trade receivables	14	-	-
Loans	8	-	-
Other financial assets	9	699.67	691.60
Deferred tax assets (net)	37	658.12	449.45
Non-current tax assets (net)	10	113.78	146.70
Other non-current assets	11	54.08	143.87
		13,159.97	**9,623.39**
Current Assets			
Inventories	12	11,440.87	9,149.84
Current investments	13	0.33	0.33
Financial assets			
Trade receivables	14	86.51	60.36
Cash and cash equivalents	15	2,283.75	214.55
Bank balances other than cash and cash equivalents	16	554.60	129.50
Other financial assets	9	122.66	6,551.14
Current tax assets	10	1.50	0.62
Other current assets	11	316.99	210.75
		14,807.21	**16,317.09**
Total Assets		**27,967.18**	**25,940.48**
EQUITY AND LIABILITIES			
Equity			
Equity share capital	17	238.61	238.60
Other equity	18	14,673.17	13,939.12
Total equity attributable to the owners of the Company		**14,911.78**	**14,177.72**
Non-controlling Interest		(6.77)	(5.19)
Total Equity		**14,905.01**	**14,172.53**
Liabilities			
Non-current Liabilities			
Financial liabilities			
Lease liabilities	21	8,011.80	5,964.91
Other financial liabilities	20	7.08	9.07
Provisions	22	277.46	203.85
		8,296.34	**6,177.83**
Current Liabilities			
Financial liabilities			
Borrowings	19	-	1,426.82
Lease liabilities	21	987.44	757.62
Trade payables	23		
- total outstanding dues of micro enterprises and small enterprises; and		126.35	14.13
- total outstanding dues of creditors other than micro enterprises and small enterprises		2,475.09	2,448.19
Other financial liabilities	20	667.50	523.64
Other current liabilities	24	145.11	120.92
Provisions	22	260.64	216.88
Contract liabilities	25	93.41	80.77
Current tax liabilities (net)	26	10.29	1.15
		4,765.83	**5,590.12**
Total Liabilities		**13,062.17**	**11,767.95**
Total Equity and Liabilities		**27,967.18**	**25,940.48**
Summary of significant accounting policies	2.2		

The accompanying notes are an integral part of the consolidated financial statements.
As per our report of even date attached

For **B S R & Associates LLP**
Chartered Accountants
ICAI Firm Registration Number 116231W/W-100024

Arpan Jain
Partner
Membership Number: 125710

Hyderabad, May 25, 2023

For and on behalf of the Board of Directors of
MedPlus Health Services Limited
(formerly known as MedPlus Health Services Private Limited)

G. Madhukar Reddy
Chairman and Managing Director
DIN: 00098097

Sujit Kumar Mahato
Chief Financial Officer
Hyderabad, May 25, 2023

Manoj Kumar Srivastava
Company Secretary
Hyderabad, May 25, 2023

Consolidated Statement of **Profit and Loss** for the year ended March 31, 2023

(All amounts in Indian Rupees in millions except for share data or otherwise stated)

	Notes	As at March 31, 2023	As at March 31, 2022
INCOME			
Revenue from operations	27	45,575.76	37,792.79
Other income	28	460.78	313.63
Total income (I)		**46,036.54**	**38,106.42**
Expenses			
Purchases of stock-in-trade		37,529.32	31,223.73
Cost of materials consumed	29	258.80	194.40
Changes in inventories of finished goods, work-in-progress and stock-in-trade	30	(2,211.24)	(1,594.38)
Employee benefits expense	31	5,451.29	3,939.20
Finance costs	33	830.27	664.28
Depreciation and amortisation expense	32	1,815.56	1,193.60
Other expenses	34	1,890.91	1,306.16
Total expenses (II)		**45,564.91**	**36,926.99**
Profit before tax (III) = (I)-(II)		471.63	1,179.43
Tax expenses	37		
- Current tax (IV)		180.53	301.24
- Deferred tax benefit (V)		(209.95)	(68.97)
Total tax (benefit) / expenses (VI) = (IV)+(V)		(29.42)	232.27
Profit for the year (VII) = (III)-(VI)		**501.05**	**947.16**
Other Comprehensive Income (OCI)			
Items that will not to be reclassified to profit or loss:			
Re-measurement gain on employee defined benefit plans (VIII)		4.61	23.86
Income tax effect on the above (IX)	38A.	(1.27)	(5.58)
Other comprehensive income for the year (X) = (VIII)+(IX)		**3.34**	**18.28**
Total comprehensive income for the year (XI) = (VII)+(X)		**504.39**	**965.44**
Profit for the year attributable to:			
Equity Holders of the Parent Company		497.63	958.02
Non-controlling interest		3.42	(10.86)
		501.05	**947.16**
Total comprehensive income attributable to:			
Equity Holders of the Parent Company		500.97	976.12
Non-controlling interest		3.42	(10.68)
		504.39	**965.44**
Earnings per equity share (EPES) (In absolute ₹terms)	36		
Basic		4.17	8.55
Diluted		4.17	8.52
Summary of significant accounting policies	2.2		

The accompanying notes are an integral part of the consolidated financial statements.
As per our report of even date attached

For **B S R & Associates LLP**
Chartered Accountants
ICAI Firm Registration Number 116231W/W-100024

Arpan Jain
Partner
Membership Number: 125710

Hyderabad, May 25, 2023

For and on behalf of the Board of Directors of
MedPlus Health Services Limited
(formerly known as MedPlus Health Services Private Limited)

G. Madhukar Reddy
Chairman and Managing Director
DIN: 00098097

Sujit Kumar Mahato
Chief Financial Officer
Hyderabad, May 25, 2023

Manoj Kumar Srivastava
Company Secretary
Hyderabad, May 25, 2023

Consolidated Statement of Changes in Equity for the year ended March 31, 2023

(All amounts in Indian Rupees in millions except for share data or otherwise stated)

A. Equity Share Capital:

"Balance as at April 1, 2022"	Changes in equity share capital due to prior period errors	Restated balance as at April 1, 2022	Changes in equity share capital during the year*	Balance as at March 31, 2023
238.60	-	238.60	0.01	238.61

"Balance as at April 1, 2021"	Changes in equity share capital due to prior period errors	Restated balance as at April 1, 2021	Changes in equity share capital during the year*	Balance as at March 31, 2022
4.48	-	4.48	234.12	238.60

* refer note 17.

B. Other equity

Particulars	Equity component of compound financial instruments (including securities premium on CCPS)	Other Components of equity					Total other equity	Attributable to Non controlling Interest	Total
		Reserves and surplus							
		Securities premium	Share based payments reserve	General reserve	Capital reserve	Retained earnings			
As at April 1, 2021	**3,708.06**	**2,415.25**	**486.55**	**28.64**	**0.92**	**661.64**	**7,301.06**	**5.49**	**7,306.55**
Employee stock option compensation expenses for the year	-		107.37	-	-	-	107.37	-	107.37
Utilisation for bonus issue of shares during the year	-	-	-	-	-	-	-	-	-
- 0.001% Series A compulsorily convertible preference shares ('CCPS')	(56.72)	28.36	-	-	-	-	(28.36)	-	(28.36)
- 0.001% Series B compulsorily convertible preference shares ('CCPS')	(239.03)	119.52	-	-	-	-	(119.51)	-	(119.51)
- 0.001% Series B1 compulsorily convertible preference shares ('CCPS')	(61.07)	30.54	-	-	-	-	(30.53)	-	(30.53)
- 0.001% Series B2 compulsorily convertible preference shares ('CCPS')	(66.62)	33.63	-	-	-	-	(32.99)	-	(32.99)
- 0.001% Series C1 compulsorily convertible preference shares ('CCPS')	(11.22)	5.61	-	-	-	-	(5.61)	-	(5.61)
- 0.001% Series C2 compulsorily convertible preference shares ('CCPS')	(3.20)	1.28	-	-	-	-	(1.92)	-	(1.92)

Consolidated Statement of **Changes in Equity** for the year ended March 31, 2023 (Contd)

(All amounts in Indian Rupees in millions except for share data or otherwise stated)

Particulars	Equity component of compound financial instruments (including securities premium on CCPS)	Other Components of equity					Total other equity	Attributable to Non controlling Interest	Total
		Reserves and surplus							
		Securities premium	Share based payments reserve	General reserve	Capital reserve	Retained earnings			
Less: Transfer of Series A CCPS securities premium in to securities premium	(1,981.65)	1,981.65	-	-	-	-	-	-	-
Issue of 0.001% Series C1 compulsorily convertible preference shares ('CCPS')	(751.12)	751.12	-	-	-	-	-	-	-
Issue of 0.001% Series C2 compulsorily convertible preference shares ('CCPS')	(214.46)	214.46	-	-	-	-	-	-	-
Less: Transfer to General reserve (Increase in fair value of Series A CCPS)	(322.97)	-	-	322.97	-	-	-	-	-
Transfer on account of exercise of share options	-	409.05	(409.05)	-	-	-	-	-	-
Transfer to amount recoverable from ESOP trust in kind	-	67.51	(67.51)	-	-	-	-	-	-
Amount recovered from ESOP trust	-	5.86	-	-	-	-	5.86	-	5.86
Add: Issue of new shares through IPO	-	5,984.91	-	-	-	-	5,984.91	-	5,984.91
Stock option lapsed	-	-	(3.42)	3.42	-	-	-	-	-
Less: Share issue expenses	-	(217.27)	-	-	-	-	(217.27)	-	(217.27)
Profit/ (loss) for the year	-	-	-	-	-	958.02	958.02	(10.86)	947.16
Actuarial loss on post-employment benefit obligations, net of tax benefit	-	-	-	-	-	18.10	18.10	0.18	18.28
As at March 31, 2022	**-**	**11,831.48**	**113.94**	**355.03**	**0.92**	**1,637.76**	**13,939.13**	**(5.19)**	**13,933.93**
Employee stock option compensation expenses for the year	-	-	221.19	-	-	-	221.19	-	221.19
Transfer on account of exercise of share options	-	30.78	(30.78)	-	-	-	-	-	-
Transfer to amount recoverable from ESOP trust in kind	-	-	-	-	-	-	-	-	-
Amount recovered from ESOP trust	-	1.19	-	-	-	-	1.19	-	1.19
Proceeds from equity shares under ESOP's	-	10.69	-	-	-	-	10.69	-	10.69
Acquisition of minority interest of subsidiary during the year	-	-	-	-	-	-	-	(5.00)	(5.00)
Profit/ (loss) for the year	-	-	-	-	-	497.63	497.63	3.42	501.05
Actuarial gain on post-employment benefit obligations, net of tax benefit	-	-	-	-	-	3.34	3.34	-	3.34
As at March 31, 2023	**-**	**11,874.14**	**304.35**	**355.03**	**0.92**	**2,138.73**	**14,673.17**	**(6.77)**	**14,666.40**

Consolidated Statement of **Changes in Equity** for the year ended March 31, 2023 (Contd)

(All amounts in Indian Rupees in millions except for share data or otherwise stated)

Equity component of compound financial instruments includes the following:	**As at March 31, 2023**	**As at March 31, 2022**
(i) Par value of the instruments issued:		
0.001% Series A CCPS of ₹20/- each		
At the beginning of the year	-	56.72
Less: Conversion of 0.001% Series A CCPS into equity shares	-	(56.72)
At the end of the year	-	-
0.001% Series B CCPS of ₹20/- each		
At the beginning of the year	-	239.03
Less: Conversion of 0.001% Series B CCPS into equity shares	-	(239.03)
At the end of the year	-	-
0.001% Series B1 CCPS of ₹20/- each		
At the beginning of the year		61.07
Less: Conversion of 0.001% Series B1 CCPS in to equity shares	-	(61.07)
At the end of the year	-	-
0.001% Series B2 CCPS of ₹20/- each		
At the beginning of the year		66.62
Less: Conversion of 0.001% Series B2 CCPS in to equity shares	-	(66.62)
At the end of the year	-	-
0.001% Series C1 CCPS of ₹20/- each		
At the beginning of the year		11.22
Less: Conversion of 0.001% Series C1 CCPS in to equity shares	-	(11.22)
At the end of the year	-	-
0.001% Series C2 CCPS of ₹20/- each		
At the beginning of the year		3.20
Less: Conversion of 0.001% Series C2 CCPS in to equity shares	-	(3.20)
At the end of the year	-	-
(ii) Securities premium on CCPS issued		
Opening balance	-	3,270.20
Less: Transfer of CCPS securities premium in to securities premium account	-	(2,947.23)
Less: Transfer to general reserve	-	(322.97)
At the end of the year	-	-
Amount included in 'Equity component of compound financial instruments' above	**-**	**-**

As per our report of even date attached

For **B S R & Associates LLP**
Chartered Accountants
ICAI Firm Registration Number 116231W/W-100024

Arpan Jain
Partner
Membership Number: 125710

Hyderabad, May 25, 2023

For and on behalf of the Board of Directors of
MedPlus Health Services Limited
(formerly known as MedPlus Health Services Private Limited)

G. Madhukar Reddy
Chairman and Managing Director
DIN: 00098097

Sujit Kumar Mahato
Chief Financial Officer
Hyderabad, May 25, 2023

Manoj Kumar Srivastava
Company Secretary
Hyderabad, May 25, 2023

Consolidated Statement of **Cash Flows** for the year ended March 31, 2023

(All amounts in Indian Rupees in millions except for share data or otherwise stated)

	For the year ended March 31, 2023	For the year ended March 31, 2022
Cash flow from operating activities		
Profit before tax	471.63	1,179.43
Adjustments for:		
Depreciation of property, plant and equipment	450.60	240.10
Amortisation of intangible assets	17.11	11.24
Depreciation of right-of-use assets	1,352.64	942.26
Provision for gratuity and leave benefits	162.56	116.96
Provision for doubtful debts, deposits and advances	11.76	7.03
Finance costs	9.16	52.65
Interest on lease liabilities	821.11	611.63
Loss on sale/ discard of property, plant and equipment	3.54	1.82
Advances/debts written off	1.08	0.26
Interest income	(277.88)	(137.32)
Employees stock option compensation expenses	221.19	107.37
Gain on de-recognition of right-of-use assets	(42.00)	(38.18)
Liabilities no longer required written back	(3.23)	(37.00)
Operating profit before working capital changes	**3,199.27**	**3,058.25**
Change in assets and liabilities		
Increase in inventories	(2,291.03)	(1,650.27)
Increase in non-current financial assets	(201.34)	(214.63)
Decrease / (Increase) in current financial assets	162.52	(172.84)
Increase in other assets	(100.43)	(61.93)
Increase in current financial liabilities	278.21	1,116.52
Increase in other current liabilities	36.83	9.84
Decrease in provisions	(40.58)	(50.42)
Cash generated from operations	**1,043.45**	**2,034.52**
Income tax paid, net	(139.35)	(335.63)
Net cash generated from operating activities (A)	**904.10**	**1,698.89**
Cash flow from investing activities		
Purchase of property, plant and equipment and intangibles including capital work-in-progress and capital advances	(1,690.05)	(1,177.21)
Proceeds from sale of property, plant and equipment	1.60	35.22
Investments made	-	-
(Investments) / Redemptions of bank deposit with original maturity of more than 3 months, net	5,769.75	(5,938.01)
Interest received	213.11	48.74
Net cash generated from/ (used in) investing activities (B)	**4,294.41**	**(7,031.26)**
Cash flows from financing activities		
Proceeds from issue of equity shares	-	5,936.36
Share Issue expenses	-	(217.27)
Proceeds from exercise of stock options	11.89	5.86
Proceeds from issue of compulsorily convertible preference shares	-	-
Interest on Lease Liabilities	(821.11)	(611.63)
Principal payment of lease liabilities	(884.11)	(656.38)
Interest paid	(9.16)	(52.65)
Net cash (used in) / generated from financing activities (C)	**(1,702.49)**	**4,404.29**

Standalone Statement of Cash Flows for the year ended March 31, 2023 (contd.)

(All amounts in Indian Rupees in millions except for share data or otherwise stated)

		For the year ended March 31, 2023	For the year ended March 31, 2022
Net increase / (decrease) in cash and cash equivalents (A+B+C)		3,496.02	(928.08)
Cash and cash equivalents at the beginning of the year		(1,212.27)	(284.19)
Cash and cash equivalents at the end of the year		**2,283.75**	**(1,212.27)**
Components of cash and cash equivalents			
Cash on hand		90.07	72.79
Bank deposits with original maturity of less than three months		1,856.36	9.10
Balance with banks in current accounts		337.32	132.66
Total cash and cash equivalents		**2,283.75**	**214.55**
Less: Cash credit from bank		-	(1,426.82)
Cash and cash equivalents for Cash flow statement		**2,283.75**	**(1,212.27)**
Summary of significant accounting policies	2.2		

Notes:

a. Movement disclosure under Ind AS 7 with respect to borrowings are not applicable as the Company does not have any long term borrowings.

b. Refer note 40 for change in lease liabilities araising from financing activities

The cash flow statement has been prepared under the indirect method as set out in Indian Accounting Standard (Ind AS 7) statement of cash flows.

The accompanying notes are an integral part of these consolidated financial statements
As per our report of even date attached

For **B S R & Associates LLP**
Chartered Accountants
ICAI Firm Registration Number 116231W/W-100024

Arpan Jain
Partner
Membership Number: 125710

Hyderabad, May 25, 2023

For and on behalf of the Board of Directors of
MedPlus Health Services Limited
(formerly known as MedPlus Health Services Private Limited)

G. Madhukar Reddy
Chairman and Managing Director
DIN: 00098097

Sujit Kumar Mahato
Chief Financial Officer
Hyderabad, May 25, 2023

Manoj Kumar Srivastava
Company Secretary
Hyderabad, May 25, 2023

Notes to Consolidated **Financial Statements** for the year ended March 31, 2023

(All amounts in Indian Rupees in millions except for share data or otherwise stated)

1. Corporate information

MedPlus Health Services Limited (the 'Parent Company' or the 'Company') is a public company domiciled in India and is incorporated under the provisions of the Companies Act applicable in India. The registered office of the Parent Company is located at H.No:11-6-56, Survey No: 257 & 258/1, Opp: IDPL Railway Siding Road,(Moosapet), Kukatpally, Hyderabad. The Parent Company together with its subsidiaries (collectively termed as the Group) are primarily engaged in retail trading of medicines and general items, wholesale cash and carry and pathological laboratory testing services, wholesale trading and manufacturing of pharmaceutical products, fast-moving consumer goods and beauty products. The Company was duly converted from MedPlus Health Services Private Limited to MedPlus Health Services Limited w.e.f. 28 June 2021 and accordingly the corporate identification number (CIN) was changed from U85110TG2006PTC051845 to L85110TG2006PLC051845. The consolidated financial statements were authorised for issue in accordance with a resolution of the directors on May 25, 2023.

2. Significant accounting policies

2.1 a. Basis of preparation of consolidated financial statements

The Consolidated financial statements of the Group have been prepared and presented in accordance with the Indian Accounting Standards (Ind AS) notified under the Companies (Indian Accounting Standards) Rules, 2015 (as amended from time to time).

The consolidated Ind AS financial statements have been prepared on a historical cost basis, except for the following assets and liabilities which have been measured at fair value:

(i) certain financial assets and financial liabilities that are measured at fair values or at amortised cost depending on the classification at the end of each reporting period,

(ii) employee defined benefit assets/(liability) are recognised as the net total of the fair value of plan assets, plus actuarial losses, less actuarial gains and the present value of the defined benefit obligation as stated in the accounting policies set out below.

(iii) Share-Based payments are measured at fair value

b. Functional and presentation currency

The consolidated financial statements are presented in Indian Rupees (INR), which is also the functional currency of the Group and all values are rounded to the nearest millions (₹000,000), unless otherwise indicated. The amount reflected as "0.00" in financials are value with less than ten thousand.

The Consolidated Financial Statements as at and for the year ended on March 31, 2023 include the financial statements of the following entities:

S. No	Name of the subsidiary company	Country of incorporation	Percentage of Ownership as at March 31, 2023	Percentage of Ownership as at March 31, 2022
1	Optival Health Solutions Private Limited ('OHSPL')	India	99.99%	99.99%
2	Wynclark Pharmaceuticals Private Limited (formerly known as Medsupply Distributors Private Limited) ('WPPL')	India	100%	100%
3	MHS Pharmaceuticals Private Limited ('MHS')	India	100%	100%
4	Nova Sud Pharmaceuticals Private Limited (formerly known as PanIndia Pharma Distributors Private Limited) ('NPPL')	India	100%	100%
5	Sai Sridhar Pharma Private Limited ('SSPPL')	India	100%	100%
6	Venkata Krishna Enterprises Private Limited ('VKEPL')	India	100%	100%
7	Deccan Medisales Private Limited ('DMPL')	India	100%	100%
8	Shri Banashankari Pharma Private Limited ('SBPPL')	India	100%	100%
9	Sidson Pharma Distributors Private Limited ('SPDPL')	India	100%	100%
10	Kalyani Meditimes Private Limited ('KMT')	India	88.04%	65.53%
11	ClearanceKart Private Limited**	India	100.00%	100.00%
12	Medplus Insurance Brokers Private Limited*	India	100.00%	0.00%

*The Company subscribed to 2,00,000 shares of ₹10 each of MedPlus Insurance Brokers Private Limited, which was incorporated on 14 July 2022 under the Companies Act, 2013. The transfer of shares and consideration happened during the Financial year 2022-23.

Notes to Consolidated **Financial Statements** for the year ended March 31, 2023

(All amounts in Indian Rupees in millions except for share data or otherwise stated)

**The Company subscribed to 10,000 shares of ₹10 each of ClearanceKart Private Limited, which was incorporated on 09 March 2021 under the Companies Act, 2013. The transfer of shares and consideration happened during the Financial year 2021-22.

2.2 Summary of significant accounting policies

a. Statement of compliance

These consolidated financial statements have been prepared in accordance with the Indian Accounting Standards (referred to as Ind AS) as prescribed under section 133 of the Companies Act, 2013 read with the Companies (Indian Accounting Standards) Rules as amended from time to time.

b. Basis of consolidation

Subsidiaries are all entities (including special purpose entities) that are controlled by the Group. Control exists when the Company is exposed to, or has rights to variable returns from its involvement with the entity and has the ability to affect those returns through power over the entity. In assessing control, potential voting rights are considered only if the rights are substantive. The financial statements of subsidiaries are included in these consolidated financial statements from the date that control commences until the date that control ceases. For the purpose of preparing these consolidated financial statements, the accounting policies of subsidiaries have been changed where necessary to align them with the policies adopted by the Company.

The group combines the financial statements of the parent company and its subsidiaries line by line adding together like items of assets, liabilities, equity, income and expenses. Intercompany transactions, balances and unrealised losses are also eliminated unless the transaction provides evidence of an impairment of transferred asset. Offset (eliminate) the carrying amount of the parent's investment in each subsidiary and the parent's portion of equity of each subsidiary.

Profit or loss and each component of other comprehensive income (OCI) are attributed to the equity holders of the parent Company of the Group and to the non-controlling interests, even if this results in the non-controlling interests having a deficit balance.

Recent accounting pronouncements:

Ministry of Corporate Affairs (MCA) notifies new standards or amendments to the existing standards under Companies (Indian Accounting Standards) Rules as issued from time to time. On March 31, 2023, MCA amended the Companies (Indian Accounting Standards) Rules, 2015 by issuing the Companies (Indian Accounting Standards) Amendment Rules, 2023, applicable from April 1, 2023, as below:

Ind AS 1 – Presentation of Financial Statements

The amendment require companies to disclose their material accounting policies rather than their significant accounting policies. Accounting policy information, together with other information, is material when it can reasonably be expected to influence decisions of primary users of general purpose financial statements.

Ind AS 12 – Income Taxes

The amendment clarify how companies account for deferred tax on transactions such as leases and decommissioning obligations. The amendments narrowed the scope of the recognition exemption in paragraphs 15 and 24 of Ind AS 12 (recognition exemption) so that it no longer applies to transactions that, on initial recognition, give rise to equal taxable and deductible temporary differences. The Group does not expect this amendment to have any significant impact in its financial statements.

Ind AS 37 – Onerous Contracts - Costs of Fulfilling a Contract (2022)

The amendment specify that that the 'cost of fulfilling' a contract comprises the 'costs that relate directly to the contract'. Costs that relate directly to a contract can either be incremental costs of fulfilling that contract (examples would be direct labour, materials) or an allocation of other costs that relate directly to fulfilling contracts. The amendment is essentially a clarification and the Group does not expect the amendment to have any significant impact in its financial statements.

Ind AS 103 – Reference to Conceptual Framework (2022)

The amendment specify that to qualify for recognition as part of applying the acquisition method, the identifiable assets acquired and liabilities assumed must meet the definitions of assets and liabilities in the Conceptual Framework for Financial Reporting under Indian Accounting Standards (Conceptual Framework) issued by the Institute of Chartered Accountants of India at the acquisition date. These changes do not

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significantly change the requirements of Ind AS 103. The Group does not expect the amendment to have any significant impact in its financial statements.

Ind AS 16 – Proceeds before intended use (2022)

The amendment mainly prohibit an entity from deducting from the cost of property, plant and equipment amounts received from selling items produced while the Group is preparing the asset for its intended use. Instead, an entity will recognise such sales proceeds and related cost in profit or loss. The Group does not expect the amendments to have any impact in its recognition of its property, plant and equipment in its financial statements.

c. Significant accounting, estimates and assumptions

The preparation of these consolidated financial statements is in conformity with the recognition and measurement principles of Ind AS which requires the management to make judgments, estimates and assumptions that affect the application of accounting policies and reported amounts of assets, liabilities, income and expenses and the disclosure of contingent liabilities as at the date of the consolidated financial statements. Accounting estimates could change from period to period. Actual results could differ from those estimates. Appropriate changes in estimates are made as management becomes aware of those estimates. Changes in estimates are reflected in the consolidated financial statements in the year in which changes are made, if material, their effects are disclosed in the notes to the consolidated financial statements. Information about significant areas of assumptions, estimation uncertainty and critical judgements in applying accounting policies that have the most significant effect on the amounts recognised in the consolidated financial statements are:

Impairment of trade receivables

The Group has measured the lifetime expected credit loss by using practical expedients. It has accordingly used a provision matrix derived by using a flow rate model to measure the expected credit losses for trade receivables. Further, need for incremental provisions have been evaluated on a case to case basis where forward looking information on the financial health of a customer is available and in cases where there is an ongoing litigation/dispute.

Useful lives of property, plant and equipment and intangible assets

The Group reviews the useful life of property, plant and equipment and intangible at the end of each reporting period. This reassessment may result in change in depreciation expense in future periods.

Valuation of deferred tax assets and liabilities

Deferred tax assets and liabilities are recognized for the future tax consequences of temporary differences between the carrying values of assets and liabilities and their respective tax bases, and unutilized business loss and depreciation carry-forwards and tax credits. Deferred tax assets are recognized to the extent there is reasonable certainty of future taxable income which will be available against the deductible temporary differences, unused tax losses and depreciation carry-forwards.

Defined benefit plans

The obligation arising from defined benefit plan is determined on the basis of actuarial assumptions. Key actuarial assumptions include discount rate, trends in salary escalation, actuarial rates and life expectancy. The discount rate is determined by reference to market yields at the end of the reporting period on government bonds. The period to maturity of the underlying bonds correspond to the probable maturity of the post-employment benefit obligations. Due to complexities involved in the valuation and its long term nature, defined benefit obligation is sensitive to changes in these assumptions. All assumptions are reviewed at each reporting period.

Provisions and contingent liabilities

The Group estimates the provisions that have present obligations as a result of past events and it is probable that outflow of resources will be required to settle the obligations. These provisions are reviewed at the end of each reporting period and are adjusted to reflect the current best estimates.

The Group uses significant judgements to disclose contingent liabilities. Contingent liabilities are disclosed when there is a possible obligation arising from past events, the existence of which will be confirmed only by the occurrence or non-occurrence of one or more uncertain future events not wholly within the control of the Group or a present obligation that arises from past events where it is either not probable that an outflow of resources will be required to settle the obligation or a reliable estimate of the amount cannot be made. Contingent assets are neither recognised nor disclosed in the financial statements.

Fair value measurement of financial instruments

When the fair value of financial assets and financial liabilities recorded in the balance sheet cannot be measured based on quoted prices in active markets, their fair value is measured using valuation techniques including the Discounted Cash Flow model. The inputs to these models are taken from observable markets where possible, but where this is not feasible, a degree of judgement is required in establishing fair values. Judgements include considerations of inputs such as liquidity risk, credit risk and volatility. Changes in assumptions about these factors could affect the reported fair value of financial instruments.

Leases

The Group evaluates if an arrangement qualifies to be a lease as per the requirements of Ind AS 116. Identification of a lease requires significant judgement. The Group uses significant judgement in assessing the lease term (including anticipated renewals) and the applicable discount rate. The Group determines the lease term as the non-cancellable period of a lease, together with both periods covered by an option to extend the lease, if the Group is reasonably certain to exercise that option and periods covered by an option to terminate the lease if the Group is reasonably certain not to exercise that option. In assessing whether the Group is reasonably certain to exercise an option to extend a lease, or not to exercise an option to terminate the lease, it considers all relevant facts and circumstances that create an economic incentive for the Group to exercise the option to extend the lease, or not to exercise the option to terminate the lease. The Group revises the lease term if there is a change in the non-cancellable period of a lease. The discount rate is generally based on the incremental borrowing rate specific to the lease being evaluated or for a portfolio of leases with similar characteristics.

Inventories

The Group estimates the net realisable value (NRV) of its inventories by taking into account their estimated selling price, estimated cost of completion, estimated costs necessary to make the sale, obsolescence by applying certain percentages over different age category of such inventories, expected loss rate considering the past trend and future outlook. Inventories are written down to NRV where such NRV is lower than their cost.

d. Operating segments

Operating segments are reported in a manner consistent with the internal reporting provided to chief operating decision maker (CODM).The Managing Director is the Group CODM within the meaning of Ind AS 108.

e. Current and non current classification

The Group presents assets and liabilities in the balance sheet based on current/ non-current classification. An asset is treated as current when it is:

- Expected to be realised or intended to be sold or consumed in normal operating cycle

- Held primarily for the purpose of trading

- Expected to be realised within twelve months after the reporting period, or

- Cash or cash equivalent unless restricted from being exchanged or used to settle a liability for at least twelve months after the reporting period All other assets are classified as non-current.

A liability is current when :

- It is expected to be settled in normal operating cycle

- It is held primarily for the purpose of trading

- It is due to be settled within twelve months after the reporting period, or

- There is no unconditional right to defer the settlement of the liability for at least twelve months after the reporting period

The Group classifies all other liabilities as non-current.

Deferred tax assets and liabilities are classified as non-current assets and liabilities.

The operating cycle is the time between the acquisition of assets for processing and their realisation in cash and cash equivalents. The Group has identified twelve months as its operating cycle.

f. Foreign currencies

Initial recognition

Transactions in foreign currencies are translated into functional currency of the Group at the

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exchange rates at the dates of the transactions or an average rate if the average rate approximates the actual rate at the date of the transaction.

Conversion

Monetary assets and liabilities denominated in foreign currencies at the reporting date are translated into the functional currency at the exchange rate at that date. Non-monetary items that are measured based on historical cost in a foreign currency are translated at the exchange rate at the date of the transaction. Non-monetary items that are measured at fair value in a foreign currency are translated using the exchange rates at the date when the fair value was measured.

Exchange differences

Exchange differences arising on the settlement of monetary items or on translating monetary items at rates different from those at which they were translated on initial recognition during the period or in previous financial statements are recognised in the statement of profit and loss in the period in which they arise.

g. Fair Value Measurement

In determining the fair value of its financial instruments, the Group uses following hierarchy and assumptions that are based on market conditions and risks existing at each reporting date.

All assets and liabilities for which fair value is measured or disclosed in the consolidated financial statements are categorised within the fair value hierarchy, described as follows, based on the lowest level input that is significant to the fair value measurement as a whole:
Level 1: Quoted (unadjusted) market prices in active markets for identical assets or liabilities
Level 2: Valuation techniques for which the lowest level input that is significant to the fair value measurement is directly or indirectly observable.
Level 3: Valuation techniques for which the lowest level input that is significant to the fair value measurement is unobservable.

For assets and liabilities that are recognised in the financial statements on a recurring basis, the Group determines whether transfers have occurred between levels in the hierarchy by re-assessing categorisation (based on the lowest level input that is significant to the fair value measurement as a whole) at the end of each reporting period.

When the fair values of financial assets and financial liabilities recorded in the financial statements cannot be measured based on quoted prices in active markets, their fair value is measured using valuation techniques including the discounted cash flow model. The inputs to these models are taken from observable markets where possible, but where this is not feasible, a degree of judgements is required in establishing fair values. Judgements include considerations of inputs such as liquidity risk, credit risk volatility and discount rates. Changes in assumptions about these factors could affect the reported fair value of financial instruments.

h. Revenue recognition

Revenue towards satisfaction of a performance obligation is measured at the amount of transaction price (net of variable consideration) allocated to that performance obligation. The transaction price of goods sold and services rendered is net of variable consideration on account of various discounts and schemes offered by the Company as part of the contract. However Goods and Service Tax (GST) is not received by the Company on its own account. Rather, it is tax collected on value added to the commodity by the seller on behalf of the government. Accordingly, it is excluded from revenue. The specific recognition criteria described below must also be met before revenue is recognised.

Sale of general and pharmaceutical items

Revenue from sale of goods is recognized when it transfers the control of goods to the buyer, usually on delivery of the goods. Revenue from the sale of goods is measured at the transaction price received or receivable, net of returns and allowances, trade discounts and volume rebates.

Sales returns

The Group accounts for sales returns accrual by recording refund liability concurrent with the recognition of revenue at the time of a product sale. This liability is based on the Group's estimate of expected sales returns. Accordingly, the estimate of sales returns is determined primarily by the Group's historical experience of sales returns.

At the time of recognising the refund liability, the Group also recognises an asset, (i.e., the right to the returned goods) which is included in inventory for the products expected to be

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returned. The Group initially measures this asset at the former carrying amount of the inventory, less any expected costs to recover the goods, including any potential decreases in the value of the returned goods. Along with re-measuring the refund liability at the end of each reporting period, the Group updates the measurement of the asset recorded for any revisions to its expected level of returns, as well as any additional decreases in the value of the returned products.

Customer Loyalty Programme

Group operates a Flexi Rewards scheme (Customer loyalty programme), which allows customers to accumulate points when they purchase products in the Group's retail stores. These points can be redeemed for purchase of value plus items.

The consideration received or receivable in respect of the initial sale is allocated between the award credits and the other components of the sale. The amount allocated to award credits is deferred and is recognised as revenue when the award credits are redeemed and the Group has fulfilled its obligations to supply the discounted products under the terms of the programme or when it is no longer probable that the award credits will be redeemed.

Display income

Revenue for display of advertisement is accounted on accrual basis in accordance with the provisions of the relevant contacts.

Rental Income

Rental income arising from operating leases on building is accounted for on a straight-line basis over the lease terms and is included in revenue in the statement of profit and loss due to its operating nature.

Sale of Services

Revenue from diagnostics services is recognized on amount billed net of discounts/ concessions if any. No element of financing is deemed present as the sales are made primarily on cash and carry basis. The Group recognises revenue when the underlying tests are conducted, samples are processed for requisitioned diagnostic tests. Each diagnostic service is generally a separate performance obligation and therefore revenue is recognised at a point in time when the tests are conducted, samples are processed. For multiple tests, the Group measures the revenue in respect of each performance obligation at its relative stand alone selling price and the transaction price is allocated accordingly. The price that is regularly charged for a test separately registered is considered to be the best evidence of its stand alone selling price. The amount collected on sale of discount coupon is recognised as liability and transferred to revenue when redeemed against diagnostic services as per the terms of the contract or when expired. Revenue contracts are on principal to principal basis and the Group is primarily responsible for fulfilling the performance obligation. A contract liability is the obligation to transfer services to a customer for which the Group has received consideration from the customer. If a customer pays consideration before the Group transfers services to the customer, a contract liability is recognised when the payment is made. Contract liabilities are recognised as revenue when the Group performs its obligation under the contract.

i. Taxes

Current income tax

Current income tax assets and liabilities are measured at the amount expected to be recovered from or paid to the income tax authority. The tax rates and tax laws used to compute the amount are those that are enacted or substantively enacted at the reporting date.

Current income tax relating to items recognised outside profit or loss is recognised outside profit or loss (either in other comprehensive income or in equity). Current tax items are recognised in correlation to the underlying transaction either in OCI or directly in equity. Management periodically evaluates positions taken in the tax return with respect to situations in which applicable tax regulations are subject to interpretation and establishes provisions where appropriate.

Deferred tax

Deferred tax is provided using the balance sheet method on temporary differences between the tax bases of assets and liabilities and their carrying amounts for financial reporting purposes at the reporting date.

Deferred tax liabilities are recognised for all taxable temporary differences, except, when the deferred tax liability arises from the initial recognition of goodwill or an asset or liability in a transaction that is not a business combination and, at the time of the transaction, affects neither the accounting profit nor taxable profit or loss.

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Deferred tax assets are recognised for all deductible temporary differences, the carry forward of unused tax credits and any unused tax losses. Deferred tax assets are recognised to the extent that it is probable that taxable profit will be available against which the deductible temporary differences, and the carry forward of unused tax credits and unused tax losses can be utilised, except:

- When the deferred tax asset relating to the deductible temporary difference arises from the initial recognition of an asset or liability in a transaction that is not a business combination and, at the time of the transaction, affects neither the accounting profit nor taxable profit or loss.
- In respect of deductible temporary differences associated with investments in subsidiaries, deferred tax assets are recognised only to the extent that it is probable that the temporary differences will reverse in the foreseeable future and taxable profit will be available against which the temporary differences can be utilised.

The carrying amount of deferred tax assets is reviewed at each reporting date and reduced to the extent that it is no longer probable that sufficient taxable profit will be available to allow all or part of the deferred tax asset to be utilised. Unrecognised deferred tax assets are re-assessed at each reporting date and are recognised to the extent that it has become probable that future taxable profits will allow the deferred tax asset to be recovered.

Deferred tax assets and liabilities are measured at the tax rates that are expected to apply in the year when the asset is realised or the liability is settled, based on tax rates (and tax laws) that have been enacted or substantively enacted at the reporting date.

Deferred tax relating to items recognised outside profit or loss is recognised outside profit or loss (either in other comprehensive income or in equity). Deferred tax items are recognised in correlation to the underlying transaction either in OCI or directly in equity.

Deferred tax assets and deferred tax liabilities are offset if a legally enforceable right exists to set off current tax assets against current tax liabilities and the deferred taxes relate to the same taxable entity and the same taxation authority.

Tax benefits acquired as part of a business combination, but not satisfying the criteria for separate recognition at that date, are recognised subsequently if new information about facts and circumstances change. Acquired deferred tax benefits recognised within the measurement period reduce goodwill related to that acquisition if they result from new information obtained about facts and circumstances existing at the acquisition date. If the carrying amount of goodwill is zero, any remaining deferred tax benefits are recognised in OCI/ capital reserve depending on the principle explained for bargain purchase gains. All other acquired tax benefits realised are recognised in profit or loss.

j. Property, Plant and Equipment

Capital work in progress is stated at cost, net of accumulated impairment loss, if any. Plant and equipment are stated at cost net of accumulated depreciation and accumulated impairment losses, if any. Such cost includes the cost of replacing part of the plant and equipment and borrowing costs for long-term construction projects if the recognition criteria are met. Cost includes purchase price, non-recoverable taxes and duties, labour cost and direct overheads for self-constructed assets and other direct costs incurred up to the date the asset is ready for its intended use.

When significant parts of plant and equipment are required to be replaced at intervals, the Group depreciates them separately based on their specific useful lives. Likewise, when a major inspection is performed, its cost is recognised in the carrying amount of the plant and equipment as a replacement if the recognition criteria are satisfied. All other repair and maintenance costs are recognised in statement of profit or loss as incurred. The present value of the expected cost for the decommissioning of an asset after its use is included in the cost of the respective asset if the recognition criteria for a provision are met.

Items of stores and spares that meet the definition of property, plant and equipment are capitalized at cost and depreciated over their useful life. Otherwise, such items are classified as inventories.

The Group identifies and determines cost of each component/ part of the asset separately, if the component/ part has a cost which is significant to the total cost of the asset and has useful life that is materially different from that of the remaining asset.

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An item of property, plant and equipment and any significant part initially recognised is derecognised upon disposal or when no future economic benefits are expected from its use or disposal. Any gain or loss arising on derecognition of the asset (calculated as the difference between the net disposal proceeds and the carrying amount of the asset) is included in the consolidated statement of profit and loss when the asset is derecognised.

Property, plant and equipment held for sale is valued at lower of their carrying amount and net realisable value. Any write-down is recognised in the consolidated statement of profit and loss.

Subsequent expenditure is capitalised only if it is probable that the future economic benefits associated with the expenditure will flow to the Group and the cost of the item can be measured reliably

Depreciation

Depreciation on property, plant and equipment other than leasehold improvements is calculated on a straight-line basis using the following rates arrived at based on the useful lives estimated by the management which coincide with the lives prescribed under the schedule II to the Companies Act, 2013, except for depreciation on Leasehold Improvements:

Asset class	Useful lives estimated by the management (years)	Estimated useful as per schedule II
Buildings	60	60
Furniture and fixtures - Plastic Boxes	2	2
Furniture and fixtures - Others	10	10
Vehicles	8-10	8-10
Data Processing Equipment	3-6	3-6
Plant and equipment	5-10	5-10

Depreciation on leasehold improvements is provided over the lease term or 5 years, whichever is shorter, which is higher than the rates prescribed under the schedule II to the Companies Act, 2013.

The residual values, useful lives and methods of depreciation of property, plant and equipment are reviewed at each financial year end and adjusted prospectively, if appropriate.

k. Intangible assets

Intangibles

Intangible assets acquired separately are measured on initial recognition at cost. The cost of intangible assets acquired in a business combination is their fair value at the date of acquisition. Following initial recognition, intangible assets are carried at cost less accumulated amortization and accumulated impairment losses, if any. Internally generated intangibles, excluding capitalised development costs, are not capitalised and the related expenditure is reflected in profit or loss in the period in which the expenditure is incurred.

Amortisation

The useful lives of intangible assets are assessed as either finite or indefinite.

Intangible assets of the Group represents having finite lives are amortised over the useful economic life and assessed for impairment whenever there is an indication that the intangible asset may be impaired. The amortisation period and the amortisation method are reviewed at least at the end of each reporting period. Changes in the expected useful life or the expected pattern of consumption of future economic benefits embodied in the asset are considered to modify the amortisation period or method, as appropriate, and are treated as changes in accounting estimates. The amortisation expense on these intangible assets is recognised in the statement of profit and loss unless such expenditure forms part of carrying value of another asset.

Intangible assets with indefinite useful lives are not amortised, but are tested for impairment annually, either individually or at the cash-generating unit level. The assessment of indefinite life is reviewed annually to determine whether the indefinite life continues to be supportable. If not, the change in useful life from indefinite to finite is made on a prospective basis.

Gains or losses arising from de-recognition of an intangible asset are measured as the difference between the net disposal proceeds and the carrying amount of the asset and are recognised in the statement of profit and loss when the asset is derecognised.

Intangible assets consist of rights under licensing agreement and software licences which are amortised over licence period which equates the economic useful life ranging between 2-5 years on a straight-line basis over the period of its economic useful life.

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l. Borrowing costs

Borrowing costs directly attributable to the acquisition, construction or production of an asset that necessarily takes a substantial period of time to get ready for its intended use or sale are capitalised as part of the cost of the asset. All other borrowing costs are expensed in the period in which they occur. Borrowing costs consist of interest and other costs that an entity incurs in connection with the borrowing of funds.

m. Leases

Group as lessee

The Group accounts for each lease component within the contract as a lease separately from non-lease components of the contract and allocates the consideration in the contract to each lease component on the basis of the relative standalone price of the lease component and the aggregate standalone price of the non-lease components. The Group recognises right-of-use asset representing its right to use the underlying asset for the lease term at the lease commencement date. The cost of the right-of-use asset measured at inception shall comprise of the amount of the initial measurement of the lease liability adjusted for any lease payments made at or before the commencement date less any lease incentives received, plus any initial direct costs incurred and an estimate of costs to be incurred by the lessee in dismantling and removing the underlying asset or restoring the underlying asset or site on which it is located.

The right-of-use asset is subsequently depreciated using the straight-line method from the commencement date to the earlier of the end of the useful life of the right-of-use asset or the end of the lease term. The estimated useful lives of right-of-use assets are determined on the same basis as those of property and equipment. In addition, the right-of-use asset is periodically reduced by impairment losses, if any, and adjusted for certain remeasurements of the lease liability.

The lease liability is initially measured at the present value of the lease payments that are not paid at the commencement date, discounted using the interest rate implicit in the lease or, if that rate cannot be readily determined, the Group's incremental borrowing rate. Generally, the Group uses its incremental borrowing rate as the discount rate.

Lease payments included in the measurement of the lease liability comprise the following: – fixed payments, including in-substance fixed payments;

– variable lease payments that depend on an index or a rate, initially measured using the index or rate as at the commencement date;

– amounts expected to be payable under a residual value guarantee; and

– the exercise price under a purchase option that the Group is reasonably certain to exercise, lease payments in an optional renewal period if the Group is reasonably certain to exercise an extension option, and penalties for early termination of a lease unless the Group is reasonably certain not to terminate early.

The lease liability is measured at amortised cost using the effective interest method. It is remeasured when there is a change in future lease payments arising from a change in an index or rate, if there is a change in the Group's estimate of the amount expected to be payable under a residual value guarantee, or if the Group changes its assessment of whether it will exercise a purchase, extension or termination option.

When the lease liability is remeasured in this way, a corresponding adjustment is made to the carrying amount of the right-of-use asset or is recorded in profit or loss if the carrying amount of the right-of-use asset has been reduced to zero. The Group has elected not to recognise right-of-use assets and lease liabilities for leases of low-value assets and short-term leases, including IT equipment. The Group recognises the lease payments associated with these leases as an expense in profit or loss on a straight-line basis over the lease terms.

Group as a lessor

When the Group acts as a lessor, it determines at lease inception whether each lease is a finance lease or an operating lease.

To classify each lease, the Group makes an overall assessment of whether the lease transfers substantially all of the risks and rewards incidental to ownership of the underlying asset. If this is the case, then the lease is a finance lease; if not, then it is an operating lease. As part of this assessment, the Group considers certain indicators such as whether the lease is for the major part of the economic life of the asset.

When the Group is an intermediate lessor, it accounts for its interests in the head lease and the sub-lease separately. It assesses the lease classification of a sub-lease with reference to the right-of-use asset arising from the head lease, not with reference to the underlying asset. If a head lease is a short-term lease to which the Group applies the exemption described above, then it classifies the sub-lease as an operating lease. If an arrangement contains lease and non-lease components, the Group applies Ind AS 115 to allocate the consideration in the contract.

The Group recognises lease payments received under operating leases as income on a straight-line basis over the lease term as part of 'other income'.

The accounting policies applicable to the Group as a lessor in the comparative period were not different from Ind AS 116.

n. Inventories

Inventories comprise of stock-in-trade and stores and consumables and are valued at lower of cost or net realisable value. Cost includes cost of purchase and other costs incurred in bringing the inventories to their present location and condition. In case of manufactured inventories and work-in-progress, cost includes an appropriate share of fixed production overheads based on normal operating capacity.

Cost is determined on first in first out basis. Net realisable value is the estimated selling price in the ordinary course of business reduced by the estimated costs to affect the sale. Stores and spares which do not meet the definition of property, plant and equipment are accounted as inventories. The net realisable value of work-in-progress are determined with reference to the selling prices of related finished goods.

The factors that the Group considers in determining the valuation of inventory includes shelf life and ageing of Inventory. The Group considers these factors and adjust valuation to reflect actual value of inventory.

Raw materials and consumables held for use in the production of finished goods are not written down below cost except in cases where material prices have declined and it is estimated that the cost of the finished goods will exceed their net realisable value.

Impairment losses, including impairment on inventories, are recognised in the consolidated statement of profit and loss.

o. Impairment of Non-Financial Assets

The Group assesses at each reporting date whether there is an indication that an asset may be impaired. If any indication exists, or when annual impairment testing for an asset is required, the Group estimates the asset's recoverable amount. An asset's recoverable amount is the higher of an asset's net selling price and its value in use. The recoverable amount is determined for an individual asset, unless the asset does not generate cash inflows that are largely independent of those from other assets or groups of assets. Where the carrying amount of an asset exceeds its recoverable amount, the asset is considered impaired and is written down to its recoverable amount. In assessing value in use, the estimated future cash flows are discounted to their present value using a post-tax discount rate that reflects current market assessments of the time value of money and the risks specific to the asset. In determining net selling price, recent market transactions are taken into account, if available. If no such transactions can be identified, an appropriate valuation model is used.

After impairment, depreciation is provided on the revised carrying amount of the asset over its remaining useful life.

An assessment is made at each reporting date as to whether there is any indication that previously recognised impairment losses may no longer exist or may have decreased. If such indication exists, the Group estimates the asset's or cash-generating unit's recoverable amount. A previously recognised impairment loss is reversed only if there has been a change in the assumptions used to determine the asset's recoverable amount since the last impairment loss was recognised. The reversal is limited so that the carrying amount of the asset does not exceed its recoverable amount, nor exceed the carrying amount that would have been determined, net of depreciation, had no impairment loss been recognised for the asset in prior years. Such reversal is recognised in the consolidated statement of profit and loss unless the asset is carried at a revalued amount, in which case the reversal is treated as a revaluation increase.

p. Provisions and contingent liabilities

Provisions

Provisions are recognised when the Group has a present obligation (legal or constructive) as a

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result of a past event, it is probable that an outflow of resources embodying economic benefits will be required to settle the obligation and a reliable estimate can be made of the amount of the obligation. When the Group expects some or all of a provision to be reimbursed, the reimbursement is recognised as a separate asset, but only when the reimbursement is virtually certain.

The expense relating to a provision is presented in the statement of profit and loss net of any reimbursement. If the effect of the time value of money is material, provisions are discounted using a current pre-tax rate that reflects, when appropriate, the risks specific to the liability. When discounting is used, the increase in the provision due to the passage of time is recognised as a finance cost.

Contingent liabilities

A contingent liability is a possible obligation that arises from past events whose existence will be confirmed by the occurrence or non-occurrence of one or more uncertain future events beyond the control of the Group or a present obligation that is not recognised because it is not probable that an outflow of resources will be required to settle the obligation. A contingent liability also arises in extremely rare cases where there is a liability that cannot be recognised because it cannot be measured reliably. The Group does not recognize a contingent liability but discloses its existence in the consolidated financial statements.

q. Retirement and other employee benefits

Defined contribution plans

Retirement benefit in the form of provident fund is a defined contribution scheme. The Group has no obligation, other than the contribution payable to the provident fund. The Group recognises the contribution payable to the provident fund scheme as an expense, when an employee renders the related service.

If the contribution payable to the scheme for service received before the balance sheet date exceeds the contribution already paid, the deficit payable to the scheme is recognised as a liability after deducting the contribution already paid. If the contribution already paid exceeds the contribution due for services received before the balance sheet date, then excess is recognised as an asset.

Defined benefit plans

The Group operates a defined benefit plan for its employees, viz., gratuity. The costs of providing benefits under the plan are determined on the basis of actuarial valuation at each year-end using the projected unit credit method consistent with the advice of qualified actuaries.

Remeasurements, comprising of actuarial gains and losses, the effect of the asset ceiling, excluding amounts included in net interest on the net defined benefit liability and the return on plan assets (excluding amounts included in net interest on the net defined benefit liability), are recognised immediately in the balance sheet with a corresponding debit or credit to retained earnings through OCI in the period in which they occur. Remeasurements are not reclassified to profit or loss in subsequent periods.

Past service costs are recognised in profit or loss on the earlier of:

- The date of the plan amendment or curtailment, and

- The date that the Group recognises related restructuring costs

Net interest is calculated by applying the discount rate to the net defined benefit liability or asset. The Group recognises the following changes in the net defined benefit obligation as an expense in the consolidated statement of profit and loss:

-Service costs comprising current service costs, past-service costs, gains and losses on curtailments and non-routine settlements; and

- Net interest expense or income

Other Short term employee benefits

Accumulated leave, which is expected to be utilized within the next 12 months, is treated as short-term employee benefit. The Group measures the expected cost of such absences as the additional amount that it expects to pay as a result of the unused entitlement that has accumulated at the reporting date.

The Group treats accumulated leave expected to be carried forward beyond twelve months, as long-term employee benefit for measurement purposes. Such long-term compensated absences are provided for based on the actuarial valuation using the projected unit credit method at the year-end. Actuarial gains/losses are immediately taken to the statement of profit and loss and are not deferred. The Group presents the entire leave as a current liability in the balance sheet, since it

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does not have an unconditional right to defer its settlement for 12 months after the reporting date.

r. Employee share based payments

Employees (including senior executives) of the Group receive remuneration in the form of share based payment transactions, whereby employees render services as consideration for equity instruments.

The cost of equity-settled transactions is determined by the fair value at the date when the grant is made using an appropriate valuation model. That cost is recognised, together with a corresponding increase in share-based payment (SBP) reserves in equity, over the period in which the performance and/or service conditions are fulfilled in employee benefits expense. The cumulative expense recognised for equity-settled transactions at each reporting date until the vesting date reflects the extent to which the vesting period has expired and the Group's best estimate of the number of equity instruments that will ultimately vest. The statement of profit and loss expense or credit for a period represents the movement in cumulative expense recognised as at the beginning and end of that period and is recognised in employee benefits expense.

Service and non-market performance conditions are not taken into account when determining the grant date fair value of awards, but the likelihood of the conditions being met is assessed as part of the Group's best estimate of the number of equity instruments that will ultimately vest. Market performance conditions are reflected within the grant date fair value. Any other conditions attached to an award, but without an associated service requirement, are considered to be non-vesting conditions. Non-vesting conditions are reflected in the fair value of an award and lead to an immediate expensing of an award unless there are also service and/or performance conditions.

No expense is recognised for awards that do not ultimately vest because non-market performance and/or service conditions have not been met. Where awards include a market or non-vesting condition, the transactions are treated as vested irrespective of whether the market or non-vesting condition is satisfied, provided that all other performance and/or service conditions are satisfied.

When the terms of an equity-settled award are modified, the minimum expense recognised is the expense had the terms had not been modified, if the original terms of the award are met. An additional expense is recognised for any modification that increases the total fair value of the share-based payment transaction, or is otherwise beneficial to the employee as measured at the date of modification. Where an award is cancelled by the entity or by the counterparty, any remaining element of the fair value of the award is expensed immediately through profit or loss.The dilutive effect of outstanding options is reflected as additional share dilution in the computation of diluted earnings per share, unless its anti-dilutive to Group's earnings in nature.

Shares allotted to Trust:

The Company has created an Employees benefit trust (Trust) for implementation of the schemes that are notified or may be notified from time to time by the Company under the plan, providing share based payment to its employees. The company allocated shares to Trust at the time of formation of trust. The Group treats trust as its extension and these equity instruments are recognised at cost and deducted from equity.

s. Financial Instruments

A financial instrument is any contract that gives rise to a financial asset of one entity and a financial liability or equity instrument of another entity.

Financial assets

Initial recognition and measurement

All financial assets are recognised initially at fair value plus, in the case of financial assets not recorded at fair value through profit or loss, transaction costs that are attributable to the acquisition of the financial asset. Purchases or sales of financial assets that require delivery of assets within a time frame established by regulation or convention in the market place (regular way trades) are recognised on the trade date, i.e., the date that the Group commits to purchase or sell the asset However, trade receivables that do not contain a significant financing component are measured at transaction price.

Subsequent measurement

For purposes of subsequent measurement, financial assets are classified in four categories:

i) Debt instruments at amortised cost

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ii) Debt instruments at fair value through other comprehensive income (FVTOCI)

iii) Debt instruments, derivatives and equity instruments at fair value through profit or loss (FVTPL)

iv) Equity instruments measured at fair value through other comprehensive income (FVTOCI)

Debt instruments at amortised cost

A 'debt instrument' is measured at the amortised cost if both the following conditions are met: a) The asset is held within a business model whose objective is to hold assets for collecting contractual cash flows, and b) Contractual terms of the asset give rise on specified dates to cash flows that are solely payments of principal and interest (SPPI) on the principal amount outstanding.

After initial measurement, such financial assets are subsequently measured at amortised cost using the effective interest rate (EIR) method. Amortised cost is calculated by taking into account any discount or premium on acquisition and fees or costs that are an integral part of the EIR. The EIR amortisation is included in other income in the statement of profit and loss. The losses arising from impairment are recognised in the statement of profit and loss. This category generally applies to trade and other receivables.

Derecognition

A financial asset (or, where applicable, a part of a financial asset or part of a group of similar financial assets) is primarily derecognised (i.e. removed from the Group's balance sheet) when:

- the rights to receive Cash flows from the asset have expired, or

- The Group has transferred its rights to receive cash flows from the asset or has assumed an obligation to pay the received cash flows in full without material delay to a third party under a 'pass-through' arrangement; and either (a) the Group has transferred substantially all the risks and rewards of the asset, or (b) the Group has neither transferred nor retained substantially all the risks and rewards of the asset, but has transferred control of the asset.

When the Group has transferred its rights to receive cash flows from an asset or has entered into a pass-through arrangement, it evaluates if and to what extent it has retained the risks and rewards of ownership. When it has neither transferred nor retained substantially all of the risks and rewards of the asset, nor transferred control of the asset, the Group continues to recognise the transferred asset to the extent of the Group's continuing involvement. In that case, the Group also recognises an associated liability. The transferred asset and the associated liability are measured on a basis that reflects the rights and obligations that the Group has retained.

Continuing involvement that takes the form of a guarantee over the transferred asset is measured at the lower of the original carrying amount of the asset and the maximum amount of consideration that the Group could be required to repay.

Impairment of financial assets

In accordance with Ind AS 109, the Group applies expected credit loss (ECL) model for measurement and recognition of impairment loss on the following financial assets and credit risk exposure:

a) Financial assets that are debt instruments, and are measured at amortised cost e.g., loans, debt securities, deposits, trade receivables and bank balance

b) Financial assets that are debt instruments and are measured as at FVTOCI

In case of trade receivables, the Group follows a simplified approach wherein an amount equal to lifetime ECL is measured and recognised as loss allowance. The application of simplified approach does not require the Group to track changes in credit risk. Rather, it recognises impairment loss allowance based on lifetime ECLs at each reporting date, right from its initial recognition.

For recognition of impairment loss on other financial assets and risk exposure, the Group determines that whether there has been a significant increase in the credit risk since initial recognition. If credit risk has not increased significantly, 12-month ECL is used to provide for impairment loss. However, if credit risk has increased significantly, lifetime ECL is used. If, in a subsequent period, credit quality of the instrument improves such that there is no longer a significant increase in credit risk since initial recognition, then the entity reverts to recognising impairment loss allowance based on 12-month ECL.

Lifetime ECL are the expected credit losses resulting from all possible default events over the expected life of a financial instrument. The

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12-month ECL is a portion of the lifetime ECL which results from default events that are possible within 12 months after the reporting date. ECL is the difference between all contractual cash flows that are due to the Group in accordance with the contract and all the cash flows that the entity expects to receive (i.e., all cash shortfalls), discounted at the original EIR. When estimating the cash flows, an entity is required to consider:

- All contractual terms of the financial instrument (including prepayment, extension, call and similar options) over the expected life of the financial instrument. However, in rare cases when the expected life of the financial instrument cannot be estimated reliably, then the entity is required to use the remaining contractual term of the financial instrument

- Cash flows from the sale of collateral Held or other credit enhancements that are integral to the contractual terms.

As a practical expedient, the Group uses a provision matrix to determine impairment loss allowance on portfolio of its trade receivables. The provision matrix is based on its historically observed default rates over the expected life of the trade receivables and is adjusted for forward-looking estimates. At every reporting date, the historical observed default rates are updated and changes in the forward-looking estimates are analysed.

ECL impairment loss allowance (or reversal) recognised during the period is recognised as income/ expense in the Statement of Profit and Loss under the head 'Other expenses'. The balance sheet presentation for various financial instruments are Financial assets measured as at amortised cost, contractual revenue receivables and lease receivables: ECL is presented as an allowance, i.e., as an integral part of the measurement of those assets in the balance sheet. The allowance reduces the net carrying amount. Until the asset meets write-off criteria, the Group does not reduce impairment allowance from the gross carrying amount.

Financial liabilities

Financial liability, Equity and Compound Financial Instruments

The debt and equity instruments that are issued are classified as either financial liabilities or as equity in accordance with the substance of the contractual arrangement.

Initial recognition and measurement

Financial liabilities:

Financial liabilities are classified, at initial recognition, as financial liabilities at fair value through profit or loss, loans and borrowings, payables, as appropriate.

All financial liabilities are recognised initially at fair value and, in the case of loans and borrowings and payables, net of directly attributable transaction costs. The Group financial liabilities include trade and other payables, loans and borrowings including bank overdrafts, financial guarantee contracts.

Equity:

An equity instrument is any contract that evidences a residual interest in the assets of an entity after deducting all of its liabilities. Equity instruments issued by the Group are recognised at the proceeds received, net of direct issue costs.

A conversion option that will be settled by the exchange of a fixed amount of cash or another financial asset for a fixed number of the Group's own equity instruments is an equity instrument.

Compound instruments:

Compound financial instruments issued by the Group comprise of compulsorily convertible preference shares that can be converted into equity shares where the number of shares to be issued is fixed and does not vary with change in fair value. When establishing the accounting treatment for these non-derivative instruments, the Group first establishes whether the instrument is a compound instrument and classifies such instrument's components separately as financial liabilities or equity instruments in accordance with Ind AS 32.

The liability component of a compound financial instrument is initially recognised at the fair value of a similar liability that does not have an equity conversion option. The equity component is initially recognised at the difference between the fair value of the compound financial instrument as a whole and the fair value of the liability component. Subsequently the liability is measured as per requirement of Ind AS 109. The equity component of a compound financial instrument is not subsequently measured.

A Cumulative Compulsorily Convertible Preference Shares (CCPS), with an option to holder to convert the instrument into variable number

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of equity shares of the entity upon redemption is classified as a financial liability and dividend including dividend distribution tax is accrued on such instruments and recorded as finance cost.

Subsequent measurement

The measurement of financial liabilities depends on their classification, as described below:

Financial liabilities at fair value through profit or loss

Financial liabilities at fair value through profit or loss include financial liabilities held for trading and financial liabilities designated upon initial recognition as at fair value through profit or loss. Financial liabilities are classified as held for trading if they are incurred for the purpose of repurchasing in the near term.

Gains or losses on liabilities held for trading are recognised in the consolidated statement of profit and loss.

Financial liabilities designated upon initial recognition at fair value through profit or loss are designated as such at the initial date of recognition, and only if the criteria in Ind AS 109 are satisfied. For liabilities designated as FVTPL, fair value gains/ losses attributable to changes in own credit risk are recognised in OCI. These gains/ losses are not subsequently transferred to the statement of profit and loss. However, the Group may transfer the cumulative gain or loss within equity. All other changes in fair value of such liability are recognised in the statement of profit and loss.

Loans and borrowings

After initial recognition, interest-bearing loans and borrowings are subsequently measured at amortised cost using the EIR method. Gains and losses are recognised in the consolidated statement of profit and loss when the liabilities are derecognised as well as through the EIR amortisation process.

Amortised cost is calculated by taking into account any discount or premium on acquisition and fees or costs that are an integral part of the EIR. The EIR amortisation is included as finance costs in the consolidated statement of profit and loss.

Derecognition

A financial liability is derecognised when the obligation under the liability is discharged or cancelled or expires. When an existing financial liability is replaced by another from the same lender on substantially different terms, or the terms of an existing liability are substantially modified, such an exchange or modification is treated as the derecognition of the original liability and the recognition of a new liability. The difference in the respective carrying amounts is recognised in the consolidated statement of profit and loss.

The Group also derecognises a financial liability when its terms are modified and the cash flows under the modified terms are substantially different.

Offsetting of financial instruments

Financial assets and financial liabilities are offset and the net amount is reported in the balance sheet if there is a currently enforceable legal right to offset the recognised amounts and there is an intention to settle on a net basis, to realise the assets and settle the liabilities simultaneously.

t. Cash and cash equivalents

Cash and cash equivalent in the balance sheet comprise cash at banks and on hand and short-term deposits with an original maturity of three months or less, which are subject to an insignificant risk of changes in value.

For the purpose of the statement of cash flows, cash and cash equivalents consist of cash and short-term deposits, as defined above, net of outstanding bank overdrafts as they are considered an integral part of the Group's cash management

u. Earnings per equity share

Basic earnings per equity share is calculated by dividing the net profit or loss attributable to equity holder of Parent Company (after deducting preference dividends and attributable taxes) by the weighted average number of equity shares outstanding during the period. Partly paid equity shares are treated as a fraction of an equity share to the extent that they are entitled to participate in dividends relative to a fully paid equity share during the reporting period. Equity shares that will be issued upon the conversion of a mandatorily convertible instrument are included in the calculation of basic earnings per equity share from the date the contract is entered into. The weighted average number of equity shares outstanding during the period is adjusted for events such as bonus issue, bonus element in a

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rights issue, share split, and reverse share split (consolidation of shares) that have changed the number of equity shares outstanding, without a corresponding change in resources.

For the purpose of calculating diluted earnings per equity share, the net profit or loss for the period attributable to equity shareholders and the weighted average number of shares outstanding during the period are adjusted for the effects of all dilutive potential equity shares.

v. Government Grants

Government grants, related to assets, are recognised in the Statement of Profit and Loss on a systematic basis over the periods in which the Group recognises the related costs for which the grants are intended to compensate. Government grants are not recognised until there is reasonable assurance that the Group will comply with the conditions attached to them and that the grants will be received

w. Goodwill

Goodwill arising on the acquisition of subsidiaries is measured at cost less accumulated impairment losses. Cash generating units to which goodwill is allocated are tested for impairment annually at each balance sheet date, or more frequently when there is an indication that the unit may be impaired. If the recoverable amount of the cash generating unit is less than the carrying amount of the unit, the impairment loss is allocated first to reduce the carrying amount of any goodwill allocated to that unit and then to the other assets of the unit pro rata on the basis of carrying amount of each asset in the unit. Goodwill impairment loss recognised is not reversed in subsequent period.

x. Interest income

Interest income from financial instruments measured either at amortised cost or at fair value through other comprehensive income is recorded using the effective interest rate (EIR). EIR is the rate that exactly discounts the estimated future cash payments or receipts over the expected life of the financial instrument or a shorter period, where appropriate, to the gross carrying amount of the financial asset or to the amortised cost of a financial liability. When calculating the effective interest rate, the Group estimates the expected cash flows by considering all the contractual terms of the financial instrument (for example, prepayment, extension, call and similar options) but does not consider the expected credit losses. Interest income is included in other income in the consolidated statement of profit and loss.

Y. Cash flow statement

Cash flow statement is prepared in accordance with the indirect method prescribed in Ind AS 7 'Statement of Cash Flows'

z. Share issue expenses

The share issue expenses incurred by the Group on account of new shares issued are netted off from securities premium account. The share issue expenses incurred by the Company on behalf of selling shareholders are considered to be recoverable from selling shareholders and are classified as share issue expenses recoverable under other current financials assets.

3. Events after Reporting date

Where events occurring after the Balance Sheet date provide evidence of conditions that existed at the end of the reporting period, the impact of such events is adjusted within the consolidated financial statements. Otherwise, events after the Balance Sheet date of material size or nature are only disclosed.

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4. PROPERTY, PLANT AND EQUIPMENT

Particulars	Land	Buildings	Plant and equipment	Data processing equipment	Furniture and fixtures	Vehicles	Lease hold improvements	Total
Gross carrying amount								
As at April 01, 2021	79.50	1.64	512.19	303.55	366.24	41.67	511.48	1,816.27
Additions	63.80	-	308.88	119.56	281.47	16.50	234.05	1,024.26
Disposals	-	-	(48.18)	(14.73)	(0.59)	(2.48)	(11.18)	(77.16)
As at March 31, 2022	**143.30**	**1.64**	**772.89**	**408.38**	**647.12**	**55.69**	**734.35**	**2,763.37**
Additions	7.77	-	705.77	194.94	365.94	14.44	431.55	1,720.41
Disposals	-	-	(16.33)	(16.25)	(0.98)	(3.24)	(8.56)	(45.36)
As at March 31, 2023	**151.07**	**1.64**	**1,462.33**	**587.07**	**1,012.08**	**66.89**	**1,157.34**	**4,438.42**
Accumulated Depreciation								
Up to April 01, 2021	-	**0.39**	**245.02**	**229.88**	**88.60**	**19.37**	**361.34**	**944.71**
Charge for the year	-	0.03	69.50	51.58	49.86	4.72	64.41	240.10
Disposals	-	-	(13.52)	(14.67)	(0.40)	(2.18)	(9.35)	(40.12)
Up to March 31, 2022	**-**	**0.42**	**301.00**	**266.79**	**138.06**	**21.91**	**416.40**	**1,144.69**
Charge for the year	-	0.03	137.51	93.34	88.67	6.26	124.79	450.60
Disposals	-	-	(14.53)	(16.25)	(0.78)	(2.67)	(5.99)	(40.22)
Up to March 31, 2023	**-**	**0.45**	**423.98**	**343.88**	**225.95**	**25.50**	**535.20**	**1,555.07**
Net carrying amount								
As at March 31, 2022	**143.30**	**1.22**	**471.90**	**141.59**	**509.06**	**33.78**	**317.95**	**1,618.69**
As at March 31, 2023	**151.07**	**1.19**	**1,038.36**	**243.19**	**786.13**	**41.39**	**622.15**	**2,883.35**

Note 1) For details of contractual commitment with respect to property, plant and equipment refer note no. 41(A)).

Title deeds of Immovable Properties not held in name of the Company:

Particulars	Description of item of property	Gross carrying value	Title deeds held in the name of	Whether title deed holder is a promoter, director or relative of promoter/ director or employee of promoter/ director	Property held since	Reason for not held in the name of company
Property, plant and equipment	Land	5.51	Natco Pharma Limited	No	December 20, 2020	refer note 1 below

Note 1: Propety has been transferred vide agreement of sale deed dated December 20, 2020. However, the Group is in the process of registration.

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5. Capital work-in-progress (CWIP)

Particulars	As at March 31, 2023	As at March 31, 2022
Gross carrying amount		
Opening Balances	204.47	55.35
Additions during the year	1,281.65	665.50
Capitalised during the year*	(1,247.03)	(516.38)
Closing Balance	**239.09**	**204.47**

CWIP Aging Schedule

As at March 31, 2023

CWIP	Amount in capital-work-in-progress for a period of				Total
	Less than 1 year	1-2 years	2-3 years	More than 3 years	
Projects in progress**	227.74	3.17	8.18	-	239.09
Projects temporarily suspended	-	-	-	-	-

As at March 31, 2022

CWIP	Amount in capital-work-in-progress for a period of				Total
	Less than 1 year	1-2 years	2-3 years	More than 3 years	
Projects in progress**	178.78	13.67	10.73	1.29	204.47
Projects temporarily suspended	-	-	-	-	-

*Includes ₹18.62 of employee cost and ₹10.25 of Depreciation and amortisation expense (refer note 32)

** As at March 31, 2023 ₹Nil (March 31, 2022: ₹18.26) is related to development of automation machinery for warehouse activities and the machinery is in the final stage of testing.

Note: The Group does not have any capital work-in-progress which is overdue or has exceeded its cost compared to its original plan and hence capital work-in-progress completion schedule is not applicable.

6. Goodwill & Other Intangible Assets

Particulars	Software	Goodwill on consolidation	Goodwill
Gross carrying amount			
As at April 1, 2021	78.37	414.51	17.78
Additions	35.56	-	-
Disposals	-	-	-
As at March 31, 2022	113.93	414.51	17.78
Additions	22.17	-	-
Disposals	(11.19)	-	-
As at March 31, 2023	**124.91**	**414.51**	**17.78**
Accumulated Depreciation			
Up to April 1, 2021	40.16	-	17.78
Charge for the year	11.24	-	-
Disposals	-	-	-
Up to March 31, 2022	51.40	-	17.78
Charge for the year	17.11	-	-
Disposals	(3.36)	-	-
Up to March 31, 2023	**65.15**	**-**	**17.78**
Net carrying amount			
As at March 31, 2022	62.53	414.51	-
As at March 31, 2023	**59.76**	**414.51**	**-**

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Impairment testing for cash generating unit (CGU) containing goodwill -

The Group has identified each entity as a separate CGU, breakup of entity wise goodwill is mentioned below -

Company's Name	As at March 31, 2023	As at March 31, 2022
Optival Health Solutions Private Limited	387.69	387.69
MHS Pharmaceuticals Private Limited	0.16	0.16
Venkata Krishna Enterprises Private Limited	0.71	0.71
Deccan Medisales Private Limited	3.07	3.07
Shri Banashankari Pharma Private Limited	1.26	1.26
Sidson Pharma Distributors Private Limited	20.55	20.55
Kalyani Meditimes Private Limited	1.07	1.07
Total	**414.51**	**414.51**

The Group has determined that goodwill on account of acquisition of subsidiaries has indefinite useful life. The recoverable amount has been determined based on a value in use model. Value-in-use is generally calculated as the net present value of the projected post-tax cash flows plus a terminal value. Key assumptions upon which the Group has based its determinations of value-in-use include:

a. Estimated cash flows for five years, based on management's projections

b. A terminal value arrived at by extrapolating the last forecasted year cash flows to perpetuity, using a constant long-term growth rate of 5% (previous years: 5%). This long-term growth rate takes into consideration external macroeconomic sources of data. Such long-term growth rate considered does not exceed that of the relevant business and industry sector.

c. The after tax discount rates used are based on the Company's weighted average cost of capital.

d. The discount rates used for discounting free cash flows and terminal value is 14.00% (previous years: 12.00%) (post-tax discount rate).

e. Annual growth rate considered for 5 years (average) is 25.00% (previous years: 30,40%)

   Weighted Average Cost of Capital % (WACC) = Risk free return + (Market premium x Beta for the company). The Group believes that any reasonably possible change in the key assumptions on which a recoverable amount is based would not cause the aggregate carrying amount to exceed the aggregate recoverable amounts. Accordingly, no impairment charges were recognised during the year ended March 31, 2023 and March 31, 2022.

6.a Intangible assets under development

Particulars	As at March 31, 2023	As at March 31, 2022
Gross Carrying amount		
As at April 1, 2022	-	-
Additions during the year	20.55	-
Capitalised during the year*	(4.93)	-
As as March 31, 2023	**15.62**	**-**

*Includes ₹64.08 of employee cost

Note: The Group does not have any Intangible assets under development which is overdue or has exceeded its cost compared to its original plan and hence Intangible assets under development completion schedule is not applicable.

Intangible assets under development ageing schedule

As at March 31, 2023

Intangible assets under development	Amount in intangible assets under development for a period of				Total
	Less than 1 year	1-2 years	2-3 years	More than 3 years	
Projects in progress	15.62	-	-	-	15.62
Projects temporarily suspended	-	-	-	-	-

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7. Right-of-use assets

Particulars	As at March 31, 2023	As at March 31, 2022
Right-of-use assets (Refer note:40B)	8,021.99	5,891.57
	8,021.99	**5,891.57**

8. Loans

Particulars	As at March 31, 2023	As at March 31, 2022
Non-current		
Loans receivables considered good- secured	-	-
Loans receivables considered good- unsecured	-	-
Loans receivables which have significant increase in credit risk	-	-
Loans receivables- credit impaired		
Loans to others (refer note below)	26.00	26.00
Less: Loss allowance	(26.00)	(26.00)
	-	**-**

Note: The loan is due for repayment from the party but not yet repaid. The Group has filed legal proceedings against the party and hence provision has been made by the Group.

There are no loans given to directors or other officers of the Group either severally or jointly with any other person or loans given to firms or private companies respectively in which any director is a partner, a director or a member.

9. Other financial assets

Particulars		As at March 31, 2023	As at March 31, 2022
a. Non-current			
Unsecured, considered good			
Security deposits		698.15	691.39
Bank Deposits with remaining maturity for more than 12 months (refer note 1 below)		0.03	0.21
Trade deposits		1.49	-
	(A)	**699.67**	**691.60**
Unsecured, considered doubtful			
Security deposits		10.95	14.47
Advance to employees		0.80	0.80
		11.75	**15.27**
Less: Provision for doubtful advances and deposits		(11.75)	(15.27)
	(B)	**-**	**-**
Total non-current	(A+B)	**699.67**	**691.60**
b. Current			
Unsecured, considered good			
Discount receivable from vendors		31.12	65.81
Bank deposits with remaining maturity of less than 12 months		36.49	6,231.34
Advance to employees		4.13	4.67
Interest accrued on bank deposits		11.59	47.04
Deposit with others (refer note 2 below)		30.00	30.00
Other receivables		0.22	-
Interest accrued on others		0.17	-
Share issue expenses receivable (refer note 3 below)		8.94	172.28
Total current		**122.66**	**6,551.14**

Notes to Consolidated **Financial Statements** for the year ended March 31, 2023

(All amounts in Indian Rupees in millions except for share data or otherwise stated)

Notes:

1) Deposits are pledged with Tax authorities.
2) Deposits made with Bombay Stock Exchange Limited ('BSE') for the purpose of IPO.
3) The Group has spent/ accrued ₹536.83 towards IPO related expenses which includes legal expenses, certification fees, listing fees, audit expenses and others. These expenses are shared between the selling shareholders and Group in proportion of their shares. The share issue expenses incurred by the Group on behalf of selling shareholders are considered to be recoverable from selling shareholders/ IPO public issue account and are classified as share issue expenses receivable under other current financial assets.

10. Tax assets

Particulars	As at March 31, 2023	As at March 31, 2022
a. Non-current		
Advance Tax (Net of provision ₹335.83 (March 31, 2022: ₹745.57))	113.78	146.70
	113.78	**146.70**
b. Current		
Advance tax	1.50	0.62
	1.50	**0.62**

11. Other assets

Particulars		As at March 31, 2023	As at March 31, 2022
a. Non-current			
Unsecured, considered good			
Capital advances		35.18	119.16
Balances with government authorities		13.76	18.86
Other advances		5.14	5.85
	(A)	**54.08**	**143.87**
Unsecured, considered doubtful			
Other advances		3.51	-
Balances with government authorities		1.22	1.22
		4.73	1.22
Less: Provision for doubtful receivables		**(4.73)**	**(1.22)**
	(B)	**-**	**-**
Total non-current	(A+B)	**54.08**	**143.87**
b. Current			
Unsecured, considered good			
Advance to vendors		214.34	102.31
Balances with government authorities		42.89	76.21
Grant receivable		7.60	11.60
Prepaid expenses		52.16	20.63
		316.99	**210.75**
Doubtful			
Unsecured, considered Doubtful			
Balances with government authorities		1.01	1.11
		1.01	**1.11**
Provision for doubtful receivables		(1.01)	(1.11)
		-	-
Total current		**316.99**	**210.75**

Notes to Consolidated **Financial Statements** for the year ended March 31, 2023

(All amounts in Indian Rupees in millions except for share data or otherwise stated)

12. Inventories

Particulars	As at March 31, 2023	As at March 31, 2022
(Valued at lower of cost or net realisable value)		
Raw materials	57.04	27.11
Packing material	0.05	6.07
Work-in-progress	7.44	2.61
Finished goods	22.60	20.26
Stock-in-trade including goods in transit of ₹288.66 (March 31, 2022 ₹183.77)	11,175.14	8,971.07
Stores and spares	178.60	122.72
	11,440.87	**9,149.84**

During the year ended March 31, 2023, the Group recorded inventory write-down to net realisable value of ₹202.09 (March 31, 2022: ₹165.05) in the consolidated statement of profit and loss.

As on March 31, 2023 the Inventories includes contract asset of ₹22.26 (March 31, 2022: ₹20.95) representing the right to the returned goods.

The inventories of stock-in-trade are subject to a pari passu charge to banks to obtain the cash credit facility (refer Note: 19(b))

13. Current investments

Particulars	As at March 31, 2023	As at March 31, 2022
Investment in gold and silver	0.33	0.33
	0.33	**0.33**

14. Trade receivables

Particulars	As at March 31, 2023	As at March 31, 2022
a. Non-Current		
Trade receivables - credit impaired	0.82	0.81
	0.82	**0.81**
Less: Impairment Allowance	(0.82)	(0.81)
Total	-	-
b. Current		
Receivable from other than related parties		
Trade receivables considered good - unsecured	86.51	60.36
Trade receivables which have significant increase in credit risk	-	-
Trade receivables - credit impaired	5.63	6.88
	92.14	**67.24**
Less: Impairment Allowance	(5.63)	(6.88)
Total	**86.51**	**60.36**

There are no trade or other receivables due from directors or other officers of the group either severally or jointly with any other person or dues from firms or private companies respectively in which any director is a partner, a director or a member.

Trade receivables are non-interest bearing and are generally on terms of 30 to 60 days.

Notes to Consolidated **Financial Statements** for the year ended March 31, 2023

(All amounts in Indian Rupees in millions except for share data or otherwise stated)

Ageing for trade receivables as at March 31, 2023 is as follows:

Particulars	Not Due	Outstanding for following periods from due date of payment					Total
		Less than 6 months	6 months - 1 year	1-2 years	2-3 years	More than 3 years	
Trade receivables - Billed							
(i) Undisputed Trade receivables – considered good	46.15	19.43	1.26	-	-	-	66.84
(ii) Undisputed Trade Receivables – which have significant increase in credit risk	-	-	-	-	-	-	-
(iii) Undisputed Trade Receivables – credit impaired	-	2.22	3.07	0.28	0.04	0.84	6.45
(iv) Disputed Trade Receivables– considered good	-	-	-	-	-	-	-
(v) Disputed Trade Receivables – which have significant increase in credit risk	-	-	-	-	-	-	-
(vi) Disputed Trade Receivables – credit Impaired	-	-	-	-	-	-	-
Total	**46.15**	**21.65**	**4.33**	**0.28**	**0.04**	**0.84**	**73.29**
Less: Allowance for doubtful trade receivables - Billed							(6.45)
							66.84
Trade receivables - Unbilled							19.67
							86.51

Ageing for trade receivables as at March 31, 2022 is as follows:

Particulars	Not due	Outstanding for following periods from due date of payment					Total
		Less than 6 months	6 months - 1 year	1-2 years	2-3 years	More than 3 years	
Trade receivables - Billed							
(i) Undisputed Trade receivables – considered good	43.34	10.91	5.22	0.69	0.10	0.10	60.36
(ii) Undisputed Trade Receivables – which have significant increase in credit risk	-	-	-	-	-	-	-
(iii) Undisputed Trade Receivables – credit impaired	-	0.36	1.14	1.17	1.08	3.94	7.69
(iv) Disputed Trade Receivables– considered good	-	-	-	-	-	-	-
(v) Disputed Trade Receivables – which have significant increase in credit risk	-	-	-	-	-	-	-
(vi) Disputed Trade Receivables – credit Impaired	-	-	-	-	-	-	-
Total	**43.34**	**11.27**	**6.36**	**1.86**	**1.18**	**4.04**	**68.05**
Less: Allowance for doubtful trade receivables - Billed							**(7.69)**
							60.36

Notes to Consolidated Financial Statements for the year ended March 31, 2023

(All amounts in Indian Rupees in millions except for share data or otherwise stated)

15 Cash and cash equivalents

Particulars	As at March 31, 2023	As at March 31, 2022
Balances with banks		
- On current accounts	337.32	132.66
- Bank deposits with original maturity of less than three months	1,856.36	9.10
Cash on hand	90.07	72.79
	2,283.75	**214.55**

16 Bank balances other than above

Particulars	As at March 31, 2023	As at March 31, 2022
Bank deposits with original maturity more than 3 months and less than 12 months *	554.60	129.50
	554.60	**129.50**

*Deposits are charged to Banks for obtaining cash credit facility till may 2022 (Refer Note: 19(b))
Note: Interest accrued on fixed deposits is disclosed in note no 9b

17. Share capital

Particulars	As at March 31, 2023	As at March 31, 2022
Equity shares		
Authorised share capital		
(i) Equity shares of ₹2/- each (March 31, 2022: ₹ 2/- each)		
As at beginning of the year (270,883,000 (March 31, 2022: 4,650,000) equity shares)	541.77	4.65
Cancellation of Nil (March 31, 2022: 21,950,000 unissued preference shares having face value of ₹ 20 each and increase of 219,500,000 equity shares having face value of ₹2 each)	-	439.00
Increase during the year (Nil (March 31, 2022: 49,058,000) equity shares)	-	98.12
As at end of the year (270,883,000 (March 31, 2022: 270,883,000 equity shares of ₹ 2/- each) equity shares of ₹2 /- each)	**541.77**	**541.77**
*On July 23, 2021 the equity shares of the Company having the face value of ₹10 each were subdivided into 5 equity shares having face value of ₹2 each. Accordingly 465,000 equity shares of face value of ₹10 each were subdivided into 2,325,000 equity shares of face value of ₹ 2 each.		
(ii) Preference shares of ₹20/- each		
As at beginning of the year Nil Preference shares (March 31, 2022: 21,950,000) of ₹10/- each preference shares	-	439.00
Cancellation of 21,950,000 unissued preference shares having face value of ₹ 20 each and increase of 219,500,000 equity shares having face value of ₹2 each	-	(439.00)
As at end of the year (Nil (March 31, 2022: Nil) preference shares)	**-**	**-**
Total Authorised share capital	**541.77**	**541.77**
Equity shares		
Issued, subscribed and fully paid up shares (No's)		
(i) Equity shares		
119,305,676 equity shares of ₹2/- each	238.61	238.61
Less: Amount recoverable from Medplus Employees Benefit Trust (ESOP Trust) 10,420 (March 31, 2022: 21,764 equity shares of ₹10/- each) equity shares of ₹ 2/- each alloted to MedPlus Employees Benefit Trust (refer note 39)	-	(0.01)
Total Issued, subscribed and fully paid up equity share capital	**238.61**	**238.60**

Notes to Consolidated **Financial Statements** for the year ended March 31, 2023

(All amounts in Indian Rupees in millions except for share data or otherwise stated)

Particulars	As at March 31, 2023	As at March 31, 2022
(ii) Compulsorily Convertible Preference Shares ('CCPS')		
Series A		
0.001% Series A CCPS of ₹20/- each March 31, 2023: Nil (March 31, 2022: 2,836,421)	-	56.72
Less: CCPS included under equity component of compound financial instrument	-	(56.72)
	-	-
Series B		
0.001% Series B CCPS of ₹20/- each March 31, 2023: Nil (March 31, 2022: 11,951,680)	-	239.03
Less: CCPS included under equity component of compound financial instrument	-	(239.03)
	-	-
Series B1		
0.001% Series B1 CCPS of ₹20/- each March 31, 2023: Nil (March 31, 2022: 3,053,560)	-	61.07
Less: CCPS included under equity component of compound financial instrument	-	(61.07)
	-	-
Series B2		
0.001% Series B2 CCPS of ₹20/- each March 31, 2023: Nil (March 31, 2022: 3,331,120)	-	66.62
Less: CCPS included under equity component of compound financial instrument	-	(66.62)
	-	-
Series C1		
0.001% Series C1 CCPS of ₹20/- each March 31, 2023: Nil (March 31, 2022: 560,896)	-	11.22
Less: CCPS included under equity component of compound financial instrument	-	(11.22)
	-	-
Series C2		
0.001% Series C2 CCPS of ₹20/- each March 31, 2023: Nil (March 31, 2022: 160,147)	-	3.20
Less: CCPS included under equity component of compound financial instrument	-	(3.20)
	-	-
Total issued, subscribed and fully paid up share capital	**238.61**	**238.60**

Notes to Consolidated **Financial Statements** for the year ended March 31, 2023

(All amounts in Indian Rupees in millions except for share data or otherwise stated)

(a) Reconciliation of the equity shares outstanding at the beginning and at the end of the reporting year

i) Equity shares	As at March 31, 2023		As at March 31, 2022	
	No. of shares	₹	No. of shares	₹
At the beginning of the year	11,93,05,676	238.60	4,58,409	4.58
Increase in shares on account of subdivision *	-	-	18,33,636	-
Conversion of Series A CCPS in to equity shares	-	-	1,41,82,105	28.36
Conversion of Series B CCPS in to equity shares	-	-	5,97,58,400	119.52
Conversion of Series B1 CCPS in to equity shares	-	-	1,52,67,800	30.54
Conversion of Series B2 CCPS in to equity shares	-	-	1,68,16,850	33.63
Conversion of Series C1 CCPS in to equity shares	-	-	28,04,480	5.61
Conversion of Series C2 CCPS in to equity shares	-	-	6,39,485	1.28
Increase in shares on account of Fresh Issue of shares in IPO**	-	-	75,44,511	15.09
Outstanding at the end of the year	11,93,05,676	238.60	11,93,05,676	238.61
Less : Recoverable from ESOP trust (Refer Note. 39)	-	-	(4,19,841)	(0.01)
Net outstanding at the end of the year	**11,93,05,676**	**238.60**	**11,88,85,835**	**238.60**

* On July 23, 2021 the equity shares of the Parent Company having the face value of ₹10 each were subdivided into 5 equity shares having face value of ₹2 each. Accordingly 458,409 equity shares of face value of ₹10 each were subdivided into 2,292,045 equity shares of face value of ₹2 each.

** The Parent Company has completed its Initial Public Offer ('IPO') and listed its equity shares on BSE Limited ('BSE') and National Stock Exchange of India Limited ('NSE') on December 23, 2021.The Parent Company has made fresh Issue of 7,544,511 equity shares.(refer note 54).

ii) 0.001% Series A CCPS

Particulars	As at March 31, 2023		As at March 31, 2022	
	No. of shares	₹	No. of shares	₹
At the beginning of the year	-	-	28,36,421	56.72
Conversion of Nil (March 31, 2022: 2,836,421), 0.001% Series A CCPS into Nil (March 31, 2022: 14,182,105) equity shares of ₹2 each	-	-	(28,36,421)	56.72
Outstanding at the end of the year	-	-	-	-

iii) 0.001% Series B CCPS

Particulars	As at March 31, 2023		As at March 31, 2022	
	No. of shares	₹	No. of shares	₹
At the beginning of the year	-	-	1,19,51,680	239.03
Conversion of Nil (March 31, 2022: 11,951,680), 0.001% Series B CCPS into Nil (March 31, 2022: 59,758,400) equity shares of ₹2 each	-	-	(1,19,51,680)	(239.03)
Outstanding at the end of the year	-	-	-	-

iv) 0.001% Series B1 CCPS

Particulars	As at March 31, 2023		As at March 31, 2022	
	No. of shares	₹	No. of shares	₹
At the beginning of the year	-	-	30,53,560	61.07
Conversion of Nil (March 31, 2022: 3,053,560), 0.001% Series B1 CCPS into Nil (March 31, 2022: 15,267,800) equity shares of ₹2 each	-	-	(30,53,560)	(61.07)
Outstanding at the end of the year	-	-	-	-

Notes to Consolidated Financial Statements for the year ended March 31, 2023

(All amounts in Indian Rupees in millions except for share data or otherwise stated)

Share capital (continued)

v) 0.001% Series B2 CCPS

Particulars	As at March 31, 2023		As at March 31, 2022	
	No. of shares	₹	No. of shares	₹
At the beginning of the year	-	-	33,31,120	66.62
Conversion of Nil (March 31, 2022: 1,654,702), 0.001% Series B2 CCPS into Nil (March 31, 2022: 8,273,510) equity shares of ₹2 each	-	-	(16,54,702)	(33.09)
Conversion of Nil (March 31, 2022: 1,676,418), 0.001% Series B2 CCPS into Nil (March 31, 2022: 8,543,340) equity shares of ₹2 each	-	-	(16,76,418)	(33.53)
Outstanding at the end of the year	**-**	**-**	**-**	**-**

vi) 0.001% Series C1 CCPS

Particulars	As at March 31, 2023		As at March 31, 2022	
	No. of shares	₹	No. of shares	₹
At the beginning of the year	-	-	5,60,896	11.22
Conversion of Nil (March 31, 2022: 560,896), 0.001% Series C1 CCPS into Nil (March 31, 2022: 2,804,480) equity shares of ₹2 each	-	-	(5,60,896)	(11.22)
Outstanding at the end of the year	**-**	**-**	**-**	**-**

vii) 0.001% Series C2 CCPS

Particulars	As at March 31, 2023		As at March 31, 2022	
	No. of shares	₹	No. of shares	₹
At the beginning of the year	-	-	1,60,147	3.20
Conversion of Nil (March 31, 2022: 160,147), 0.001% Series C2 CCPS into Nil (March 31, 2022: 639,485) equity shares of ₹2 each	-	-	(1,60,147)	(3.20)
Outstanding at the end of the year	**-**	**-**	**-**	**-**

(b)Terms and rights attached to equity shares

(i) Equity shares

The Group has only one class of equity shares having par value of ₹2 per share (March 31, 2022- ₹2 per share). Each holder of equity shares is entitled to one vote per share. The Group declares and pays dividends in Indian rupees.

In the event of liquidation of the Group, the holders of equity shares will be entitled to receive remaining assets of the Group, after distribution of all preferential amounts. The distribution will be in proportion to the number of equity shares held by the shareholders.

ii) 0.001% Series A compulsorily convertible preference shares

The Group has issued 0.001% Series A compulsorily convertible preference shares ('CCPS') having face value of ₹20 per share. The CCPS carries preference as to dividend over equity share holders. If dividend on cumulative preference shares is not declared for a financial year, the entitlement thereto is carried forward to the next year. The preference share holders are entitled to one vote per share at meetings of the Group on any resolutions of the Group directly affecting their rights on fully convertible basis. In the event of liquidation, preference shareholders have a preferential right over equity shareholders to be repaid to the extent of capital paid-up and dividend in arrears on such shares.

iii) 0.001% Series B compulsorily convertible preference shares

The Group has issued 0.001% Series B compulsorily convertible preference shares ('CCPS') having face value of ₹20 per share. The CCPS carries preference as to dividend over equity share holders. If dividend on cumulative preference shares is not declared for a financial year, the entitlement thereto is carried forward to the next year. The preference share holders are entitled to one vote per share at meetings of the Group on any resolutions of the Group directly affecting their rights on fully convertible basis.

iv) 0.001% Series B1 compulsorily convertible preference shares

The Group has issued 0.001% Series B1 compulsorily convertible preference shares ('CCPS') having face value of ₹20 per share. The CCPS carries preference as to dividend over equity share holders. If dividend on cumulative preference shares is not declared for a financial year, the entitlement thereto is carried forward to the next year. The preference share holders are entitled to one vote per share at meetings of the Group on any resolutions of the Group directly affecting their rights on fully convertible basis.

v) 0.001% Series B2 compulsorily convertible preference shares

The Group has issued 0.001% Series B2 compulsorily convertible preference shares ('CCPS') having face value of ₹20 per share. The CCPS carries preference as to dividend over equity share holders. If dividend on cumulative preference shares is not declared for a financial year, the entitlement thereto is carried forward to the next year. The preference share holders are entitled to one vote per share at meetings of the Group on any resolutions of the Group directly affecting their rights on fully convertible basis.

vi) 0.001% Series C1 compulsorily convertible preference shares

The Group has issued 0.001% Series C1 compulsorily convertible preference shares ('CCPS') having face value of ₹20 per share. The CCPS carries preference as to dividend over equity share holders. If dividend on cumulative preference shares is not declared for a financial year, the entitlement thereto is carried forward to the next year. The preference share holders are entitled to one vote per share at meetings of the Group on any resolutions of the Group directly affecting their rights on fully convertible basis. In the event of liquidation, preference shareholders have a preferential right in accordance with the terms of the agreement.

vii) 0.001% Series C2 compulsorily convertible preference shares

The Group has issued 0.001% Series C2 compulsorily convertible preference shares ('CCPS') having face value of ₹20 per share. The CCPS carries preference as to dividend over equity share holders. If dividend on cumulative preference shares is not declared for a financial year, the entitlement thereto is carried forward to the next year. The preference share holders are entitled to one vote per share at meetings of the Group on any resolutions of the Group directly affecting their rights on fully convertible basis. In the event of liquidation, preference shareholders have a preferential right in accordance with the terms of the agreement.

(c) Terms of conversion of preference shares

i) 0.001% Series A compulsorily convertible preference shares

0.001% Series A Compulsorily convertible preference shares ('CCPS') having face value of ₹20 per share shall be entitled to be converted into equity shares at the earliest of the following events in the manner stipulated under Articles of association ('AOA'):

a. upon filing of the Draft Red Herring Prospectus with SEBI in connection with the Initial Public Offer ('IPO') and

b. exercise of option by the CCPS shareholder in respect of either the full or part of the CCPS, not later than maturity date i.e., 19 years from the issue date.

ii) 0.001% Series B compulsorily convertible preference shares

0.001% Series B Compulsorily convertible preference shares ('CCPS') having face value of ₹20 per share shall be entitled to be converted into equity shares at the earliest of the following events in the manner stipulated under Articles of association ('AOA'):

a. upon filing of the Red Herring Prospectus with SEBI in connection with the IPO and

b. exercise of option by the CCPS shareholder in respect of either the full or part of the CCPS, not later than maturity date i.e., 19 years from the issue and allotment date.

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(All amounts in Indian Rupees in millions except for share data or otherwise stated)

iii) 0.001% Series B1 compulsorily convertible preference shares

0.001% Series B1 Compulsorily convertible preference shares ('CCPS') having face value of ₹20 per share shall be entitled to be converted into equity shares at the earliest of the following events in the manner stipulated under Articles of association ('AOA'):

a. upon occurrence of the B1 Measurement Event i.e., (i) one day prior to filing of the Red Herring Prospectus ('RHP') for an IPO or Qualified IPO as defined in the agreement or (ii) Transfer of all New Investor 3 Specific Shares pursuant to (a) a Third Party Sale, (b) a Strategic Sale or (c) any other sale of all the New Investor 3 Specific Shares, which, in case of (ii) above, would be deemed to be Transferred last, i.e., after Transfer of all other Shares in the Company held by the New Investor 3; and

b. B1 CCPS that have not been converted into Equity Shares as per option above, shall compulsorily convert into Equity Shares on the Maturity Date i.e.,19 years from the issue and allotment date.

iv) 0.001% Series B2 compulsorily convertible preference shares

0.001% Series B2 Compulsorily convertible preference shares ('CCPS') having face value of ₹20 per share shall be entitled to be converted into equity shares at the earliest of the following events in the manner stipulated under Articles of association ('AOA'):

a. upon occurrence of the B2 Measurement Event i.e., (i) one day prior to filing of the Red Herring Prospectus ('RHP') for an IPO or Qualified IPO as defined in the agreement or (ii) Transfer of all the Subscription Shares 2 pursuant to (a) a Third Party Sale, (b) a Strategic Sale or (c) any other sale of all the Subscription Shares 2 Shares, which, in case of (ii) above, would be deemed to be Transferred last, i.e., after Transfer of all other Shares in the Company held by the Investor; and

b. B2 CCPS that have not been converted into Equity Shares as per option above, shall compulsorily convert into Equity Shares on the Maturity Date i.e.,19 years from the issue and allotment date.

v) 0.001% Series C1 compulsorily convertible preference shares

0.001% Series C1 Compulsorily convertible preference shares ('CCPS') having face value of ₹20 per share shall be entitled to be converted into equity shares at the earliest of the following events in the manner stipulated under Articles of association ('AOA'):

a. upon occurrence of the New Investor 3 Measurement Event i.e.,(i) one day prior to filing of the Red Herring Prospectus ('RHP') for an IPO or Qualified IPO as defined in the agreement or (ii) Transfer of all New Investor 3 Specific Shares pursuant to (a) a Third Party Sale, (b) a Strategic Sale or (c) any other sale of all the New Investor 3 Specific Shares, which, in case of (ii) above, would be deemed to be Transferred last, i.e., after Transfer of all other Shares in the Company held by the New Investor 3; and

b. exercise of option by the CCPS shareholder in respect of either the full or part of the CCPS, not later than maturity date i.e., 19 years from the issue and allotment date.

vi) 0.001% Series C2 compulsorily convertible preference shares

0.001% Series C2 Compulsorily convertible preference shares ('CCPS') having face value of ₹20 per share shall be entitled to be converted into equity shares at the earliest of the following events in the manner stipulated under Articles of association ('AOA'):

a. upon occurrence of the Investor Measurement Event i.e., (i) one day prior to filing of the Red Herring Prospectus ('RHP') for an IPO or Qualified IPO as defined in the agreement or (ii) Transfer of all the Subscription Shares 2 pursuant to (a) a Third Party Sale, (b) a Strategic Sale or (c) any other sale of all the Subscription Shares 2 Shares, which, in case of (ii) above, would be deemed to be Transferred last, i.e., after Transfer of all other Shares in the Company held by the Investor; and

b. exercise of option by the CCPS shareholder in respect of either the full or part of the CCPS, not later than maturity date i.e., 19 years from the issue and allotment date.

Notes to Consolidated **Financial Statements** for the year ended March 31, 2023

(All amounts in Indian Rupees in millions except for share data or otherwise stated)

(d) Details of shareholders holding more than 5% shares in the Group

Particulars	As at March 31, 2023		As at March 31, 2022	
	No. of shares	% of holding	No. of shares	% of holding
Equity shares of ₹2 each fully paid up				
G.Madhukar Reddy	1,53,50,400	12.87%	1,53,50,400	12.87%
PI Opportunities Fund I	1,68,34,759	14.11%	1,68,34,759	14.11%
Lavender Rose Investment Ltd	1,77,59,127	14.89%	2,05,63,607	17.24%
Lone furrow investment private limited	1,72,33,240	14.44%	1,72,33,240	14.44%
Agilemed Investments Private Limited	1,56,49,495	13.12%	1,56,49,495	13.12%
SBI Mutual Fund	79,00,000	6.62%	1,06,23,576	8.90%

(e) During the five years immediately preceding the year, ended March 31, 2023, no shares have been bought back or issued for consideration other than cash except for bonus shares issued which have been disclosed in point (f) below.

(g)	Details of Bonus issue	Number of shares
	During the year ended March 31, 2021 the following bonus shares were issued by way of capitalisation of securities premium balance:	
(i)	1.25 equity shares issued as bonus for every 1 equity share held by the equity share holders, rounded off to nearest number	2,54,674
(ii)	1.25 Series A CCPS shares issued as bonus for every 1 Series A CCPS held by the Series A CCPS holders, rounded off to nearest number	38,434
(iii)	40 Series A CCPS shares issued as bonus for every 1 Series A CCPS held by the Series A CCPS holders after considering the impact of bonus issue as per (ii) above, rounded off to nearest number	27,67,240
(iv)	40 Series B CCPS shares issued as bonus for every 1 equity shares held by the equity share holders after considering the impact of bonus issue as per (i) above and except to Lone furrow investment private limited and Agilemed Investments Private Limited, rounded off to nearest number	1,19,51,680
(v)	40 Series B1 CCPS shares issued as bonus for every 1 equity shares held by Agilemed Investments Private Limited after considering the impact of bonus issue as per (i) above, rounded off to nearest number	30,53,560
(vi)	40 Series B2 CCPS shares issued as bonus for every 1 equity shares held by Lone furrow investment private limited after considering the impact of bonus issue as per (i) above, rounded off to nearest number	33,31,120
		2,13,96,708

(g) Shares reserved for issue under options

For details of shares reserved for issue under the Employee Stock Options and Shares Plan, 2009 (ESOP 2009) of the Company. (refer note 39)

(h) Details of Promoter shareholding

Promoter Name	As at March 31, 2023			As at March 31, 2022	
	No. of Shares	%of total shares	% Change during the year	No. of Shares	%of total shares
Equity shares					
Madhukar Reddy Gangadi	1,53,50,400	12.87%	0.00%	1,53,50,400	12.87%
Agilemed Investments Private Limited	1,56,49,495	13.12%	0.00%	1,56,49,495	13.12%
Lone Furrow Investment Limited	1,72,33,240	14.44%	0.00%	1,72,33,240	14.44%

Notes to Consolidated **Financial Statements** for the year ended March 31, 2023

(All amounts in Indian Rupees in millions except for share data or otherwise stated)

18. Other equity

Particulars	As at March 31, 2023	As at March 31, 2022
(i) Securities premium		
Opening balance	11,835.54	2,492.69
Add: Issue of shares (refer note:17)	-	5,984.91
Less: Share Issue expenses	-	(217.27)
Add: Conversion of CCPS to equity shares	-	3,166.16
Add: Transferred from Share based payment reserve upon exercise of options	30.78	409.05
Add: Proceeds from equity shares issued under ESOP's	10.70	-
Total	**11,877.02**	**11,835.54**
Less: Amount recoverable from ESOP trust (refer note 39)	(77.44)	(77.44)
Add: Share based payment reserve adjusted against securities premium	67.51	67.51
Add: Amount recovered from ESOP Trust	7.05	5.86
	(2.88)	(4.07)
Closing balance	**11,874.14**	**11,831.47**
(ii) Equity component of compound financial instruments		
Opening balance	-	3,708.06
Less: Conversion of 0.001% Series A CCPS into Equity shares	-	(56.72)
Less: Conversion of 0.001% Series B CCPS into Equity shares	-	(239.03)
Less: Conversion of 0.001% Series B1 CCPS	-	(61.07)
Less: Conversion of 0.001% Series B2 CCPS	-	(66.62)
Less: Conversion of 0.001% Series C1 CCPS	-	(11.22)
Less: Conversion of 0.001% Series C2 CCPS	-	(3.20)
Less: Transfer of Series A CCPS securities premium in to securities premium account	-	(1,981.65)
Less: Transfer of Series C1 CCPS securities premium in to securities premium account	-	(751.12)
Less: Transfer of Series C2 CCPS securities premium in to securities premium account	-	(214.46)
Less: Transfer of Series C2 CCPS fair value increment in to General reserve	-	(322.97)
Closing Balance	**-**	**-**

Equity component of compound financial instruments includes the following:	As at March 31, 2023	As at March 31, 2022
(i) Par value of the instruments issued:		
0.001% Series A CCPS of ₹20/- each		
At the beginning of the year	-	56.72
Less: Conversion of 0.001% Series A CCPS into equity shares	-	(56.72)
At the end of the year	-	-
0.001% Series B CCPS of ₹20/- each		
At the beginning of the year	-	239.03
Less: Conversion of 0.001% Series B CCPS into equity shares	-	(239.03)
At the end of the year	-	-
0.001% Series B1 CCPS of ₹20/- each		
At the beginning of the year	-	61.07
Less: Conversion of 0.001% Series B1 CCPS in to equity shares	-	(61.07)
At the end of the year	-	-
0.001% Series B2 CCPS of ₹20/- each		
At the beginning of the year	-	66.62
Less: Conversion of 0.001% Series B2 CCPS in to equity shares	-	(66.62)

Notes to Consolidated **Financial Statements** for the year ended March 31, 2023

(All amounts in Indian Rupees in millions except for share data or otherwise stated)

Equity component of compound financial instruments includes the following:	**As at March 31, 2023**	**As at March 31, 2022**
At the end of the year	-	-
0.001% Series C1 CCPS of ₹20/- each		
At the beginning of the year	-	11.22
Less: Conversion of 0.001% Series C1 CCPS in to equity shares	-	(11.22)
At the end of the year	-	-
0.001% Series C2 CCPS of ₹20/- each		
At the beginning of the year	-	3.20
Less: Conversion of 0.001% Series C2 CCPS in to equity shares	-	(3.20)
At the end of the year	-	-
(ii) Securities premium on CCPS issued		
Opening balance	-	3,270.20
Less: Transfer of CCPS securities premium in to securities premium account	-	(2,947.23)
Less: Fair value movement in the value of the CCPS transfer to general reserve	-	(322.97)
Closing balance	-	-
Amount included in 'Equity component of compound financial instruments' above	-	-

* Rounded off to millions.

Particulars	**As at March 31, 2023**	**As at March 31, 2022**
(iii) Share based payment reserve		
Opening balance	113.94	486.55
Add: Gross compensation for options granted during the year	221.19	107.37
Less: Transfer to Security premium account	(30.78)	(409.05)
Less: Stock options lapsed	-	(3.42)
Less: Transfer to Amount Recoverable From ESOP Trust	-	(67.51)
Closing balance	**304.35**	**113.94**
(iv) General reserve		
Balance at the beginning of the year	355.03	28.64
Add: Stock options lapsed	-	3.42
Add: Fair value movement in the value of the CCPS transfer to general reserve	-	322.97
Balance at the end of the year	**355.03**	**355.03**
(v) Capital reserve		
Balance at the beginning and at the end of the year	0.92	0.92
	0.92	**0.92**
(vii) Retained earnings		
Opening balance	1,637.76	661.64
Profit for the year	497.63	958.02
Other comprehensive (loss)/ income for the year	3.34	18.10
Closing balance	**2,138.73**	**1,637.76**
Total Other equity ((i)+(ii)+(iii)+(iv)+(v)+(vi))	**14,673.17**	**13,939.12**

Notes to Consolidated **Financial Statements** for the year ended March 31, 2023

(All amounts in Indian Rupees in millions except for share data or otherwise stated)

Nature and purpose of reserves

a) Securities premium

Securities premium is used to record the premium on issue of shares. The premium will be utilised in accordance with the provisions of the Act.

b) Share based payment reserve

The Group has granted equity settled share based payment plans for certain categories of employees of the Group (Refer note 39).

c) General Reserve

General reserve is used from time to time to transfer profit from reserves, for appropriation purposes.

d) Capital reserve

The Group has acquired subsidiary through business combination resulting in bargain purchases.

e) Retained earnings

Retained earnings are profits that the Group has earned till date, less any transfers to general reserve, dividends or other distributions paid to shareholders.

19 Current Borrowings

Particulars	As at March 31, 2023	As at March 31, 2022
Cash credit from banks (secured)*	-	1,426.82
	-	**1,426.82**

Terms of borrowings:

S.No	Bank Name	As at March 31, 2023	As at March 31, 2022	Security
1	HDFC Bank Limited	-	626.31	refer the below note
2	Axis Bank Limited	-	800.51	refer the below note
	Total	**-**	**1,426.82**	

Notes

(a) Cash credit facility availed with Axis bank & HDFC bank, These cash credit facilities are secured by the following:

(i) Pari Passu charge on the entire present and future inventories of Optival Health Solutions Private Limited.

(ii) Pari Passu charge on the entire present and future immovable fixed assets except the following building:

Unfinished Shop no: G1 in the ground floor of Karna Nilayam in H No:10-1/6 on plot no:3/c at P&T Colony, Gaddiannarm Village, Saroor nagar revenue Mandal, Ranga Reddy District

(b) Collateral security by way of fixed deposit to Axis Bank Limited, HDFC bank Limited, State Bank of India and Karur Vysya Bank of ₹Nil, (March 31, 2022: Axis Bank Limited and HDFC bank Limited of ₹193.50).

(c) Personal guarantees of G.Madhukar Reddy (Director of the Company) untill May 2022, No immovable property of personal guarantor shall be encumbered/disposed off without prior consent of the Bank.

The cash credit facility availed during the year carries floating rate of interest in the range of MCLR + 0.45% to 0.55% per annum, (March 31, 2022 MCLR + 0.45% to 0.55% per annum) MCLR ranges from 7.22% to 7.30% per annum.

(d) The Group has complied with the requirement of filing of quarterly returns/statements of current assets with the banks or financial institutions, wherever applicable, and these returns were in agreement with the books of accounts for the year ended March 31, 2023. There are no material discrepancies between books of accounts and quarterly statements submitted to banks, where borrowings have been availed based on security of current assets.

Notes to Consolidated Financial Statements for the year ended March 31, 2023

(All amounts in Indian Rupees in millions except for share data or otherwise stated)

* The cash credit loan availed from the bank has been utilised for working capital requrements of the Optival Health Solutions Private Limited, no amount has been utilised for long term purpose. There is no default in the repayment during the year.

20 Other financial liabilities

Particulars	As at March 31, 2023	As at March 31, 2022
a. Non-Current		
Security deposits	7.08	9.07
	7.08	**9.07**
b. Current		
Payable for capital goods	96.33	88.92
Creditor for expenses	-	0.03
Dues to employees	571.17	434.69
	667.50	**523.64**

21 Lease liabilities

Particulars	As at March 31, 2023	As at March 31, 2022
a. Non-Current		
Lease liabilities (refer note no: 40D)	8,011.80	5,964.91
	8,011.80	**5,964.91**
b. Current		
Lease liabilities (refer note no: 40D)	987.44	757.62
	987.44	**757.62**

22 Provisions

Particulars	As at March 31, 2023	As at March 31, 2022
a. Non-current		
Provision for gratuity, partly funded (refer note 38)	277.46	203.85
	277.46	**203.85**
b. Current		
Provision for gratuity, partly funded (refer note: 38)	56.35	50.78
Provision for compensated absences	178.51	142.13
Provision for refund liability (refer note no 2.2h.)	25.78	23.97
	260.64	**216.88**

Refund liability is accounted based on Group's estimation of expected sales returns. Refer note no: 2.2h of these consolidated financial statements for Group's accounting policies on refund liabilities.

Movement in refund liability

Particulars	As at March 31, 2023	As at March 31, 2022
Balance as at beginning of the year	23.97	25.46
Add: Provision created during the year	658.59	522.70
Less: Utilised during the year	(656.78)	(524.19)
Balance as at end of the year	25.78	23.97

Notes to Consolidated Financial Statements for the year ended March 31, 2023

(All amounts in Indian Rupees in millions except for share data or otherwise stated)

23. Trade payables

Particulars	As at March 31, 2023	As at March 31, 2022
Trade payables		
- total outstanding dues to micro and small enterprises (refer Note 42)	126.35	14.13
- total outstanding dues to other than micro and small enterprises	2,475.09	2,448.19
	2,601.44	**2,462.32**

Trade payables are non-interest bearing and are normally settled on 01-60 day terms.
For explanations on the Group's credit risk management processes, (refer to note.46)

Ageing of trade payables outstanding as at March 31, 2023 is as follows:

Particulars	Not due	Outstanding for following periods from due date of payment				Total
		Less than 1 year	1-2 years	2-3 years	Morethan 3 years	
(i) MSME	99.46	26.90	-	-	-	126.36
(ii) Others	1,224.58	1,132.33	41.16	1.28	0.77	2,400.12
(iii) Disputed dues - MSME	-	-	-	-	-	-
(iv) Disputed dues - Others	-	-	-	-	-	-
Total	**1,324.04**	**1,159.23**	**41.16**	**1.28**	**0.77**	**2,526.48**
Accrued expenses						74.96
						2,601.44

Ageing of trade payables outstanding as at March 31, 2022 is as follows:

Particulars	Not due	Outstanding for following periods from due date of payment				Total
		Less than 1 year	1-2 years	2-3 years	Morethan 3 years	
(i) MSME	10.51	3.62	-	-	-	14.13
(ii) Others	1,597.49	793.11	8.87	2.42	1.20	2,403.08
(iii) Disputed dues - MSME	-	-	-	-	-	-
(iv) Disputed dues - Others	-	-	-	-	-	-
Total	**1,608.00**	**796.73**	**8.87**	**2.42**	**1.20**	**2,417.21**
Accrued expenses						45.11
						2,462.32

24 Other current liabilities

Particulars	As at March 31, 2023	As at March 31, 2022
Statutory liabilities	142.98	90.03
Other payables	2.13	30.89
	145.11	**120.92**

25 Contract liabilities

Particulars	As at March 31, 2023	As at March 31, 2022
Advance from customers	22.54	20.16
Deferred revenue on Valueplus rewards scheme (Refer note a)	31.81	55.02
Deferred revenue on Pathology testing services (Refer note a)	39.06	5.59
	93.41	**80.77**

Notes to Consolidated **Financial Statements** for the year ended March 31, 2023

(All amounts in Indian Rupees in millions except for share data or otherwise stated)

Particulars	As at March 31, 2023	As at March 31, 2022
a. Reconciliation of Deferred revenue		
Balance as at beginning of the year	60.61	82.42
Deferred during the year	120.54	32.74
Released to the statement of profit and loss	(110.28)	(54.55)
Balances as at end of the year	**70.87**	**60.61**

26 Current tax liabilities (net)

Particulars	As at March 31, 2023	As at March 31, 2022
Current tax liabilities (Net)	10.29	1.15
	10.29	**1.15**

27. Revenue from Contract with customers

	Particulars	For the year ended March 31, 2023	For the year ended March 31, 2022
a.	**Revenue from operations**		
	Sale of goods	44,979.72	37,478.62
	Sale of services	307.08	75.13
		45,286.80	37,553.75
b.	**Other operating revenue**		
	- Display and other business support income	262.92	213.88
	- Others	26.04	25.16
		288.96	**239.04**
	Total	**45,575.76**	**37,792.79**

Disclosures as per Ind AS 115

a. Reconciliation of Revenue from contract with customers

Particulars	For the year ended March 31, 2023	For the year ended March 31, 2022
Revenue from contract with customers at contracted price	45,951.03	38,088.44
Less: Discounts offered	(7.45)	(10.50)
Less: Sales returns	(656.78)	(524.19)
Revenue from contract with customers	**45,286.80**	**37,553.75**

b. Disaggregation of revenues

(i) Based on geography: Entire revenue from contract with customers is from India.

(ii) Based on business segment:

Particulars	For the year ended March 31, 2023	For the year ended March 31, 2022
Retail trading of medicines and general items	44,981.26	37,478.99
Diagnostic Services	305.54	74.76
Others	-	-
Revenue from contract with customers	**45,286.80**	**37,553.75**

c. Revenues from significant customers

There is no transactions with single external customer which amounts to 10% or more of the Group's revenue.

Notes to Consolidated **Financial Statements** for the year ended March 31, 2023

(All amounts in Indian Rupees in millions except for share data or otherwise stated)

d. Contract balances:

Particulars	As at March 31, 2023	As at March 31, 2022
Trade receivables (Refer note 14)	86.51	60.36
Advance from customers(refer note 1 below)	22.54	20.16
Contract assets (refer note 2 below)	25.78	20.95
Deffered revenue (refer note 3 below)	70.87	60.61

Note 1:

Revenue recognised in the current reporting year that was included in the opening balance of advance from customers is ₹22.54 March 31, 2022: ₹20.62).

The advances from customers is expected to be utilised with in the next 12 months.

Note 2: Details of Contract Asset

As mentioned in the accounting policies for refund liability, the Group recognises an asset i.e., right to the returned goods (included in inventories) for the products expected to be returned. The Group initially measures this asset at the former carrying amount of the inventory, less any expected costs to recover the goods, including any potential decreases in the value of the returned goods.

Along with remeasuring the refund liability at the end of each reporting period, the Group updates the measurement of the asset recorded for any revisions to its expected level of returns, as well as any additional decreases in the value of the returned products.

As on March 31, 2023, the Group has ₹25.78 (March 31, 2022: ₹20.95) as contract asset representing the right to the returned goods (included in inventories).

Note 3: Details of deferred revenue

Tabulated below is the reconciliation of deferred revenue for the years ended March 31, 2023 and March 31, 2022

Particulars	For the year ended March 31, 2023	For the year ended March 31, 2022
Balance at the beginning of the year	60.61	82.42
Deferred during the year	120.54	32.74
Released to the statement of profit and loss	(110.28)	(54.55)
Balance at the end of the year	70.87	60.61

28. Other income

Particulars	For the year ended March 31, 2023	For the year ended March 31, 2022
Interest income		
on bank deposits	176.72	88.44
Others	101.16	48.88
Insurance claims received	0.09	0.73
Rental income (refer note:43(b))	10.08	14.06
Amount recoverable from employees	78.61	47.12
Foreign exchange fluctuation gain (net)	0.90	0.06
Gain on de-recognition of Right-of-use assets	42.00	38.18
Government grant (refer note:55)	27.57	33.86
Miscellaneous income	23.65	42.30
	460.78	**313.63**

Notes to Consolidated **Financial Statements** for the year ended March 31, 2023

(All amounts in Indian Rupees in millions except for share data or otherwise stated)

29. Cost of materials consumed

Particulars	For the year ended March 31, 2023	For the year ended March 31, 2022
Raw material and packing material		
Inventories at the beginning of the year	33.18	22.37
Add: Purchases	282.71	205.21
Less: Inventories at the end of the year	57.09	33.18
Cost of material consumed	**258.80**	**194.40**

30. Changes in inventories of finished goods, work-in-progress and stock-in-trade

Particulars	For the year ended March 31, 2023	For the year ended March 31, 2022
Inventories at the beginning of the year		
Finished goods	20.26	19.42
Stock-in-trade	8,971.07	7,377.77
Work-in-progress	2.61	2.37
	8,993.94	**7,399.56**
Less : Inventories at the end of the year		
Finished goods	22.60	20.26
Stock-in-trade	11,175.14	8,971.07
Work-in-progress	7.44	2.61
	11,205.18	**8,993.94**
Change in inventories	**(2,211.24)**	**(1,594.38)**

31. Employee benefits expense

Particulars	For the year ended March 31, 2023	For the year ended March 31, 2022
Salaries and wages	4,745.42	3,469.35
Contribution to provident and other funds * (refer note: 38)	307.76	228.07
Gratuity expense (refer note: 38)	95.90	74.46
Employees stock option compensation expenses (refer note: 39)	221.19	107.37
Staff welfare expenses	81.02	59.95
	5,451.29	**3,939.20**

32. Depreciation and amortisation expense

Particulars	For the year ended March 31, 2023	For the year ended March 31, 2022
Depreciation of property, plant and equipment	450.60	240.10
Amortisation of intangible assets	17.11	11.24
Depreciation of right-of-use assets (refer note:40)	1,352.64	942.26
Less: Amount transferred to capital work-in-progress*	(4.79)	-
	1,815.56	**1,193.60**

33. Finance costs

Particulars	For the year ended March 31, 2023	For the year ended March 31, 2022
Interest expense on financial liabilities measured at amortised cost	9.16	52.65
Interest on lease liabilities (refer note:40)	821.11	611.63
	830.27	**664.28**

Notes to Consolidated **Financial Statements** for the year ended March 31, 2023

(All amounts in Indian Rupees in millions except for share data or otherwise stated)

34. Other expenses

Particulars	For the year ended March 31, 2023	For the year ended March 31, 2022
Rent	1.28	2.53
Rates and taxes	28.34	32.35
Electricity charges	317.15	177.78
Communication costs	118.90	86.25
Travelling and conveyance	88.11	54.25
Printing and stationary	110.73	65.68
Legal and Professional charges - Doctors Fees	56.90	-
Legal and professional charges - Others	61.49	60.43
Payment to auditors (refer note 35)	9.92	6.73
Insurance	19.22	15.39
Repairs and maintenance		
- Plant and machinery	61.90	45.71
- Others	119.05	68.52
Packing and forwarding charges	475.76	334.62
Commission and brokerage	89.20	71.04
Advertisement and sales promotion	112.60	67.82
Director Sitting fees	6.65	4.45
Credit/debit card commission charges	156.97	165.15
Provision for doubtful debts	4.68	1.57
Provision for doubtful deposits	3.33	2.12
Provision for doubtful advances	3.75	3.34
Foreign exchange fluctuation loss (net)	-	0.14
Loss on sale of property, plant and equipment	3.54	1.82
Advances/debts written off	1.08	0.26
Corporate social responsibility expenditure (refer note: 48)	16.02	9.92
Miscellaneous expenses	24.33	28.29
	1,890.91	**1,306.16**

35. Payment to statutory auditors

Particulars	For the year ended March 31, 2023	For the year ended March 31, 2022
Audit fee*	8.90	5.89
Certification	0.48	0.32
Reimbursement of expenses	0.54	0.50
	9.92	**6.71**

* Auditor's fees of ₹Nil (March 31, 2022 18.81) towards IPO deliverables is not included.

Notes to Consolidated **Financial Statements** for the year ended March 31, 2023

(All amounts in Indian Rupees in millions except for share data or otherwise stated)

36. Earnings per equity share (EPES)

The following reflects the earnings and share data used in the basic and diluted EPES computations:

Particulars		For the year ended March 31, 2023	For the year ended March 31, 2022
Profit attributable to equity holders of the Company for basic and diluted earnings per equity share		497.63	958.02
Earnings per equity share			
Weighted average number of shares for considered for Basic EPES			
(i)	Equity shares		
	Number of shares at the beginning of the year	11,93,05,676	4,36,645
	Weighted average number of shares issued during the year	-	20,46,319
	Add: Conversion of CCPS to equity	-	4,77,74,742
	Add: Exercise of employee stock options during the period	-	65,813
	Add: Increase on account of share split during the year	-	17,46,580
	Weighted average number of shares outstanding during the year	**11,93,05,676**	**5,20,70,099**
(ii)	Compulsorily Convertible Preference Shares ('CCPS')		
	Number of shares at the beginning of the year	-	2,10,23,264
	Add: Increase on account of share split during the year	-	8,40,93,056
	Add: Exercise of employee stock options during the year	-	26,32,517
	Less: Conversion of CCPS to equity shares	-	(4,77,74,742)
	Weighted average number of shares outstanding during the year	**-**	**5,99,74,095**
Weighted average number of shares for considered for Basic EPES (i)+(ii)		**11,93,05,676**	**11,20,44,194**
Add: Number of dilutive potential equity shares on account of share options granted including bonus shares issued during the year		3,45,267	4,31,204
Weighted average number of equity shares for diluted EPES		**11,96,50,943**	**11,24,75,398**
Face value of each equity share (In absolute ₹terms)		2	2
Earnings per equity share (EPES) (In absolute ₹terms)			
- Basic		4.17	8.55
- Diluted		4.17	8.52

Note: Since the fair value of equity share is lower than the fair value of excersie price there is no impact for the year ended March 31, 2023

Notes to Consolidated Financial Statements for the year ended March 31, 2023

(All amounts in Indian Rupees in millions except for share data or otherwise stated)

37. Taxes

(a) The major components of income tax expenses for the year ended March 31, 2023 and for the year ended March 31, 2022 are:

(i) Profit or loss section

Particulars	For the year ended March 31, 2023	For the year ended March 31, 2022
Current tax :		
Current income tax charge	180.48	304.15
Taxes relating to earlier years	0.05	(2.91)
Deferred tax (benefit)/ expense		
Relating to origination and reversal of temporary differences	(209.95)	(68.97)
Total income tax expense recognised in statement of Profit and Loss	**(29.42)**	**232.27**

(ii) OCI Section

Particulars	For the year ended March 31, 2023	For the year ended March 31, 2022
Deferred tax expense		
On remeasurement of defined benefit plans	(1.27)	(5.58)
Income tax charged to Other Comprehensive Income	**(1.27)**	**(5.58)**

(b) Reconciliation of tax expense and the accounting profit multiplied by India's domestic tax rate for March 31, 2023 and March 31, 2022:

Particulars	For the year ended March 31, 2023	For the year ended March 31, 2022
Accounting profit before tax (A)	471.63	1,179.43
Enacted tax rate in India (B)	25.17%	25.17%
Expected tax expenses (C = A*B)	118.70	296.84
Tax effect on non-deductible expenses (net) (D)	5.33	9.07
Deferred tax not recognised on losses	0.54	-
Tax benefits availed u/s 80JJAA of Income Tax Act (E)	(79.27)	(53.47)
Deferred Tax benefits availed u/s 80JJAA of Income Tax Act (E)	(97.39)	-
Deferred tax on consolidation adjustment	7.74	9.34
Others (F)	14.93	(26.61)
Total Tax expense (C+D+E+F)	**(29.42)**	**235.18**
Adjustments in respect of current income tax of previous year	-	(2.91)
Total	**(29.42)**	**232.27**
Tax expense as per Statement of Profit and Loss Account ((a)(i) above)	**(29.42)**	**232.27**

Notes to Consolidated Financial Statements for the year ended March 31, 2023

(All amounts in Indian Rupees in millions except for share data or otherwise stated)

(c) The major components of deferred tax (liabilities)/assets (net) arising on account of timing differences are as follows:

As at March 31, 2023	March 31, 2022	Retained earnings	Profit and Loss 2022-23	OCI 2022-23	March 31, 2023
Deferred tax asset (net)					
Difference between depreciation on fixed assets as per books of accounts and as per Income Tax Act, 1961	71.20	-	11.87	-	83.07
Provision for expenses allowed for tax purpose on payment basis	101.49	-	30.80	(1.27)	131.02
Remeasurement benefit of the defined benefit plans through OCI	-		-	-	-
Claim on 80JJAA	-		97.39	-	97.39
Lease liabilities	235.08		61.62	-	296.70
Expense claimed for tax purpose on payment basis	6.15	-	0.52	-	6.67
Deferred tax on consolidation adjustment	35.53	-	7.74	-	43.27
Deferred tax benefit/ (expense)		**-**	**209.94**	**(1.27)**	
Deferred tax asset (net)	**449.45**				**658.12**

As at March 31, 2022	March 31, 2021	Retained earnings	Profit and Loss 2021-22	OCI 2021-22	March 31, 2022
Deferred tax asset (net)					
Difference between depreciation as per books of accounts and as per Income Tax Act, 1961	66.26	-	4.94	-	71.20
Provision for expenses allowed for tax purpose on payment basis	89.92	-	17.15	(5.58)	101.49
Lease liabilities	196.56	-	38.52	-	235.08
Expense claimed for tax purpose on payment basis	7.13	-	(0.98)	-	6.15
Deferred tax on consolidation adjustment	26.20	-	9.34	-	35.53
Deferred tax expense		**-**	**68.97**	**(5.58)**	
Deferred tax asset (net)	**386.07**				**449.45**

(d) As a matter of prudence, the Parent Company has not recorded deferred tax asset (net) on carry forward of business losses of certain components and the carrying amounts of assets as at March 31, 2023 aggregating to ₹257.49 (March 31, 2022: ₹134.43), since the Parent Company is not probable that taxable profit will be available against which the deferred tax asset can be utilised.

Note 1:

The Optival health Solutions Private Limited has received a demand notice of ₹434.51 from the Income tax authorities on account of addition of certain items in the total income for financial year 2019-20. The matter is currently pending for disposal by the High Court. However, on the basis of receipt of an advise from an independent external consultant, Company is confident that the probability of the said assessment being settled against the Company is remote and accordingly, these financial statements do not warrant any adjustments in this regard.

Note 2:

Medplus Health Services Limited has received a demand notice of ₹34.86 on account of certain disallowances and additions to the total income. The Company has filed an appeal with the Commissioner of Income Tax (Appeals) challenging the said demand. On the basis of evaluation of the said demand notice and the underlying facts by an independent external consultant, the Company is confident that the matter would be settled in its favour. Accordingly, no adjustments have been made to these financial statements in this regard.

Notes to Consolidated **Financial Statements** for the year ended March 31, 2023

(All amounts in Indian Rupees in millions except for share data or otherwise stated)

38 Employee benefits

I. Post Employment Benefits

A. Defined Benefits Plan - Gratuity

Gratuity benefits provided by the Group

Group has a defined benefit plan which provides for gratuity payments for its employees. Under the plan, every employee who has completed at least five years of service gets a gratuity on departure @ 15 days salary (based on last drawn basic salary) for each completed year of service. The scheme is partly funded with an insurance company in the form of a qualifying insurance policy managed by Life Insurance corporation of India.

The components of gratuity cost recognised in the consolidated statement of profit and loss and other comprehensive income for the years ended March 31, 2023 and March 31, 2022 consist of the following:

Particulars	For the year ended March 31, 2023	For the year ended March 31, 2022
Changes in the present value of defined benefit obligations are as follows:		
Defined benefit obligations at the beginning of the year	343.82	303.26
Current service cost	77.42	59.48
Interest on defined benefit obligations	24.66	20.36
Benefit Payments from Plan Assets	(5.53)	-
Benefits paid	(11.37)	(13.55)
Re-measurements due to:		
Remeasurements- due to change in assumptions	(3.36)	(10.16)
Actuarial loss due to demographic assumptions	-	2.29
Remeasurements- due to experience adjustment	(1.65)	(17.86)
Defined benefit obligations at the end of the year	**423.99**	**343.82**
Changes in the fair value of plan assets are as follows:		
Fair value of plan assets at the beginning of the year	89.19	77.72
Employer contributions	0.69	15.27
Employer Direct benefits payments	0.05	-
Interest on plan assets	6.31	5.88
Benefits paid	(5.73)	(7.34)
Expenses	(0.04)	(0.06)
Remeasurements-return on plan assets	(0.29)	(2.28)
Plan assets at the end of the year	**90.18**	**89.19**
Amount to be recognised in Statement of Profit and Loss:		
Current service cost	77.42	59.48
Interest on net defined benefit liability, net	24.66	20.36
Reimbursement Service Cost	-	(0.02)
Excepted return on plan assets	(6.35)	(5.36)
Gratuity cost recognised in statement of profit and loss	**95.73**	**74.46**
Remeasurement on the net defined benefit liability:		
Remeasurements - due to change in assumptions	(3.36)	(10.16)
Remeasurements - due to experience adjustment	(1.65)	(17.86)
Remeasurements - return on plan assets	0.40	4.16
Defined benefit costs recognised in other comprehensive income	**(4.61)**	**(23.86)**

Notes to Consolidated **Financial Statements** for the year ended March 31, 2023

(All amounts in Indian Rupees in millions except for share data or otherwise stated)

Particulars	For the year ended March 31, 2023	For the year ended March 31, 2022
Details of the employee benefits obligations and plan assets are provided below:		
Present value of funded obligations	423.99	343.82
Fair value of plan assets	(90.18)	(89.19)
Net defined benefit liability recognised	**333.81**	**254.63**

Bifurcation of net defined benefit liability

Particulars	As at March 31, 2023	As at March 31, 2022
Current liabilities	56.35	50.78
Non-current liabilities	277.46	203.85
	333.81	**254.63**

Sensitivity Analysis: Increase/ (decrease) in obligation

Particulars	As at March 31, 2023	As at March 31, 2022
(a) Effect of 1% change in assumed discount rate		
- 1% increase	(23.63)	(18.31)
- 1% decrease	26.60	20.60
(b) Effect of 1% change in assumed salary escalation rate		
- 1% increase	26.43	20.57
- 1% decrease	(24.23)	(18.80)
(c) Effect of 1% change in assumed attrition rate		
- 1% increase	(4.02)	(3.01)
- 1% decrease	4.35	3.27

Particulars	For the year ended March 31, 2023	For the year ended March 31, 2022
Discount rate	7.50% to 7.52%	7.31% to 7.34%
Rate of return of plan assets	7.27% to 7.52%	7.07% to 7.34%
Attrition rate		
below 30 Years	27.18%	27.18%
31-40 years	18.47%	18.47%
41-50 Years	13.40%	13.40%
51 years and above	12.26%	12.26%
Rate of compensation increase	9% to 15%	9% to 15%

The expected future cash flows in respect of gratuity were as follows:

Particulars	For the year ended March 31, 2023	For the year ended March 31, 2022
Expected future benefit payments		
Less than a year	56.80	50.67
Between 2-5 years	207.91	168.02
More than 5 years	184.56	143.14

Notes to Consolidated **Financial Statements** for the year ended March 31, 2023

(All amounts in Indian Rupees in millions except for share data or otherwise stated)

Discount rate: The discount rate is based on the prevailing market yields of Indian government securities as at the balance sheet date for the estimated term of the obligations.

Salary escalation rate: The estimates of future salary increases considered takes into account the inflation, seniority, promotion and other relevant factors.

Attrition rate: Represents the Group's best estimate of employee turnover in future (other than on account of retirement, death or disablement) determined considering various factors such as nature of business, retention policy, industry factors, past experience, etc.

Sensitivity analysis: The sensitivity analysis presented above may not be representative of the actual change in the projected benefit obligation as it is unlikely that the change in assumptions would occur in isolation of one another as some of the assumptions may be correlated. Furthermore, in presenting the above sensitivity analysis, the present value of the projected benefit obligation has been calculated using the projected unit credit method at the end of the reporting period, which is the same method as applied in calculating the projected benefit obligation as recognised in the balance sheet.

B. Defined Contribution Plan

Provident fund benefits

The Group makes contributions, determined as a specified percentage of employee salaries, in respect of qualifying employees towards provident fund and Employee state insurance, which is defined contribution plan. The Group has no obligations other than to make specified contributions. The contributions are charged to the statement of profit and loss as they accrue.

The amount recognised as an expense for the year aggregated to ₹307.76 (March 31, 2022: ₹228.07) and is included in contribution to provident fund and other funds.

II. Other benefits

Leave compensated absences

The employees of the Group are entitled to compensated absences which are both accumulating and non-accumulating in nature. The expected cost of accumulating compensated absences is determined by actuarial valuation based on the additional amount expected to be paid as a result of the unused entitlement that has accumulated at the balance sheet date. Expense on non-accumulating compensated absences is recognised in the period in which the absences occur.

The amount recognised as an expense towards leave encashment for the year aggregated to ₹66.66 (March 31,2022: ₹42.50).

39. Employee stock option plan

(i) MedPlus Employees Stock Option and Shares Plan 2009 (ESOP 2009)

(a) The Group instituted MedPlus Employees Stock Option and Shares Plan 2009 (ESOP 2009). The Board of directors approved the plan on November 16, 2009. The plan is effective from November 1, 2009 which provided for issue of 9,673 stock options to eligible employees. The options vest over a period of four years or as approved by remuneration committee and would be settled by issue of fully paid equity shares. During the year ended March 31, 2023, the following scheme is under operation:

Pursuant to a resolution passed by the Board of Directors on February 17, 2011, the Company had formed a trust (MedPlus Employee Benefit Trust) to implement and administer ESOP 2009 and had allotted 9,673 options to the Trust.

The Group has allotted (before giving impact of bonus & split) 4,110 equity shares against 4,110 granted options and 5,563 shares (against 5,563 non- granted option) to the trust at premium of ₹0.01102 per share and ₹0.00578 per share respectively, aggregating total securities premium of ₹77.44.

Notes to Consolidated **Financial Statements** for the year ended March 31, 2023

(All amounts in Indian Rupees in millions except for share data or otherwise stated)

Amount receivable from the trust for options granted aggregating to ₹77.54 (Face value – ₹0.10 and Premium of ₹77.44) has been accounted as 'Amount recoverable from Trust in kind' and has been deducted from share capital and securities premium respectively as these are in the nature of own shares held. The same will be adjusted at the time of exercise of options by the employees.

During the year March 31, 2023 416 (March 31, 2022 8,760) options were exercised by employees which resulted in

(i) increase in paid up capital by March 31, 2023 ₹0.00 (March 31, 2022: ₹0.09) and

(ii) increase of securities premium by March 31, 2023 ₹Nil (March 31, 2022: ₹67.51)

Further, recovery of March 31, 2023 11.89 (March 31, 2022: ₹5.86) from ESOP trust was done on account of exercised options.

Employees stock option and share plan 2009

Particulars	March 31, 2023	March 31, 2022
Number of options granted	Nil	905
Method of settlement (Cash/Equity)	NA	Equity
Vesting period	NA	300 options have vested 266 options vest over the finanical year 2022-23 174 options vest over the finanical year 2023-24 153 options vest over the finanical year 2024-25 12 options vest over the finanical year 2025-26
Exercise period	NA	4 years for 905 options Committee may extend the Exercise period on case to case basis.
Vesting conditions	NA	None

(b) The details of the activity have been summarized below

Particulars	As at March 31, 2023 (No. of equity shares)	As at March 31, 2022 (No. of equity shares)
Outstanding at the beginning of the year	905	9,173
Exercisable at the beginning of the year	300	8,770
Granted during the year	-	562
Forfeited during the year	-	-
Exercised during the year	416	8,760
Vested during the year	216	355
Expired during the year	100	70
Outstanding at the end of the year*	389	905
Exercisable at the end of the year	100	300
Weighted average remaining contractual life (in years)	-	-

* One option equals to 461.25 equity shares

(ii) MedPlus Employees Stock Option and Shares Plan 2021 (ESOP 2021)

(a)The Group instituted MedPlus Employees Stock Option and Shares Plan 2021 (ESOP 2021). The Board of directors approved the plan on August 9, 2021. The plan is effective from August 9, 2021 which provided for issue of 1,117,612 stock options to eligible employees. The options vest over a period of four years from the grant date at 10%, 25%, 25% and 40% respectively, as a % of options granted. Vesting period may be accelerated on deserving cases, subject to applicable law and minimum vesting period of at least one year. During the year ended March 31, 2023 the Group has granted 95,941 (March 31, 2022: 70,317) Options to its employees and 36,900 (March 31, 2022: 865,587) Options to the employees of its subsidiaries under Employee stock option and Share plan 2021 after taking necessary approval at an exercise price of ₹541.98 per option on March 30, 2023 (March 31, 2022: 232 per option on November 22, 2021).

Notes to Consolidated **Financial Statements** for the year ended March 31, 2023

(All amounts in Indian Rupees in millions except for share data or otherwise stated)

Employees stock option and share plan 2021

Particulars	March 31, 2023	March 31, 2022
Number of options granted	1,32,841	935,904
Method of settlement (Cash/ Equity)	Equity	Equity
Vesting period	9,594 options vest in 12 months from the grant date. 23,985options vest in 24 months from the grant date. 23,985 options vest in 30 months from the grant date. 38,377options vest in 36 months from the grant date.	106,316 options vest in 12 months from the grant date. 239,574 options vest in 24 months from the grant date. 5,095 options vest in 30 months from the grant date. 224,289 options vest in 36 months from the grant date. 5,095 options vest in 42 months from the grant date. 355,535 options vest in 48 months from the grant date.
Exercise period	3 years Committee may extend the Exercise period on case to case basis.	3 years Committee may extend the Exercise period on case to case basis.
Vesting conditions	None	None

(b) The details of the activity have been summarized below

Particulars	March 31, 2023	March 31, 2022
	(No. of options)	(No. of options)
Outstanding at the beginning of the year	9,35,904	-
Exercisable at the beginning of the year	-	-
Granted during the year	1,32,841	9,35,904
Forfeited during the year	30,987	-
Exercised during the year	-	-
Vested during the year	1,04,328	-
Expired during the year	-	-
Outstanding at the end of the year	10,37,758	9,35,904
Exercisable at the end of the year	1,04,328	-
Weighted average remaining contractual life (in years)	-	-

(c) Stock options granted during the year

The Black Scholes valuation model has been used for computing the weighted average fair value considering the following inputs:

Particulars	March 31, 2023	March 31, 2022
Weighted average share price/ market value	634.55	795.80
Exercise price (₹per share)	541.98	232.00
Options granted	1,32,841	935,904
Date of grant	March 30, 2023	November 22, 2021
Expected volatility	20.00%	28.8% to 30.04%
Life of the options granted (vesting and exercise period) in years	Vesting period + 4 years	Vesting period + 3 years
Expected dividend	0%	0%
Average risk-free interest rate	6.75% - 7.25%	5.4% to 6.2%
Expected term based on vesting period	1 year - 4 years	1 year - 4 years
Weighted average fair value of the option granted	204.00	634.37

Notes to Consolidated **Financial Statements** for the year ended March 31, 2023

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Effect of the employee option plan on the Statement of Profit and Loss and on its financial position

Particulars	March 31, 2023	March 31, 2022
Total employee compensation cost pertaining to stock option plan	221.19	107.37
Reserves - employee stock option plan outstanding as at the year end	304.34	113.94

Note: The management of the Company made an application with the Bombay Stock Exchange Limited (BSE) and the National Stock Exchange of India Limited (NSE) during the year ended March 31, 2023 in connection with seeking their approval for allotment of equity shares of the Company to the employees of the subsidiaries granted in accordance with The ESOP 2021 plan. An in-principle approval of the BSE and NSE has been received in this regard. However, the approval is subject to ratification of the scheme and the underlying stock options granted to the employees of the subsidiaries through a separate Special Resolution by the shareholders of the Company. The necessary process to seek the approval of the shareholders has already been initiated by the management subsequent to the year ended March 31, 2023. However, in view of the management, the said process is not expected to have any impact on these financial statements, including the accounting for the stock options granted to the employees of the subsidiaries

40. Lease

A The Group recognises right-of-use asset representing its right to use the underlying asset for the lease term at the lease commencement date. The cost of the rightof-use asset measured at inception shall comprise of the amount of the initial measurement of the lease liability adjusted for any lease payments made at or before the commencement date less any lease incentives received, plus any initial direct costs incurred and an estimate of costs to be incurred by the lessee in dismantling and removing the underlying asset or restoring the underlying asset or site on which it is located. The right-of-use assets is subsequently measured at cost less any accumulated depreciation, accumulated impairment losses, if any and adjusted for any remeasurement of the lease liability. The right-of-use assets is depreciated using the straight-line method from the commencement date over the shorter of lease term or useful life of right-of-use asset.

B Movement of right of use asset for the year ended March 31, 2023 and March 31, 2022:

Particulars	Machinery	Building	Total
Gross carrying amount as at March 31, 2021	-	**5,082.58**	**5,082.58**
Additions	-	3,163.43	3,163.43
Deletions	-	414.41	414.41
Gross carrying amount as at March 31, 2022	-	**7,831.60**	**7,831.60**
Additions	62.55	3,638.44	3,700.99
Deletions	-	354.25	354.25
Gross carrying amount as at March 31, 2023	**62.55**	**11,115.79**	**11,178.34**
Accumulated Depreciation			
Depreciation as at March 31, 2021	-	(1,233.84)	(1,233.84)
Depreciation charge for the year	-	(942.26)	(942.26)
Deletions	-	(236.07)	(236.07)
Depreciation as at March 31, 2022	-	**(1,940.03)**	**(1,940.03)**
Depreciation charge for the year	(2.96)	(1,349.68)	(1,352.64)
Deletions	-	(136.31)	(136.31)
Depreciation as at March 31, 2023	**(2.96)**	**(3,153.40)**	**(3,156.36)**
Carrying amounts			
Net block as at March 31, 2022	-	**5,891.57**	**5,891.57**
Net block as at March 31, 2023	**59.59**	**7,962.39**	**8,021.99**

* The aggregate Depreciation expenses for the year on Right-of-use assets is included under depreciation and amortisation expense in the statement of Profit and Loss.

Notes to Consolidated **Financial Statements** for the year ended March 31, 2023

(All amounts in Indian Rupees in millions except for share data or otherwise stated)

C The Following is the rental expenses and income recorded for short term leases, variable leases and low value leases for the year ended March 31,2023& March 31,2022

Particulars	For the year ended March 31, 2023	For the year ended March 31, 2022
Short -term lease expense	1.28	2.53
Rental income from sub-lease	10.08	14.06
Total		

D Following are the changes in the lease liabilities for the year ended March 31, 2023 and March 31, 2022:

Particulars	Machinery	Building	Amount
Balance as at March 31, 2021	-	**4,549.78**	**4,549.78**
Additions	-	3,046.32	3,046.32
Finance cost accrued during the year	-	611.63	611.63
Deletions	-	217.19	217.19
Payment of lease liabilities	-	1,268.01	1,268.01
Balance as at March 31, 2022	**-**	**6,722.53**	**6,722.53**
Additions	56.08	3,363.83	3,419.91
Finance cost accrued during the year	2.12	818.99	821.11
Deletions	-	259.08	259.08
Payment of lease liabilities	4.10	1,701.12	1,705.22
Balance as at March 31, 2023	**54.10**	**8,945.15**	**8,999.25**
Bifurcation of lease liabilities		As at March 31, 2023	As at March 31, 2022
Non-current lease liabilities		8,011.80	5,964.91
Current lease liabilities		987.44	757.62

E The following is the cash outflow on leases during the year ended March 31, 2023 and March 31, 2022:

Particulars	For the year ended March 31, 2023	For the year ended March 31, 2022
Payment of lease liabilities	1,705.22	1,268.01
Short-term lease expense	1.28	2.53
Total cash outflow on leases	**1,706.50**	**1,270.54**

F The table below provides details regarding the contractual maturities of lease liabilities on an undiscounted basis:

Particulars	As at March 31, 2023	As at March 31, 2022
Less than 1 year	1,768.55	1,496.34
1 to 5 years	7,300.96	5,350.18
Over 5 years	2,972.01	3,366.93

a. The Group does not face a significant liquidity risk with regards to its lease liabilities as the current assets are sufficient to meet the obligations related to lease liabilities as and when fall due.

b. Lease payments during the year have been disclosed under financing activities in the Consolidated Statement of Cash flows.

41. Capital commitments and contingent liabilities

(A.) Capital Commitments

(i) As at March 31, 2023 the Group has commitments of ₹63.52 (March 31, 2022: ₹209.54) relating to contracts remaining to be executed on capital account after considering the capital advances paid.

Notes to Consolidated Financial Statements for the year ended March 31, 2023

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(B.) Contingent Liabilities

Particulars	As at March 31, 2023	As at March 31, 2022
i) Claims against the Group not acknowledged as debt		
Income tax	111.78	111.78
Value added tax	7.08	7.08
	118.86	**118.86**

(ii) During the year ended March 31, 2015, Ritemed Pharma Retail Private Limited (merged entity) had received an assessment order for the assessment year 2012 -13 proposing an adjustment of ₹18.37 to the returned loss. Ritemed Pharma Retail Private Limited (merged entity) had filed an appeal before Commissioner of Income Tax (Appeals), thereby revising the adjustment to ₹8.2 with revised tax demand of ₹2.66. Group filled an appeal in Income-tax Appellate Tribunal, based on its internal assessment is confident that the matter will be decided in its favour and no adjustment to the financial statement is required.

iii) The Payment of Bonus (Amendment) Act, 2015 had been notified in the financial year 2015-16. Among other amendments, it has increased, with retrospective effect from April 1, 2014, the scope of coverage by revising the salary ceiling for eligible employees and also increasing the salary limit capped for the purpose of calculating bonus. Based on the legal advice and the interim stay granted by various high courts on retrospective application of the aforesaid amendment, the Group has not accrued for bonus for the financial year 2014-15 amounting to ₹8.61 and merged entity Ritemed Pharma Retail Private Limited amounting to ₹4.5.

iv) On February 28, 2019, the Hon'ble Supreme Court of India has delivered a judgment clarifying the principles that need to be applied in determining the components of salaries and wages on which Provident Fund (PF) contributions need to be made by establishments. However, considering that there are numerous interpretative issues relating to retrospective application of this judgement, the Group has assessed the impact of the matter and concluded that there is no material impact on the financial statements. The Group will evaluate its position and update its provision, if required, on receiving further clarity on the subject.

v) Ritemed Pharma Retail Private Limited (merged with Optival Health Solutions Private Limited w.e.f. April 01, 2016), subsidiary company, had entered into the following transactions during the year ended March 31, 2011:

   i) Purchase of goods aggregating to ₹312.25 for the period May 7, 2010 to March 3, 2011 from the Optival Health Solutions Private Limited; and

   ii) Purchase of goods and services aggregating to ₹21.80 and sale of goods and services aggregating to ₹15.15 for the period April 1, 2010 to March 3, 2011 from one of the covered entities - Optival Health Solutions Private Limited."

   The above transactions require prior approval of the Central Government under the provisions of Section 297 of the erstwhile Companies Act, 1956. The above transactions are part of normal business transactions at prevailing market prices. Ritemed Pharma Retail Private Limited, subsidiary company, has applied to the appropriate regulatory authorities for regularization on June 10, 2011. Management is confident that the penalties, if any, that may arise on account of such non-compliance will not be material.

vi) During the previous year, the Group has received Assessment order u/s.143(3) of Income tax Act, 1961 dated November 29, 2019 for the assessment year 2017-18 with an addition of ₹420.37 to the returned Income and a tax demand of ₹192.54 on such addition. The addition made to returned Income is the difference between turnover reported in VAT returns and Sales as per financial statements. As per the VAT laws of Karnataka, Turnover to be reported in the VAT returns is at maximum retail price (MRP) and whereas financials turnover will be at actual sale value. The above difference is due to reporting of Turnover in VAT Returns as per Local Laws and does not require addition to Income. Accordingly, the Group filed an appeal with CIT(Appeals) - Bengaluru on December 13, 2019, based on its internal assessment it is confident that the matter will be decided in its favor and no adjustment to the consolidated financial statement is required.

Notes to Consolidated **Financial Statements** for the year ended March 31, 2023

(All amounts in Indian Rupees in millions except for share data or otherwise stated)

(vii) The Group is subject to legal proceedings and claims before various tax authorities, customers, vendors and other regulators which have arisen in the ordinary course of business and which are pending at various levels of judicial and appellate authorities. The uncertainties and possible reimbursements are dependent on the outcome of the different legal processes which have been invoked by the claimants or the Group, as the case may be and therefore timing of cash flows cannot be predicted. The Group engages reputed professional advisors wherever required to protect its interests and has been advised that it has strong legal positions against such disputes. The Group believes that it has a reasonable case in its defense of the proceedings and accordingly no further provision is required.

(vii) On March 31, 2020, Gangadi Investments Private Limited ("GIPL") transferred 1,199 equity shares of the Company to Shore Pharma LLC, a non-resident entity ("GIPL Transfer"), for which GIPL filed a form FC-TRS. GIPL received an email from the RBI dated June 2, 2020 approving the said transfer and advising the Company to pay a late submission fee of ₹ 34,515 for contravention under Regulation 4 (3) of the RBI notification no. FEMA 395/2019-RB dated October 17, 2019, and to apply for compounding of the contravention. The Company had filed an application for compounding on July 5, 2021, which was returned by RBI due to certain discrepancies. The Company is in the process of re-filing the application for compounding with RBI. The Company believe that penalty if any to be levied by RBI will not be material.

42. Details of dues to micro and small enterprises as defined under the MSMED Act, 2006

The Ministry of Micro, Small and Medium Enterprises has issued an Office Memorandum dated August 26, 2008 which recommends that the Micro and Small Enterprises should mention in their correspondance with its customers the Entreprenuers Memorandum Number as allocated after filling the Memorandum. Accordingly, the disclosure in respect of the amounts payable to such enterprises as at March 31, 2023 and March 31, 2022 has been made in the consolidated financial statements based on information received and available with the Group. Further in the view of the Management, the impact of interest, if any, that may be payable in accordance with the provisions of the Act is not expected to be material. The Group has not received any claim for interest from any supplier under the said Act.

Particulars	As at March 31, 2023	As at March 31, 2022
The amounts remaining unpaid to micro and small suppliers as at the end of the year		
- Principal	126.35	14.13
- Interest	-	-
The amount of interest paid by the buyer as per the MSMED Act, 2006	-	-
The amounts of the payments made to micro and small suppliers beyond the appointed day during each accounting year.	-	-
The amount of interest accrued and remaining unpaid at the end of each accounting year	-	-
The amount of interest due and payable for the period of delay in making payment (which have been paid but beyond the appointed day during the year) but without adding the interest specified under MSMED Act;	-	-
The amount of further interest remaining due and payable even in the succeeding years, until such date when the interest dues as above are actually paid to the small enterprises for the purposes of disallowances as a deductible expenditure under the MSMED Act, 2006	-	-

Note : This information is required to be disclosed under the MSMED Act and has been determined to the extent such parties have been identified on the basis of information available with the Group and has been relied upon by the auditors.

Notes to Consolidated **Financial Statements** for the year ended March 31, 2023

(All amounts in Indian Rupees in millions except for share data or otherwise stated)

43. Related party Disclosure

A Nature of relationship and names of related parties

(i) Subsidiaries

1. Optival Health Solutions Private Limited
2. MHS Pharmaceuticals Private Limited
3. NovaSud Pharmaceuticals Private Limited (formerly known as Pan India Pharma Distributors Private Limited)
4. Wynclark Pharmaceuticals Private Limited (formerly known as Medsupply Distributors Private Limited)
5. Kalyani Meditimes Private Limited
6. Sai Sridhar Pharma Private Limited – Subsidiary of Nova Sud Pharmaceuticals Private Limited
7. Venkata Krishna Enterprises Private Limited – Subsidiary of Nova Sud Pharmaceuticals Private Limited
8. Deccan Medisales Private Limited – Subsidiary of Nova Sud Pharmaceuticals Private Limited
9. Shri Banashankari Pharma Private Limited – Subsidiary of Nova Sud Pharmaceuticals Private Limited
10. Sidson Pharma Distributors Private Limited – Subsidiary of Nova Sud Pharmaceuticals Private Limited
11. Clearancekart Private Limited
12. Medplus Insurance Brokers Private Limited

(ii) Key management personnel

1. G. Madhukar Reddy – Managing Director
2. C. Bhaskar Reddy – Executive Director (upto July 5, 2021)
3. Hemanth Kundavaram - Chief Financial Officer (upto June 5, 2022)
4. Sujit Kumar Mahato- Chief Financial Officer (w.e.f November 11, 2022)
5. Parag Jain- Company Secretary (upto January 14, 2022)
6. Shilpi Keswani- Company Secretary (upto March 30, 2023)
7. Manoj Kumar Srivastava- Company Secretary (w.e.f March 30, 2023)

(iii) Directors

1. Murali Sivaraman - Independent Director (w.e.f June 11, 2021)
2. Madhavan Ganesan - Independent Director (w.e.f June 11, 2021)
3. Hiroo Mirchandani - Independent Director (w.e.f July 5, 2021)
4. Atul Gupta - Non Executive Director (w.e.f February 6, 2021)
5. Anish Kumar Saraf - Non Executive Director (w.e.f February 6, 2021)

(iv) Entities over which shareholders, key management personnel exercise control or significant influence

1. Hinshitsu Manufacturing Private Limited
2. Agilemed Investments Private Limited (formerly known as Agilemed Investment Private Limited)
3. Lone Furrow Investment Private Limited

(v) Employee Benefit Plans

1. Medplus Employees Group Gratuity Assurance Scheme
2. Optival Employees Group Gratuity Assurance Scheme

Notes to Consolidated Financial Statements for the year ended March 31, 2023

(All amounts in Indian Rupees in millions except for share data or otherwise stated)

(b) **Related party transactions during the year ended**

Particulars	March 31, 2023	March 31, 2022
(i) Enterprises over which shareholders, key management personnel exercise control or significant influence		
1. Hinshitsu Manufacturing Private Limited		
Purchase of Property,Plant & Equipment	74.23	100.65
Purchase of intangible asset	-	11.19
Purchase of Materials	0.42	-
Sale of Asset	-	36.05
Rental income	0.69	0.65
Purchase of Stock-in-trade	1.40	-
Rental expense	2.70	0.68
Reimbursement of expenses received	2.06	0.30
2. Agilemed Investments Private Limited		
Rental income	0.03	0.03
(ii) Key Management Personnel		
1. G. Madhukar Reddy		
a. Managerial remuneration		
Short-term employee benefits	4.00	4.00
b. Rent	3.19	3.06
2. C. Bhaskar Reddy		
a. Managerial remuneration		
Short-term employee benefits	-	1.53
Share based payments	-	5.14
3. Hemanth Kundavaram		
a. Remuneration		
Short-term employee benefits	2.14	9.79
Share based payments	-	1.85
4. Parag Jain		
a. Remuneration		
Short-term employee benefits	-	1.01
5. Shilpi Keswani		
a. Remuneration		
Short-term employee benefits	1.03	0.21
6. Sujit Kumar Mahato		
a. Remuneration		
Short-term employee benefits	4.34	-
b. Share-based payment expense	0.04	-
7. Sitting fee paid to directors	6.65	4.45

Notes to Consolidated **Financial Statements** for the year ended March 31, 2023

(All amounts in Indian Rupees in millions except for share data or otherwise stated)

(c) Balances Receivable / (Payable)

Particulars	March 31, 2023	March 31, 2022
(i) Key Management Personnel		
1. G. Madhukar Reddy	0.73	0.48
2. C. Bhaskar Reddy	-	-
(ii) Entities over which shareholders, key management personnel exercise control or significant influence		
1. Hinshitsu Manufacturing Private Limited	2.32	(2.11)

Refer note 19 for the details of the guarantees given by related parties to the lenders of the Group.

Note:

1. All transactions with these related parties are priced on an arm's length basis and are to be settled in cash. All the outstanding balances are unsecured, interest free. The assessment is undertaken each financial year through evaluating the financial position of the related party and the market in which the related party operates.

2. Managerial remuneration does not include post employment benefit which is determined for Group as whole.

44. Fair Values

Refer Note 2.2(s) for accounting policy on Financial Instruments.

Set out below, is a comparison by class of the carrying amounts and fair value of the Group's financial instruments:

Particulars	Carrying value		Fair value	
	March 31, 2023	March 31, 2022	March 31, 2023	March 31, 2022
Financial assets				
Financial assets at amortised cost:				
a) Trade receivables	86.51	60.36	86.51	60.36
b) Cash and cash equivalents	2,283.75	214.55	2,283.75	214.55
c) Bank balances other than above	554.60	129.50	554.60	129.50
d) Others	822.33	7,242.74	822.33	7,242.74
Total Financial assets	**3,747.19**	**7,647.15**	**3,747.19**	**7,647.15**
Financial liabilities				
Financial liabilities at amortised cost:				
a) Borrowings	-	1,426.82	-	1,426.82
b) Trade payables	2,601.44	2,462.32	2,601.44	2,462.32
c) Lease liability	8,999.24	6,722.53	8,999.24	6,722.53
d) Others	674.58	532.71	674.58	532.71
Total Financial Liabilities	**12,275.26**	**11,144.38**	**12,275.26**	**11,144.38**

The fair value of the financial assets and liabilities is included at the amount at which the instrument could be exchanged in a current transaction between willing parties, other than in a forced or liquidation sale.

Notes to Consolidated Financial Statements for the year ended March 31, 2023

(All amounts in Indian Rupees in millions except for share data or otherwise stated)

45. Fair value hierarchy

The carrying amount of financial assets and financial liabilities measured at amortised cost in the consolidated financial statements are a reasonable approximation of their fair values since the Group does not anticipate that the carrying amounts would be significantly different from the values that would eventually be received or settled.

46. Financial risk management

The Group's principal financial liabilities comprise loans and borrowings, trade and other payables. The main purpose of these financial liabilities is to finance the Group's operations and to provide guarantees to support its operations. The Group's principal financial assets include lease rental deposits, loans, trade receivables, cash and cash equivalents and other bank balances that derive directly from its operations.

"The Group's activities expose it to a variety of financial risks, including market risk, credit risk and liquidity risk. The Group's primary risk management focus is to minimize potential adverse effects of market risk on its financial performance. The Group's risk management assessment and policies and processes are established to identify and analyse the risks faced by the Group, to set appropriate risk limits and controls, and to monitor such risks and compliance with the same. Risk assessment and management policies and processes are reviewed regularly to reflect changes in market conditions and the Group's activities. The Board of Directors is responsible for overseeing the Group's risk assessment and management policies and processes."

Market risk

Market risk is the risk that the fair value or future cash flows of a financial instrument will fluctuate because of changes in market prices. Such changes in the values of financial instruments may result from changes in the credit, interest rate, liquidity and other market changes.

Interest rate risk

Interest rate risk is the risk that the fair value or future cash flows of a financial instrument will fluctuate because of change in market interest rates. The Group has floating rate of borrowings. The exposure to risk of changes in market interest rates in minimal. The Group has not used any interest rate derivatives.

The following table demonstrates the sensitivity to a reasonably possible change in interest rates on that portion of loans and borrowings affected. With all other variables held constant, the Group's profit before tax is affected through the impact on floating rate borrowings, as follows:

Particulars	Increase/ (decrease) in profit before tax	
	March 31, 2023	March 31, 2022
Change in interest rate		
- Increase by 50 basis points	-	(3.69)
- Decrease by 50 basis points	-	3.74

Credit risk

Credit risk is the risk that counterparty will not meet its obligations under a financial instrument or customer contract, leading to a financial loss. Credit risk encompasses of both, the direct risk of default and the risk of deterioration of creditworthiness as well as concentration of risks. Credit risk is controlled by analysing credit limits and creditworthiness of customers on a continuous basis to whom the credit has been granted after obtaining necessary approvals for credit. Financial instruments that are subject to concentrations of credit risk principally consist of trade receivables, loans, cash and cash equivalents, bank deposits and other financial assets. None of the financial instruments of the Group result in material concentration of credit risk, except for trade receivables.

Notes to Consolidated **Financial Statements** for the year ended March 31, 2023

(All amounts in Indian Rupees in millions except for share data or otherwise stated)

Trade and other receivables

The customer credit risk is managed by the Group's established policy, procedures and control relating to customer credit risk management. Credit quality of a customer is assessed based on the individual credit limits as defined in accordance with this assessment and outstanding customer receivables are regularly monitored. The Group's receivables turnover is quick and historically, there was no significant defaults on account of those customer in the past. Ind AS requires an entity to recognise in profit or loss, the amount of expected credit losses (or reversal) that is required to adjust the loss allowance at the reporting date to the amount that is required to be recognised in accordance with Ind AS 109.

The Group assesses at each date of statements of financial position whether a financial asset or a group of financial assets is impaired. Expected credit losses are measured at an amount equal to the 12 month expected credit losses or at an amount equal to the life time expected credit losses if the credit risk on the financial asset has increased significantly since initial recognition. The Group has used a practical expedient by computing the expected credit loss allowance for trade receivables based on a provision matrix. The provision matrix takes into account historical credit loss experience and adjusted for forward-looking information."

Before accepting any new customer, the Group uses an internal credit scoring system to assess the potential customer's credit quality and defines credit limits by customer. Limits and scoring attributed to customers are reviewed on periodic basis. The expected credit loss allowance is based on the ageing of the days the receivables are due and the rates as given in the provision matrix.

Exposure to credit risk:

The carrying amount of financial assets represents the maximum credit exposure. The maximum exposure to credit risk was ₹86.51 and ₹68.05 as of March 31, 2023 and March 31, 2022 respectively, being the total of the carrying amount of balances with trade receivables.

The ageing analysis of trade receivables as of the reporting date is as follows:

Particulars	Less than 180 days	More than 180 days	Total
As at March 31, 2023	67.80	18.71	86.51
As at March 31, 2022	54.61	13.44	68.05

The following table summarizes the changes in the allowances for doubtful accounts for trade receivables :

Particulars	March 31, 2023	March 31, 2022
At the beginning of the year	**7.69**	**20.73**
Provision for Impairment	4.68	1.57
Receivables written off during the year as uncollectible	-	(0.20)
Unused amounts reversed	(5.92)	(14.41)
At the end of the year	**6.45**	**7.69**

Other financial instruments including cash deposits

Credit risk from balances with banks is managed by the Group's treasury department in accordance with the Group's policy. Investments of surplus funds are made only with approved counterparties and within credit limits assigned to each counterparty. Counterparty credit limits are reviewed by the Group's Board of Directors on an annual basis, and may be updated throughout the year subject to approval of the authorised person. The limits are set to minimise the concentration of risks and therefore mitigate financial loss through counterparty's potential failure to make payments.

Liquidity risk

Liquidity risk refers to the risk that the Group cannot meet its financial obligations. The objective of liquidity risk management is to maintain sufficient liquidity and ensure that funds are available for use as per requirements. The Group manages liquidity risk by maintaining adequate reserves, banking facilities and reserve borrowing facilities, by continuously monitoring forecast and actual cash flows, and by matching the maturity profiles of financial assets and liabilities.

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The table below summarises the maturity profile of the Group's financial liabilities based on contractual undiscounted payments:

Particulars	Less than 1 year	1 to 5 years	> 5 years	Total
March 31, 2023:				
Trade payables	2,601.44	-	-	2,601.44
Other financial liabilities	667.50	7.08	-	674.58
Lease liability	1,768.55	7,300.96	2,972.01	12,041.52
	5,037.49	**7,308.04**	**2,972.01**	**15,317.54**

Particulars	Less than 1 year	1 to 5 years	> 5 years	Total
March 31, 2022:				
Borrowings	1,426.82	-	-	1,426.82
Trade payables	2,462.32	-	-	2,462.32
Other financial liabilities	523.64	9.07	-	532.71
Lease liability	1,496.34	5,350.18	3,366.93	10,213.45
	5,909.12	**5,359.25**	**3,366.93**	**14,635.30**

47. Capital Management

For the purpose of the Group's capital management, capital includes issued equity capital and all other equity reserves attributable to the equity holders. The primary objective of the Group's capital management is to maximise the shareholder value.

The Group manages its capital structure in consideration to the changes in economic conditions and the requirements of the financial covenants. The Group's monitors capital using a gearing ratio, which is net debt divided by total capital plus net debt. The Group includes within net debt, borrowings including interest accrued on borrowings less cash and short-term deposits.

Particulars	March 31, 2023	March 31, 2022
Borrowings including interest accrued on borrowings	-	1,426.82
Less: Cash and cash equivalents	2,283.75	(214.55)
Less: Margin deposits with bank	-	(193.50)
Net debt	**2,283.75**	**1,018.77**
Equity	238.61	238.60
Other Equity	14,673.17	13,939.12
Total Equity	**14,911.78**	**14,177.72**
Gearing ratio (Net Debt/ (Net Debt+Total Equity))	**-**	**0.07**

In order to achieve this overall objective, the Group's capital management, amongst other things, aims to ensure that it meets financial covenants attached to the interest-bearing loans and borrowings that define capital structure requirements. There have been no breaches in the financial covenants of any interest-bearing loans and borrowing in the current year. The Group has no outstanding borrowings as at March 31, 2023

No changes were made in the objectives, policies or processes for managing capital during the year ended March 31, 2023.

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48. Details of Corporate Social Responsibility (CSR) expenditure

Particulars	March 31, 2023	March 31, 2022
(a) Gross amount required to be spent by the Group during the year	16.02	9.92
(b) Amount approved by the Board to be spent during the year	16.02	9.92
(c) Amount spent during the year (in cash)		
(i) Construction/acquisition of any asset	-	-
(ii) On purposes other than (i) above	16.02	9.92
(d) (Shortfall) / Excess at the end of the year	-	-
(e) Total of previous years shortfall	-	-
(f) Details of related party transactions	-	-
(g) Where a provision is made with respect to a liability incurred by entering into a contractual obligation, the movements in the provision during the year.	-	-
(h) Reason for shortfall:	NA	NA

For the year ending March 31, 2023 and March 31, 2022 : No shortfall

Nature of CSR activities:

i) Payment to Prime minister national relief fund
ii) Education
iii) Hunger management
iv) Covid Activities

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49. Segment information

Segments are identified in line with Indian Accounting Standard (Ind AS) 108 "Segment Reporting", taking into consideration the internal organisation and management structure as well as the differential risk and returns of the segment. Operating segments are reported in a manner consistent with the internal reporting provided to chief operating decision maker (CODM).The Managing Director is the Group CODM within the meaning of Ind AS 108.During the year, the group has two primary segments i.e. (i) Retail trading of medicines and general items, & (ii) Diagnostic services.

Particulars	March 31, 2023					March 31, 2022				
	Retail	Diagnostics	Others	Unallocated	Total	Retail	Diagnostics	Others	Unallocated	Total
REVENUE										
External sales	44,979.74	305.54	1.52	-	45,286.80	37,478.99	74.76	-	-	37,553.75
Inter-segment sales	-	-	-	-	-	-	-	-	-	-
Total revenue	**44,979.74**	**305.54**	**1.52**	**-**	**45,286.80**	**37,478.99**	**74.76**	**-**	**-**	**37,553.75**
Less: Eliminations	-	-	-	-	-	-	-	-	-	-
Other operating revenue	288.96	-	-	-	288.96	239.04	-	-	-	239.04
Total Revenue from operations	**45,268.70**	**305.54**	**1.52**	**-**	**45,575.76**	**37,718.03**	**74.76**	**-**	**-**	**37,792.79**
Segment results	599.12	(294.50)	(0.90)		303.72	1,280.87	(137.23)	-	-	1,143.64
Interest expense	-	-		(8.81)	(8.81)	-	-	-	(52.65)	(52.65)
Interest income	-	-		176.72	176.72	-	-	-	88.44	88.44
Profit before tax					**471.63**					**1,179.43**
Tax benefit / (expenses)					29.42					(232.27)
Profit for the year					**501.05**					**947.16**
OTHER INFORMATION										
Segment assets	23,029.62	1,719.85	-	3,217.71	27,967.18	18,711.40	816.36	-	6,412.72	25,940.48
Total assets					**27,967.18**					**25,940.48**
Segment liabilities	12,118.54	932.44	-	11.19	13,062.17	11,312.57	454.23	-	1.15	11,767.95
Total liabilities					**13,062.17**					**11,767.95**
Capital expenditure	1,285.40	402.63	-	2.02	1,690.05	770.93	406.28	-	-	1,177.21
Depreciation and amortization expense	1,684.02	131.37	-	0.17	1,815.56	1,193.60	-	-	-	1,193.60
Interest Income	97.88	3.28	-	176.72	277.88	48.40	0.48	-	88.44	137.32
Finance Cost	756.01	65.45	-	8.81	830.27	585.78	25.85	-	52.65	664.28
Non-cash expenses other than depreciation	797.46	109.79	-	0.04	907.29	231.27	2.17	-	-	233.44

Notes to Consolidated Financial Statements for the year ended March 31, 2023

(All amounts in Indian Rupees in millions except for share data or otherwise stated)

(A) Analysis of revenue by geography

The group operates within india and does not have operations in economic environments with different risks and returns. Hence, no separate financial disclosures are provided in respect of its geographical segment.

(B) Information about revenue from major customers which is included in revenue

There is no transactions with single external customer which amounts to 10% or more of the Group's revenue.

(C) In order to align with the current business structure, the group has carried out necessary change in the composition of its reportable segments. The Group has identified primarily two reportable segments, based on review by the Chief operating Decision Maker (CODM; which is the Managing Director), i.e. (i) Retail trading of medicines and general items, and (ii) Diagnostic services. The comparative information as presented in the consolidated segment information have been restated to this effect in accordance with Ind AS 108

50. Additional information pursuant to paragraph 2 of Division II of Schedule III to the Companies Act 2013 - General instructions for the preparation of consolidated financial statements

Name of the Entity	Net Assets i.e., Total Assets minus total liabilities		Share in profit or loss		Share in Other Comrehensive Income		Share in Total Comrehensive Income	
	% of Net of Consolidated Net Assets	₹	% of Net of Consolidated profit & Loss	₹	% of Other Comprehensive Income	₹	% of Total Comprehensive Income	₹
Parent								
MedPlus Health Services Limited								
Balance as at March 31, 2023	76.54%	11412.78	11.06%	55.44	-106.59%	(3.56)	10.29%	51.88
Balance as at March 31, 2022	78.49%	11127.84	5.89%	55.78	6.40%	1.17	5.90%	56.95
Subsidiaries in India								
Optival Health Solutions Private Limited ('OHSPL')								
Balance as at March 31, 2023	76.81%	11453.84	77.93%	390.49	202.69%	6.77	78.76%	397.26
Balance as at March 31, 2022	43.61%	6183.14	86.58%	820.08	91.52%	16.73	86.68%	836.81
MHS Pharmaceuticals Private Limited ('MHS')								
Balance as at March 31, 2023	1.47%	219.88	-0.16%	(0.82)	0.00%	0.00	-0.16%	(0.82)
Balance as at March 31, 2022	1.56%	220.70	-0.14%	(1.31)	0.00%	0.00	-0.14%	(1.31)
Agilemed Investment Private Limited (formerly known as Ritecure Pharma Private Limited) ('APPL')								
Balance as at March 31, 2023	0.00%	0.00	0.00%	0.00	0.00%	0.00	0.00%	0.00
Balance as at March 31, 2022	0.00%	0.00	0.00%	0.00	0.00%	0.00	0.00%	0.00

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Name of the Entity	Net Assets i.e., Total Assets minus total liabilities		Share in profit or loss		Share in Other Comrehensive Income		Share in Total Comrehensive Income	
	% of Net of Consolidated Net Assets	₹	% of Net of Consolidated profit & Loss	₹	% of Other Comprehensive Income	₹	% of Total Comprehensive Income	₹
Wynclark Pharmaceuticals Private Limited (formerly known as Medsupply Distributors Private Limited)('WPPL')								
Balance as at March 31, 2023	0.98%	146.45	11.13%	55.75	0.00%	0.00	11.05%	55.75
Balance as at March 31, 2022	0.64%	90.71	4.72%	44.73	0.00%	0.00	4.63%	44.73
Nova Sud Pharmaceuticals Private Limited (formerly known as PanIndia Pharma Distributors Private Limited)('NPPL')								
Balance as at March 31, 2023	0.42%	62.63	-0.36%	(1.82)	0.00%	0.00	-0.36%	(1.82)
Balance as at March 31, 2022	0.45%	64.46	0.18%	1.71	0.00%	0.00	0.18%	1.71
Sai Sridhar Pharma Private Limited ('SSPPL')								
Balance as at March 31, 2023	0.97%	144.95	6.45%	32.34	3.29%	0.11	6.43%	32.45
Balance as at March 31, 2022	0.79%	112.50	2.58%	24.42	0.66%	0.12	2.54%	24.54
Venkata Krishna Enterprises Private Limited ('VKEPL')								
Balance as at March 31, 2023	1.58%	235.71	11.40%	57.10	1.50%	0.05	11.33%	57.15
Balance as at March 31, 2022	1.25%	177.40	4.25%	40.29	-0.22%	(0.04)	4.17%	40.25
Deccan Medisales Private Limited ('DMPL')								
Balance as at March 31, 2023	0.47%	70.41	1.91%	9.55	-0.30%	(0.01)	1.89%	9.54
Balance as at March 31, 2022	0.43%	60.86	0.82%	7.78	-1.15%	(0.21)	0.78%	7.57
Shri Banashankari Pharma Private Limited ('SBPPL')								
Balance as at March 31, 2023	0.01%	0.81	-0.03%	(0.17)	0.00%	0.00	-0.03%	(0.17)
Balance as at March 31, 2022	0.01%	0.97	-0.09%	(0.87)	0.00%	0.00	-0.09%	(0.87)
Sidson Pharma Distributors Private Limited (SPDPL')								
Balance as at March 31, 2023	0.48%	71.44	2.98%	14.91	-0.60%	(0.02)	2.95%	14.89
Balance as at March 31, 2022	0.40%	56.33	1.39%	13.17	-0.11%	(0.02)	1.36%	13.15
Kalyani Meditimes Private Limited ('KMT')								
Balance as at March 31, 2023	-0.04%	(6.44)	1.44%	7.24	0.00%	0.00	1.44%	7.24
Balance as at March 31, 2022	-0.10%	(13.69)	-3.33%	(31.52)	2.90%	0.53	-3.21%	(30.99)
ClearanceKart Private Limited								
Balance as at March 31, 2023	0.00%	(0.05)	0.00%	(0.06)	0.00%	0.00	0.00%	(0.06)
Balance as at March 31, 2022	0.00%	0.01	0.00%	(0.09)	0.00%	0.00	0.00%	(0.09)

Notes to Consolidated **Financial Statements** for the year ended March 31, 2023

(All amounts in Indian Rupees in millions except for share data or otherwise stated)

Name of the Entity	Net Assets i.e., Total Assets minus total liabilities		Share in profit or loss		Share in Other Comrehensive Income		Share in Total Comrehensive Income	
	% of Net of Consolidated Net Assets	₹	% of Net of Consolidated profit & Loss	₹	% of Other Comprehensive Income	₹	% of Total Comprehensive Income	₹
MedPlus Insurance Brokers Private Limited*								
Balance as at March 31, 2023	0.00%	19.21	0.00%	(0.79)	0.00%	0.00	0.00%	(0.79)
Minority interests in all subsidiaries								
Balance as at March 31, 2023	-0.05%	(6.77)	0.68%	3.42	0.00%	0.00	0.68%	3.42
Balance as at March 31, 2022	-0.04%	(5.19)	-1.15%	(10.86)	0.98%	0.18	-1.11%	(10.68)
Consolidation adjustments								
Balance as at March 31, 2023	-59.64%	(8893.85)	-24.42%	(122.37)	0.00%	0.00	-24.26%	(122.37)
Balance as at March 31, 2022	-27.50%	(3898.31)	-1.71%	(16.24)	-0.98%	(0.18)	-1.70%	(16.42)
Total								
Balance as at March 31, 2023	**100.00%**	**14911.78**	**100.00%**	**501.05**	**100.00%**	**3.34**	**100.00%**	**504.39**
Balance as at March 31, 2022	**100.00%**	**14177.72**	**100.00%**	**947.16**	**100.00%**	**18.28**	**100.00%**	**965.44**

Notes

1) Net assets means total assets minus total liabilities excluding shareholders funds. Net assets and share in profit or loss for the parent company and subsidiaries are as per the standalone financials of the respective entities.

2) The disclosure as above represents separate information for each of the consolidated entities before elimination of inter–company transactions. The net impacts on elimination of inter–company transactions/profits/consolidation adjustments have been disclosed separately.

*The Holding Company subscribed to 2,00,000 shares of 10 each of MedPlus Insurance Brokers Private Limited, which was incorporated on July 14, 2022 under the Compnies Act, 2013.

Notes to Consolidated **Financial Statements** for the year ended March 31, 2023

(All amounts in Indian Rupees in millions except for share data or otherwise stated)

51. The Group does not have any has long term contracts or derivative contracts on which material foreseeable losses were noted.

52. The Group has granted loans and made investment in some of its subsidiaries and other parties. Loans has been given for general corporate purpose. In some of the cases, the subsidiary has utilised borrowings for further investment as per their business requirement. However, none of those borrowings have been utillised for further advancement of loans/investment for the year ended March 31, 2023 and March 31, 2022.

53. Other statutory information

(i) Based on the available information, the Group does not have any transactions with companies struck off under section 248 of the Companies Act, 2013 or section 560 of Companies Act, 1956.

(ii) The Indian Parliament has approved the Code on Social Security, 2020 which would impact the contributions by the Group towards Provident Fund and Gratuity. The Ministry of Labour and Employment has released draft rules for the Code on Social Security, 2020 on November 13, 2020, and has invited suggestions from stakeholders which are under active consideration by the Ministry. The Group will assess the impact and its evaluation once the subject rules are notified and will give appropriate impact in its financial statements in the period in which, the Code becomes effective and the related rules to determine the financial impact are published.

(iii) The Group do not have any Benami property, where any proceeding has been initiated or pending against the Group for holding any Benami property.

(iv) The Group have not traded or invested in Crypto currency or Virtual Currency during the financial year.

(v) The Group does not have any such transaction which is not recorded in the books of accounts that has been surrendered or disclosed as income during the year in the tax assessments under the Income Tax Act, 1961 (such as, search or survey or any other relevant provisions of the Income Tax Act, 1961.

(vi) The Group have not advanced or loaned or invested funds to any other person(s) or entity(ies), including foreign entities (Intermediaries) with the understanding that the Intermediary shall:

(a) directly or indirectly lend or invest in other persons or entities identified in any manner whatsoever by or on behalf of the Group (Ultimate Beneficiaries) or

(b) provide any guarantee, security or the like to or on behalf of the Ultimate Beneficiaries.

(vii) The Group have not received any fund from any person(s) or entity(ies), including foreign entities (Funding Party) with the understanding (whether recorded in writing or otherwise) that the Comapany shall:

(a) directly or indirectly lend or invest in other persons or entities identified in any manner whatsoever by or on behalf of the Funding Party (Ultimate Beneficiaries) or

(b) provide any guarantee, security or the like on behalf of the Ultimate Beneficiaries.

(viii) None of the entities in the group have been declared wilful defaulter by any bank or financial institution or government or any government authority.

(ix) The group has complied with the number of layers prescribed under the Companies Act, 2013.

(x) The Group (as per the provisions of the Core Investment Companies (Reserve Bank) Directions, 2016) do not have any Core Investment Company

Notes to Consolidated **Financial Statements** for the year ended March 31, 2023

(All amounts in Indian Rupees in millions except for share data or otherwise stated)

54. Initial Public Offer and Utilization of Proceeds

The holding Company has completed an Initial Public Offer ('IPO') of 17,573,342 equity shares of face value of ₹2 each during the year ended March 31, 2022 along with a consequent listing of its equity shares on the Bombay Stock Exchange Limited ('BSE') and National Stock Exchange of India Limited ('NSE'). The IPO involved a Fresh Issue of 7,544,511 equity shares by the Company for an amount of ₹6,000 and an offer for sale of 1,00,28,831 equity shares by certain shareholders for an amount of ₹7,982.95. Further, an amount of ₹536.83 has been incurred towards the IPO related expenses which are proportionately allocated between the Company and the Selling Shareholders as per respective offer size, with the Company' share of expenses aggregating to ₹217.27 being adjusted against the balance of Securities Premium in accordance with the provisions of the Companies Act, 2013. The net proceeds received from the aforesaid IPO would be utilized towards investment in a subsidiary for meeting its working capital requirements and towards general corporate purposes.

The utilization of IPO proceeds received by the holding Company (Net of IPO related expense) is summarized below:

Objects as per Prospectus	Planned utilisation as per Prospectus	Utilisation up to March 31, 2023	Unutilised amount as on March 31, 2023*
i) Investment in Subsidiary, Optival Health Solutions Private Limited towards their working capital requirements	4,671.70	4,671.70	-
ii) General Corporate Purposes	1,111.03	326.43	784.60
Total	**5,782.73**	**4,998.13**	**784.60**

* Out of the aforesaid unutilised proceeds, amount of ₹784.60 have been placed as fixed deposits with bank.

55. Government Grant

Other operating revenue includes incentives against skill development under National Apprenticeship Promotion Scheme of ₹27.57 (March 31, 2022, ₹33.86).

56. The Board of Directors of the Company, at their meeting held on January 10, 2023, have approved a Scheme of amalgamation (Scheme) between the Company and MHS Pharmaceuticals Private Limited (MHS), a wholly owned subsidiary, with an appointed date of April 1, 2023. The management is in the process of filing the Scheme with the National Company Law Tribunal and other regulators for their approval.

As per our report of even date attached
For B S R & Associates LLP
Chartered Accountants

ICAI Firm Registration Number
116231W/W-100024

Arpan Jain
Partner

Membership Number: 125710

Hyderabad, May 25, 2023

For and on behalf of the Board of Directors of
MedPlus Health Services Limited

G. Madhukar Reddy
Chairman and Managing Director
DIN: 00098097

Sujit Kumar Mahato
Chief Financial Officer
Hyderabad, May 25, 2023

Manoj Kumar Srivastava
Company Secretary
Hyderabad, May 25, 2023

MedPlus

MEDPLUS HEALTH SERVICES LIMITED

Regd. off. H. No: 11-6-56, Survey No: 257 & 258/1, Opp: IDPL Railway Siding Road
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