



**VIJAYA
DIAGNOSTIC
CENTRE** ®

Date: 29th August 2023

To
BSE Limited
Phiroze Jeejeebhoy Towers
Dalal Street
Mumbai- 400001
Through: BSE Listing Centre
Security Code: 543350

To
National Stock Exchange of India Limited
Exchange Plaza, C-1, Block G,
Bandra Kurla Complex,
Bandra (E), Mumbai – 400 051
Through: NEAPS
Symbol/Security ID: VIJAYA

Dear Sir/Madam,

Sub: Vijaya Diagnostic Centre Limited – Annual Report for the FY 2022-2023 along with the Notice of the 21st Annual General Meeting

We hereby inform you that the Twenty-First (21st) Annual General Meeting ("AGM") of the members of the Company will be held on **Wednesday, 20th September 2023 at 03:00 P.M. IST** through Video Conferencing ("VC") / Other Audio-Visual Means ("OAVM"), in accordance with the relevant circulars issued by the Ministry of Corporate Affairs and the Securities and Exchange Board of India (SEBI).

Pursuant to Regulation 34(1) of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, we enclose herewith the Annual Report for the financial year 2022-2023 (including Notice of the AGM to be held on 20th September 2023 and Business Responsibility and Sustainability Report).

We also wish to inform you that 21st Annual Report (including Notice of the AGM) has been sent, through email to the members on 29th August 2023.

The Annual Report including Notice is also uploaded on the Company's website and can be accessed at: <https://www.vijayadiagnostic.com/investors/annual-reports>

Kindly take the above information on your record.

Thanking you.

Yours sincerely,

For Vijaya Diagnostic Centre Limited

HANSRAJ Digitally signed by
HANSRAJ SINGH
SINGH Date: 2023.08.29
19:58:31 +05'30'

Hansraj Singh Rajput
Company Secretary & Compliance Officer
M. No. F11438



VIJAYA[®]
DIAGNOSTIC
CENTRE



PREFERRED BY

MILLIONS

for **QUALITY • RELIABILITY • AFFORDABILITY**



Forward-looking statements

Some information in this report may contain forward-looking statements which include statements regarding Company's expected financial position and results of operations, business plans and prospects etc. and are generally identified by forward-looking words such as "believe," "plan," "anticipate," "continue," "estimate," "expect," "may," "will" or other similar words. Forward-looking statements are dependent on assumptions or basis underlying such statements. We have chosen these assumptions or basis in good faith, and we believe that they are reasonable in all material respects. However, we caution that actual results, performances or achievements could differ materially from those expressed or implied in such forward-looking statements. We undertake no obligation to update or revise any forward-looking statement, whether as a result of new information, future events, or otherwise.



Scan QR code to read more about us

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At Vijaya Diagnostic, we deliver innovative, comprehensive and reliable diagnostic services, which are preferred by millions across Southern India and even other regions of the country. We are committed to make the patient's medical journey faster, more transparent and more accurate.

We are witnessing a significant year-on-year increase in demand for the non-COVID business across both radiology and pathology segments, reinforcing the strength of our integrated model.

Our digital initiatives also gained significant momentum during the year. The comprehensive LIMS that we have implemented is blended into our system, and is being used without hassle across all our centres. This major milestone has helped streamline operations and enhanced efficiency.

Guided by a well-thought-out expansion strategy, we have significantly strengthened our footprint during the financial year, successfully surpassing the target of the 15 centres for the year. Our business strategy is backed by the idea of setting up large-sized hubs, supported by spokes which are of less capex and higher margins to ensure profitable business and better operational and financial performance in the years to come.

Delivering quality care, with an integrated business model

With an extensive focus on quality, innovation and accessibility, Vijaya Diagnostic Centre Limited has emerged as a leading player of healthcare excellence in Southern India. Our aim is also to expand across Eastern India and geographies adjacent to Andhra Pradesh and Telangana, while continuing to grow our services in the geographies where we are already present. In Eastern India, we are aiming to replicate our successful hub-and-spoke model with dense network.

Our best-in-class facilities provide globally benchmarked diagnostic services, ensuring that every individual, regardless of location or economic status, has access to precise and trustworthy medical care.

Our business strategy is backed by the idea of setting up large-sized hubs, supported by spokes which are of less capex and higher margins to ensure profitable business and better operational and financial performance.

What We Do

At Vijaya Diagnostic Centre Limited (VDCL), we specialise in comprehensive diagnostic solutions. With a health-first approach, our 121 centres across 20 cities employ 2400+ staff, including India's premier pathologists, radiologists, and microbiologists. We set the gold standard in diagnostic care through our NABL-certified labs, advanced medical instruments, stringent quality control protocols, and relentless dedication to training and ethical norms.

We have a rich history of a four-decade-long journey of innovation and expansion, under the visionary leadership of Dr S. Surendranath Reddy, our Chairman. With offerings ranging from diagnostic tests to corporate wellness solutions, we serve 50+ million customers and 250+ corporate clients, making us India's largest B2C focused and most trusted comprehensive diagnostic centre providing both pathology and radiology services.

Operations

Our operations are a dynamic blend of technology, expertise and robust quality assurance. We provide a vast array of diagnostic tests, conducted with speed and precision, without compromising on affordability. Our Corporate Wellness Solutions serve 250+ Corporate Clients operating in India, facilitating a healthy and productive workforce. Our continuous investments in cutting-edge technology enhances customer experience, setting us apart in the market.



Mission



Our Mission is to make the patient's medical journey faster, more transparent and more accurate. We are committed to deliver exceptional diagnostic solutions to every patient and physician.

Vision



Our Vision is to provide reliable and accurate diagnostic services to our customers, at affordable prices, in a customer centric manner. We strive to provide the best service possible. We are continually raising our own bar through the latest technology, continuous improvement and recruitment of high calibre technicians and professional.

Delivering quality care, with an integrated business model

Our guiding principles

Quality Assurance

International-Grade Services

Upholding NABL-certified standards in diagnostic labs to ensure top-notch quality.

Professional Excellence

Employing India's best-certified professionals, emphasizing continuous training, and ensuring strict hiring protocols.

Latest Technology Integration

Equipping diagnostic clinics with advanced medical instruments and employing cutting-edge technology across all platforms.

Accessibility & Affordability

Extensive Geographic Presence

121 centres across 20 Indian cities to provide widespread access to diagnostic services.

Reasonable Pricing

Committed to delivering high-quality diagnostic services at affordable rates, making healthcare accessible to all.

Ethics & Integrity

Unannounced Quality Checks

Conducting periodic and unexpected visits to ensure consistent adherence to quality standards.

Ethical Compliance

Stringent adherence to ethical norms across all services, maintaining trust and integrity.

Innovation & Growth

Continuous Improvement

Embracing technological advancements, fostering innovation, and pursuing opportunities for growth and expansion.

Corporate Wellness Solutions

Customized wellness solutions catering to more than 250+ Corporate Clients, emphasizing the overall well-being of the workforce.

Community Focus

Patient-Centric Approach

Timely delivery of diagnostic findings to support superior medical care outcomes.

Trust & Reputation

A legacy of 40 years in quality diagnostic services, earning the trust of 50+ million customers, making Vijaya Diagnostic Centre Limited the most preferred diagnostic partner.

Our guiding principles

40+

Years of legacy

121

Diagnostic Centres

20+

Cities present in

2,400+

Staff

200+

Radiologists, Microbiologists, Pathologists

250+

Corporate Clients

50+

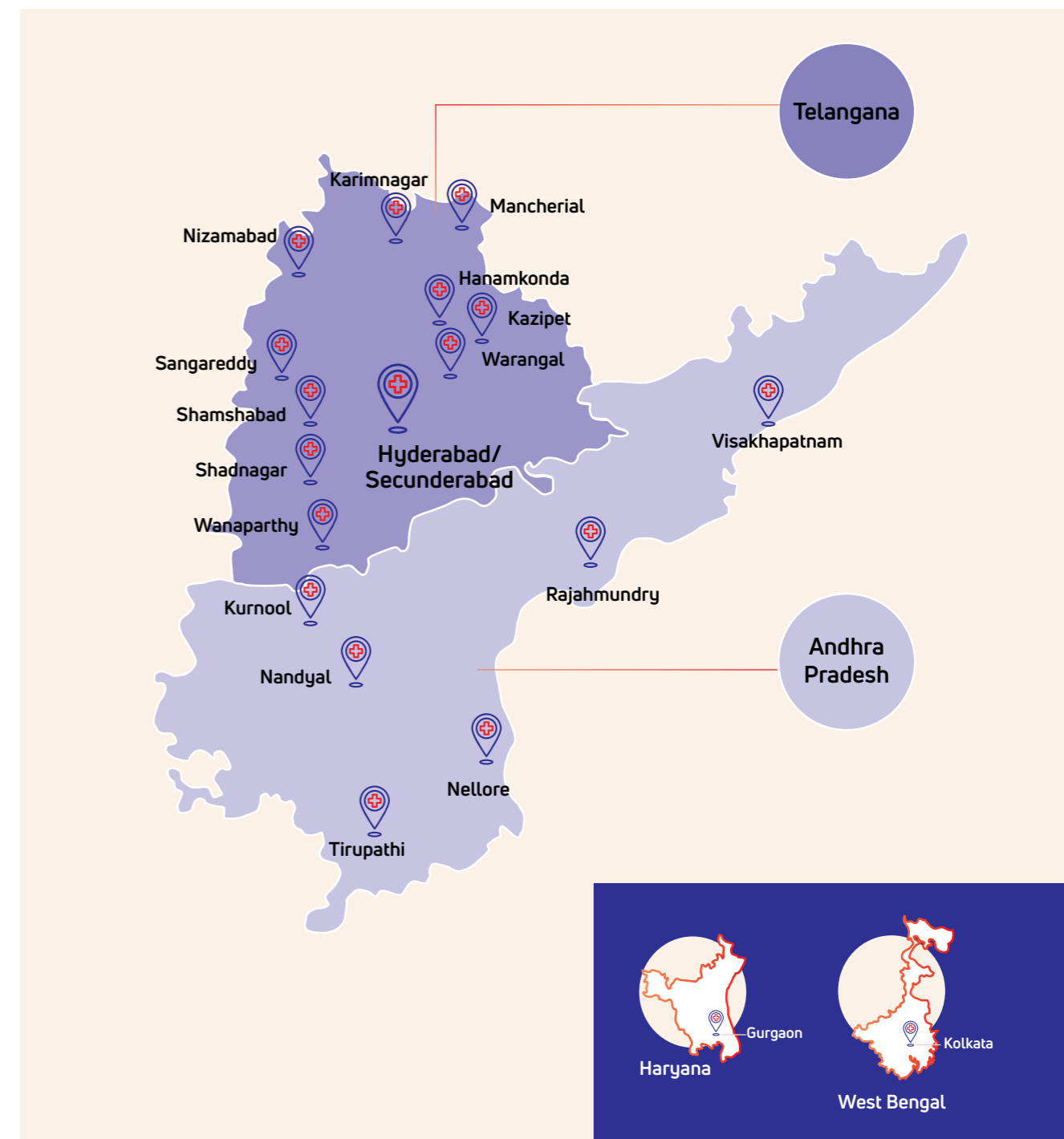
Million Customers

20

NABL/NABH Certified Labs

Geographic presence










Our footprint extends across major Indian cities, making quality healthcare accessible to a diverse population. Although we have major focus on the southern states, we are gradually expanding our footprint to other parts of India.



Strengths and strategies to deliver value at scale

Our leadership in the diagnostics sector is underpinned by our core strengths, which help us stand apart in a competitive landscape.

Our Strengths

 <p>Leader in High-Growth Market</p> <p>Addressing Health Trends: Contributing to the management and cure of non-communicable diseases, ageing population needs, and growing health awareness.</p> <p>Utilising Policies: Aligning with increasing health insurance and government healthcare schemes.</p>	 <p>Integrated One-Stop Solutions</p> <p>Comprehensive Network: 1 flagship centre, 28 hubs, 92 spokes, and regional labs provide full-range pathology and radiology services.</p>	 <p>Robust Technical Capabilities</p> <p>Innovation: Among the first in South India to offer PET CT scans in 2008.</p> <p>Advanced Systems: LIMS, RIS, and PACS enable standardized, error-reduced operations.</p>
 <p>Dominance in Core Geographies</p> <p>Strategic Positioning: Significant presence in Telangana & Andhra Pradesh, vital healthcare regions.</p>	 <p>Experienced Board & Management Team</p> <p>Guided Leadership: Seasoned professionals with diverse capabilities drive vision and execution.</p>	 <p>High Brand Recall & Customer Loyalty</p> <p>Quality Services: Our customer centric approach coupled with quality diagnostic services results in higher brand recall, high share of walk-in customers and sticky individual customer.</p>
 <p>Best-in-class infrastructure</p> <p>Optimal Environment: Our facilities and offices feature state-of-the-art infrastructure designed to meet global standards, ensuring an optimal working environment for staff and exceptional service for patients.</p>	 <p>Digital Initiatives</p> <p>Digital Ease: Utilising digital technology, our mobile application streamlines the patient journey, allowing for a seamless experience that caters to client needs with efficiency and precision.</p>	 <p>B2C business model</p> <p>Consumer-Centricity: A considerable 95% of our revenue comes from a B2C business model, reinforcing our central focus on enhancing the quality of life for individual patients.</p>

Radiology

Diagnostic Precision: We are one of the few entities who specialise in radiology and are equipped with cutting-edge machines such as MRI, CT, and Gamma scanners, alongside tele-radiology services, thus offering convenience and ease of procedure to our customers.

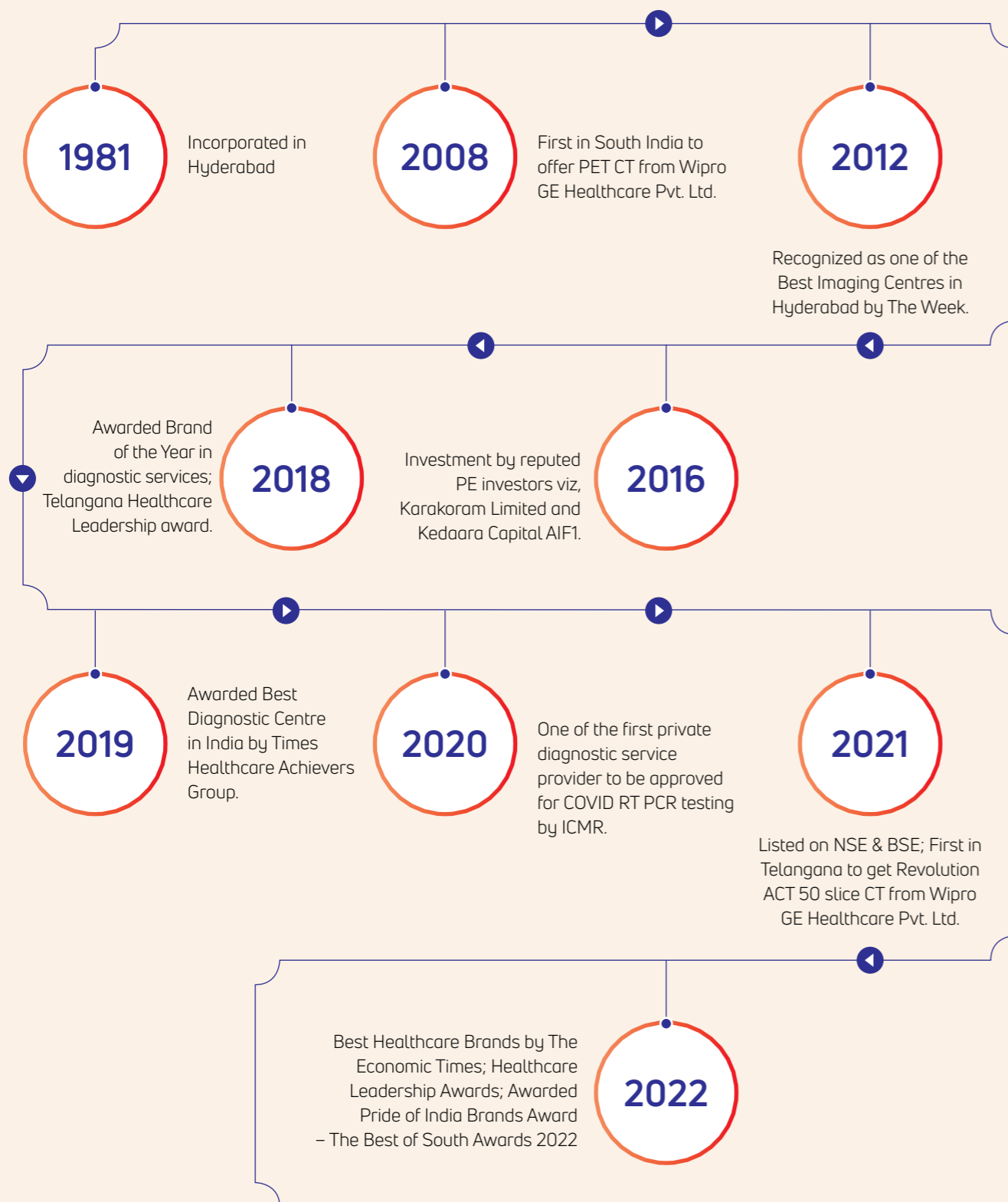
Strategies going forward

At Vijaya Diagnostic, our strategic imperatives are guided by our core values, customer-centric philosophy, and a relentless pursuit of quality and innovation. We are committed to our mission to enhance the lives of our communities through our comprehensive and integrated diagnostic services.

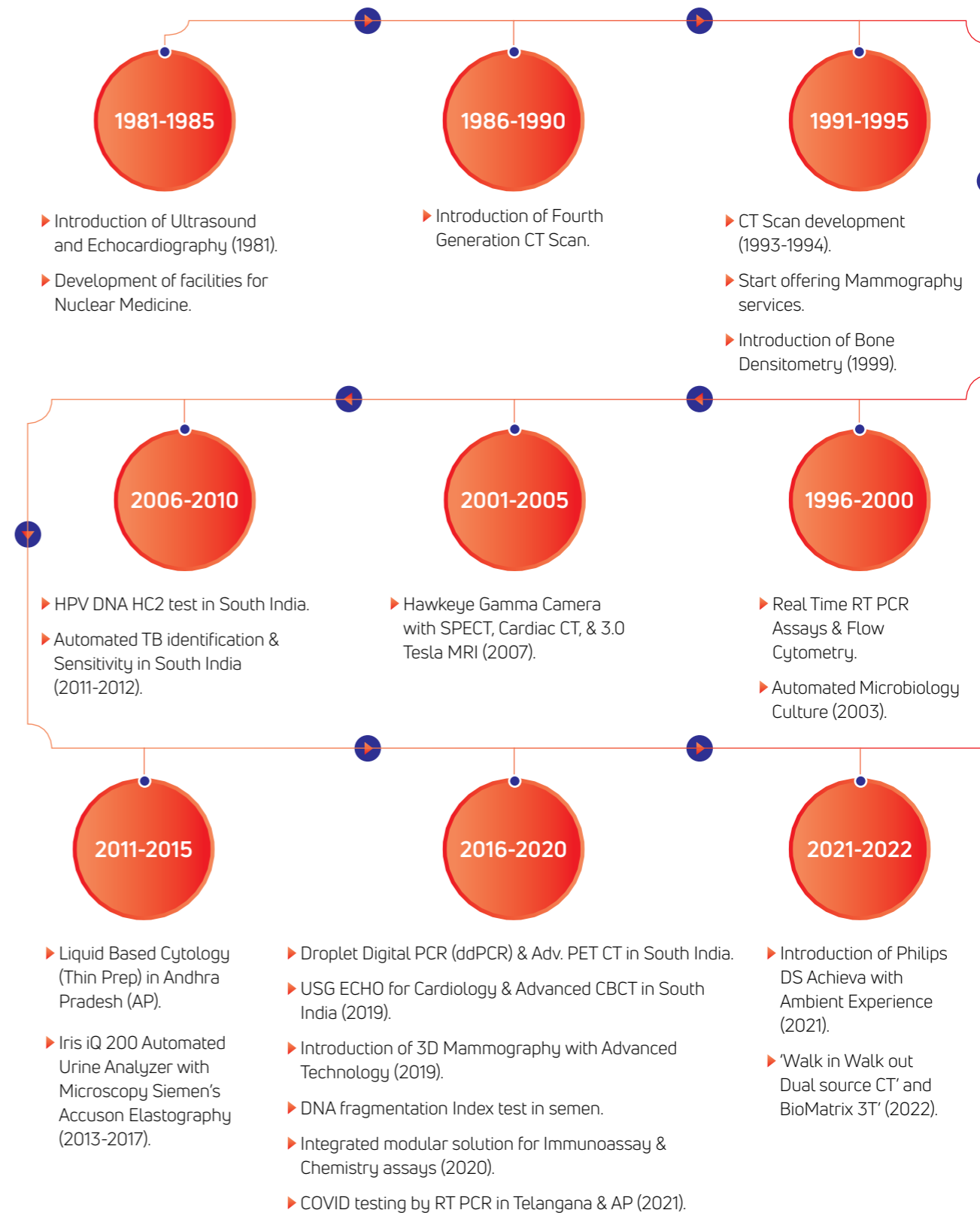
<p>Deepening Footprint in Core Markets: Telangana & Andhra Pradesh</p> <p>Our focus on Telangana and Andhra Pradesh is characterised by two distinct dimensions:</p> <p>Expansion Through Innovation: We will continue to open additional diagnostic centres through an owned model, strategically expanding our network through spokes and hubs, and investing in latest technologies.</p> <p>Consolidating Leading Position: Leveraging our significant presence and operational experience, we are committed to enhancing laboratory capacity and adding value through continuous medical education programmes and physician engagements.</p>	<p>Geographic Expansion: South & East India</p> <p>Our vision reaches beyond our core markets, targeting growth in two strategic directions:</p> <p>South India Strategy: With our effective hub-and-spoke model, we aim to establish a presence in adjacent geographies, focusing on key cities and towns where our brand is well known. We believe that this wider reach will further expand our customer base and revenue.</p> <p>East India Strategy: We have selected Kolkata as our primary focus area for medium to long-term growth in East India. Our plan includes replicating our successful hub-and-spoke model with dense network, complemented by additional diagnostic centres.</p>	<p>Customer-Centric to the Core</p> <p>We understand the importance of being attuned to market dynamics, and our strategies are aligned accordingly:</p> <p>Key Drivers: These include sharpening our focus on chronic and lifestyle diseases, corporate tie-ups, and expanding our service offerings.</p> <p>Our Strategy: Our approach emphasizes expanding diagnostic services with cutting-edge technology, offering additional preventive services, expanding specialty tests, growing our corporate customer base, and broadening chronic disease management programmes.</p>
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Progressing across decades



At the forefront of introducing new technologies



Executive Chairman's Message

Dr. S. Surendranath Reddy

Executive Chairman

Dear Shareholders

I am honoured and proud to report that as always, the year gone by was characterised by stellar performance, reinforcing the strength of our model of comprehensive diagnostic services.

As a brand, we continue to enjoy the trust and regard of millions of customers and satisfy their expectation of high quality diagnostic services at affordable prices. Our exceptional performance during the year reinforces our commitment for innovation, operational excellence and customer-centric service delivery.

The key role of diagnostics in healthcare is but obvious and service providers shoulder the crucial responsibility of accurate and reliable diagnosis. The prevalence of chronic illnesses, lifestyle related diseases and a steady increase in the elderly population have effectively contributed to a significant rise in demand for quality diagnostic services.

The past year witnessed remarkable growth both in radiology and in pathology and a sizeable contribution to this was from Non-Covid business, which gained significant momentum. Added to this, we were able to offer a superior customer experience and define higher standards of excellence backed by the ability to offer high quality and accurate services in a customer-centric manner, our motto of business right from the time of inception.

Leveraging strong performances

Both our new and existing centres benefitted from the upsurge in demand for Non-Covid diagnostic services, leading to a Non-Covid revenue growth of 19.2% year-on-year. This reaffirms our capability to sufficiently adapt our services offerings to dynamic trends in healthcare and thereby sustain and grow the trust of customers and clinicians alike.

Building on the trust our customers have evinced on us as a brand and strengthening our resolve for customer convenience and comfort at all times, we are consistently continuing to make systematic investments guided by an intelligently planned expansion strategy. Cautious concentration on introducing state-of-the-art equipment and the most advanced technology has enabled us to enhance our service portfolio with unique and high-end



Efficient energy utilization, responsible management of medical waste and adoption of the right technology – these are our conscious efforts towards contributing to a better and a more sustainable environment.



tests and to reduce the chance of human error. Our practice of continuous optimization of processes has made us progressively move towards operational excellence and to maintain optimum Turn-Around Time (TAT). We have digitally automated the customer journey from appointment booking to online report access to make overall customer experience even more pleasurable and convenient.

Driving sustainable change

Acknowledging the significant impact of our business operations on the society and the environment, we are consciously working towards minimizing the ecological footprint and engaging in community development activities. Efficient energy utilization, responsible management of medical waste and adoption of the right technology – these are our conscious efforts towards contributing to a better and a more sustainable environment. Also as part of CSR, we have taken active part in projects promoting education, women empowerment, easy access to quality healthcare for weaker sections of the society and many such humanitarian causes.

Way forward

Focussed on research backed, strategic expansion, and a resolve to continually raise the bar on the standards of quality, we are committed to order our service offerings in-line with customer needs and in a customer-centric manner. Leveraging on our strong brand recall, we plan to continue to employ the most advanced technology to offer reliable and error-free diagnostic services and for optimizing operations. We continuously strive towards hiring skill and talent that is best-in-class to align our services to the ever evolving trends in healthcare and the unique needs of our customers.

In closing, I would like to express my heartfelt gratitude to our stakeholders and patrons, the entire team at Vijaya Diagnostics, our shareholders and the board for its unwavering support and guidance all throughout.

Regards,

Dr. S. Surendranath Reddy
Executive Chairman

CEO's Message

Suprita Reddy
CEO



Dear Shareholders

The year gone by stood as a testimony reinforcing the strength of our integrated business model and was marked by the achievement of strategic goals and major milestones in our journey as a brand of choice.

Apart from reporting excellent numbers in radiology and pathology, we also recorded the highest ever non-covid revenue growth. Our steady pace of expansion helped us not only to increase our footprint, but more importantly to improve access and reach to customers.

Performance overview

We recorded a 14.7% year-on-year non-covid revenue growth, supported both by contribution from new centres and improved performance in existing centres. Business from the wellness segment grew to 12.1% from 6.8% in comparison to the FY 22. The B2C segment continued to stand strong at 95%.

EBITDA this year was ₹ 1,820 Mn with a margin of 39.6%, PAT was ₹ 846 Mn, translating to an impressive margin of 18.4%, demonstrating our capability to ensure profitability while maintaining the standards of quality and service excellence.

Digital initiatives

In our conscious attempt for successive progression towards digitization of service delivery and business operations, we have implemented a comprehensive LIMS that completely blended into our system of operations and is being used without hassle across all our centres. With the fulfilment of this major milestone, we have streamlined operations and enhanced efficiency that much more throughout our vast network of centres. In addition to this, we have successfully developed and launched a robust and easy-to-use mobile app that provides an enhanced patient experience. This one-of-a-kind mobile app is available for every investigation both in radiology and in pathology, making it unique in the diagnostic space. This comprehensive mobile app is available for both iOS & Android. Moreover, we have completed a successful rollout of a fully functional e-commerce website.

Growing footprint

Guided by a research backed and systematically planned expansion strategy, we have successfully over-crossed the initial target of 15 centres in FY23. Our



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approach to expansion will continue to be driven by the hub-and-spoke business model - setting up large-sized hubs, supported by smaller margin-accretive centres to ensure sustained profitability and better operational and financial performance in the years to come.

Today, Vijaya is one of India's largest chains of integrated diagnostics operating 121 full-fledged centres across 20 cities in India. Our reliance on state-of-the-art equipment and advanced technology enables us to provide reliable and accurate results and to carry out some of the most complex diagnostic investigations with ease, making us a brand of choice for customers and clinicians alike. Our customer centric approach to offering patient convenience and a holistic patient experience at all times has enabled us stand out as the market leader in the B2C business segment.

Future-focused

Our plan for the future is expansion to East India and consolidation of our presence as a brand in this market. To this end, we have recently established a one-of-its-kind hub in Kolkata and have a systematic follow up plan of setting up more centres in this geography within the next two years.

All our business decisions are always backed by an approach of intelligent market study and research enabling us

the leverage on our capabilities to take on the challenges and the opportunities that lie ahead. We intend to focus our concentration on adopting the most advanced technology and introducing futuristic equipment to enable us offer accurate, reliable & high quality diagnostic services to our customers.

Our intelligently planned initiatives for digital transformation, opportunity study backed approach for expansion and a dogged focus on offering an enhanced patient experience will pave the way for sustainable growth in time to come. Our resolve to maintain the affordability of our services while never lowering the bar on the standards of quality and adopting the most advanced technology at all times will strengthen our capability of capitalizing on the immense opportunity for growth in the diagnostic space, enabling us create lasting value to all our stakeholders.

I would like to express my heartfelt thanks to the leadership team and to all my staff for their constant support and assistance all along. I am also immensely grateful to our customers that have evinced trust in our ability and have enabled us emerge as a brand of repute in the diagnostic space.

Regards,

Suprita Reddy
CEO

**Our quality,
reliability and
affordability**
are underpinned by **best
in class infrastructure,
technology, and one of
the finest talent pool of
technicians and doctors.**



Amplifying value with an integrated business model

Capital Type	Inputs	Process	Output	Outcomes
Intellectual Capital	<ul style="list-style-type: none"> Introducing new technologies Advanced diagnostic techniques for routine, specialised and super-specialised tests Complete range of diagnostic services under one roof 	<p>Quality, Reliable & Accurate Diagnostics at Affordable Prices</p> <p>Process architecture</p> <p>Customer (Walk-in) Home Collection B2B Hospitals & Lab</p> <p>Customers</p> <p>Samples</p> <p>Vijaya Diagnostic Centre</p> <p>Flagship Centre #1</p> <p>Hubs #28</p> <p>Spokes #92</p> <p>National Reference Lab #1</p> <p>Reference Lab #16</p> <p>Legend: - - - Sample Flow, — Patient Flow</p>	<p>Increased Revenue & Footfalls</p>	<p>8 NABH Accreditations</p> <p>12 NABL Accreditations</p>
Human Capital	<p>2400+ Total Staff</p> <p>₹ 785 Million Expenditure in employee benefits</p>		<p>Improved Employee Satisfaction & Community Benefits</p>	<p>2400+ Employees trained and upskilled</p> <p>2400+ Employees given benefits</p>
Manufactured Capital	<p>121 Strong network of diagnostic centres</p> <p>28 Hubs</p> <p>92 Spokes</p>		<p>Expanded Testing Capacity</p>	<p>3.18 Million Patients treated</p> <p>10.05 Million Tests conducted</p>
Financial Capital	<p>₹ 547 Crores Net worth</p> <p>₹ 1,378 Million Capex</p>		<p>Enhanced Profitability</p>	<p>₹ 4,592 Million Revenue</p> <p>16% ROE</p> <p>₹ 846 Million PAT</p> <p>25% ROCE</p>
Social and Relationship Capital	<p>B2C Focus</p> <p>250+ Tie-ups with corporate clients</p> <p>36,000+ Home Collections</p> <p>1800+ Partnership with Hospitals & Labs</p>		<p>Brand Loyalty & Community Development</p> <p>Customer Satisfaction & Reach</p>	<p>₹ 59 Million Revenue from Home Collection</p> <p>95% B2C revenue</p>

Fulfilling stakeholder expectations

At Vijaya Diagnostic, we acknowledge that our success is deeply intertwined with the relationships we foster with our stakeholders. By nurturing these relationships, we not only align our strategies and operations with stakeholder expectations, but also create shared value. Our stakeholder engagement framework is driven by transparency, continuous dialogue, and a commitment to addressing key concerns, contributing to our long-term growth and sustainability.



How we engage

Stakeholders	Key Concerns	Modes of Engagement	Outcomes & Value Added	Connected Capitals
Employees	Fair wages, skill development, diversity and inclusion	Regular interaction, workshops, training	Enhanced satisfaction and productivity	Human, Intellectual
Customers	Quality of service, affordable pricing	One-on-one interactions, mass media, website	Strengthened trust, improved services	Social & Relationship, Intellectual
Shareholders and Investors	Financial performance, governance, business growth	AGMs, investor meetings, reports, media	Improved transparency, investor confidence	Financial, Social & Relationship
Government and Regulators	Compliance with rules, timely reporting	Audits, inspections, reports, communication	Compliance assurance, enhanced reputation	Financial, Manufactured
Communities	Community development, education, healthcare	CSR activities, volunteering, partnerships	Positive community impact, social welfare	Social & Relationship, Natural, Human

Board of Directors

We are steered by a distinguished Board of Directors, whose diverse expertise and wisdom have shaped our progress as South India's largest integrated diagnostic chain.



1

Dr. S. Surendranath Reddy
Executive Chairman



2

Mr. Sunil Chandra Kondapally
Executive Director



3

Mrs. Sura Geeta Reddy
Non-Executive Director



4

Dr. Duvvur Nageshwar Reddy
Non-Executive, Independent Director



5

Mr. Shekhar Prasad Singh
Non-Executive, Independent Director



6

Mr. Satyanarayana Murthy Chavali
Non-Executive, Independent Director



7

Dr. Manjula Anagani
Non-Executive, Independent Director

Chairperson	Audit Committee
Member	Nomination and Remuneration Committee
	Corporate Social Responsibility Committee
	Stakeholders Relationship Committee
	Risk Management Committee

1

Dr. S. Surendranath Reddy
Executive Chairman

Dr. S. Surendranath Reddy is the Executive Chairman of our Company. He holds a bachelors degree in medicine from Shri Venkatesvara University and a provisional degree of Doctor of Medicine in Radiology from Osmania Medical College, Hyderabad. He has over 19 years of experience with our Company. He is a life member of the Indian Radiological and Imaging Association. He has also received an award from Abbott for leadership in in-vitro diagnostics and an award for the "Healthcare Entrepreneur of the year" in 2019 from Six Sigma Star Healthcare, New Delhi.

2

Sunil Chandra Kondapally
Executive Director

Sunil Chandra Kondapally is the Executive Director of our Company. He has been associated with our Company since incorporation. He holds a bachelors degree in science in electrical engineering from Florida State University. He has over 17 years of experience in the field of pharmaceutical industry. He founded a pharmaceutical services company Trikona Pharmaceuticals Private Limited in 2016 and QPS Bioserve India Private Limited in 2004 and, which focuses on the development of innovative pharmaceutical products. He has worked in operations, quality accreditation, finance, marketing and network expansion departments of our Company since its incorporation.

3

S Geeta Reddy
Non-Executive Director

S Geeta Reddy is a Non-Executive Director of our Company. She holds a bachelors degree in law from Osmania University. She is enrolled as an Advocate with the Andhra Pradesh High Court in 1986.

4

Dr. D Nageshwar Reddy
Non-Executive, Independent Director

Dr. D Nageshwar Reddy is the Non-Executive Director - Independent Director of our Company. He holds a degree from University of Madras in general medicine and a D.M in gastroenterology from Postgraduate Institute of Medical Education and Research, Chandigarh. He is currently the Chairman of Asian Institute of Gastroenterology, Hyderabad. He received Padma Shri and Padma Bhushan Awards from Government of India.

5

Shekhar Prasad Singh
Non-Executive, Independent Director

Shekhar Prasad Singh is the Non-Executive Director - Independent Director of our Company. He is a retired IAS officer of 1983 batch. Previously, he acted as Chief Secretary to Government of Telangana.

6

Satyanarayana Murthy Chavali
Non-Executive, Independent Director

Satyanarayana Murthy Chavali is a Non-Executive- Independent Director of our Company. He holds a bachelors degree in technology from Indian Institute of Technology, Madras and a post graduate diploma in management from Indian Institute of Management, Bangalore. He previously worked as a chief executive officer of Aurigene Discovery Technologies Limited and has previously worked at Dr. Reddy's Laboratories Limited.

7

Dr. Manjula Anagani
Non-Executive, Independent Director

Dr. Manjula Anagani is the Non-Executive - Independent Director of our Company. She holds a degree in M.D Obstetrics and Gynaecology from NTR University of Health Sciences, Andhra Pradesh. She is currently working as a Clinical Doctor and HOD, Women and Child centre at CARE Super Speciality Hospital - Banjara Hills & Hi-tech City - Hyderabad. She has received the fourth highest honour for a civilian in India, the distinguished 'Padma Shri'.

Awards and accolades

Our efforts have been recognised by esteemed organisations and institutions, reinforcing our presence as a leader in the diagnostics industry.

National Recognition



Pride of India Brands Award (2022): A monumental acknowledgment of our standing as one of India's revered brands.

Best Healthcare Brands (2022): Recognized for our relentless pursuit of healthcare excellence.

India's Greatest Brands (2020-21): Honoured with the 'Pride of Nation' accolade, underlining our position as a leader in healthcare.

Leading Diagnostics with Excellence in Quality & Safety: A testament to our superior diagnostic services across India.

Regional Excellence



Most Trusted Diagnostic Centre of the Year, Telangana Healthcare Leadership Awards (2019): Presented by Times Healthcare Achievers.

Leading Diagnostic Chain of the Year (2022): A prestigious acknowledgment presented by The Economic Times.

Fastest Growing Brands (Pride of the Nation, 2023): Celebrated by Marksmen Daily, highlighting our rapid expansion and influence.

International Distinctions



Reflecting our commitment to global standards in healthcare.



Recognising our contribution to healthcare in collaboration with international counterparts.

Technology and Innovation Awards



For our cutting-edge Laboratory Information Management System (LIMS), fully Integrated Radiology Information Systems (RIS), and Picture Archive and Communication Systems (PACS).

Special Achievements



Presented by the Indian Medical Association, Telangana state, and Messe India.



Acknowledged by The Economic Times.

State Honours



Recognized by the Telangana Government, affirming our continued excellence in the state.



Recognised by the Indian Economic Development & Research Association.



Presented by United Research Services.

Financial

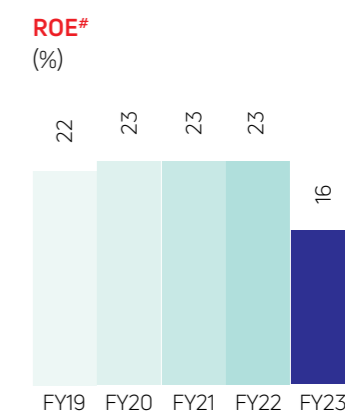
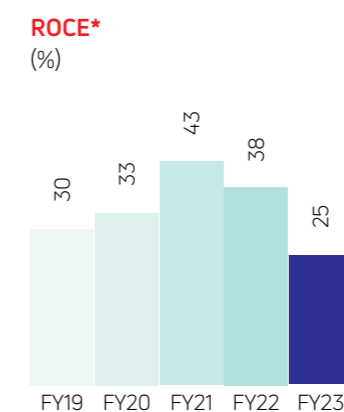
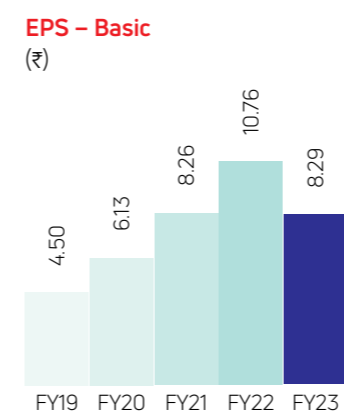
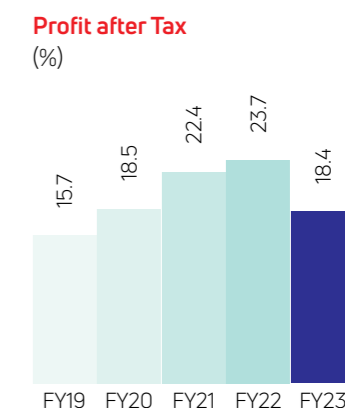
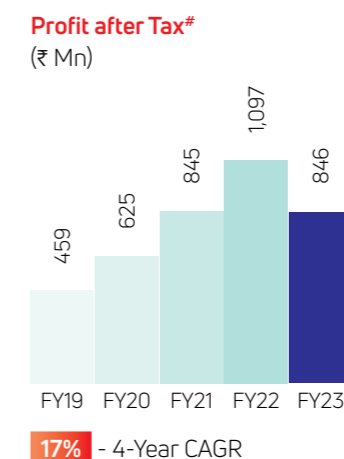
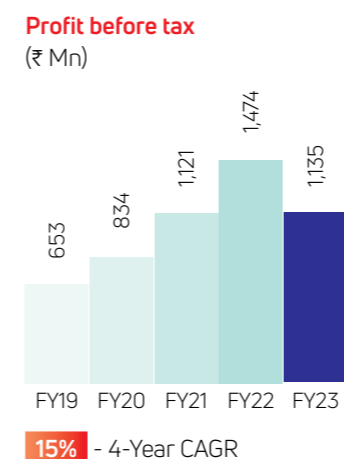
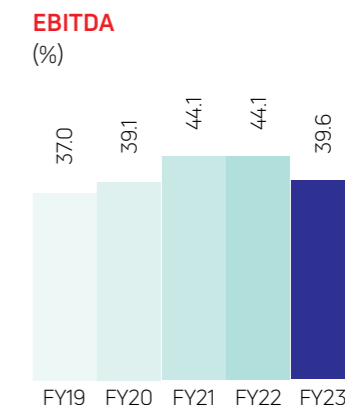
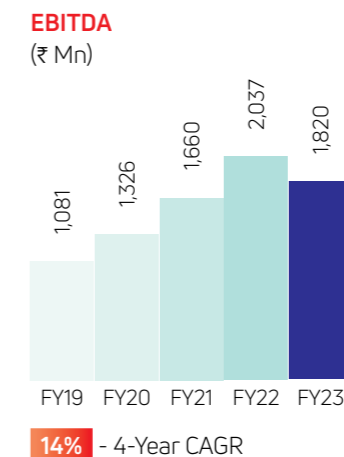
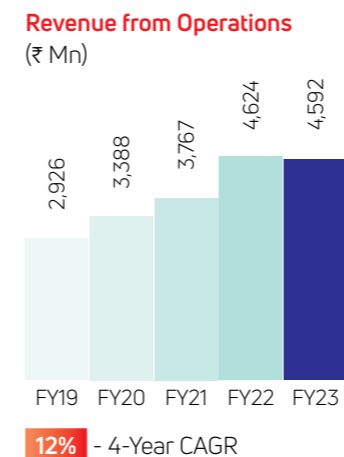
Capital



Our financial capital enables us to take progressively steady strides towards patient convenience and a holistic patient experience. Our financial performance has been resilient in a dynamic operating environment. As we move ahead, our primary objective is to create sustainable value for our shareholders and investors.

₹ **4,592 Mn**
Revenue from Operations

₹ **846 Mn**
Profit After Tax



*ROCE (Pre-cash): PBIT ex Other income / (Total Assets – Cash – Current Liabilities)

#With effect from 01 January 2023, the Company has changed its method of depreciation on all Property, Plant and Equipment from Written Down Value (WDV) method to Straight Line Method (SLM), based upon the technical assessment of expected pattern of consumption of the future economic benefits embodied in the assets. Due to the aforesaid change, the depreciation expense is lower by Rs. 90.4 Mn and PAT is higher by Rs. 67.7 Mn for the quarter ended and year ended March 31, 2023. There has been no change in the depreciation expense recognised up to the period ended December 31, 2022.

Manufactured

Capital

Our manufactured capital represents our facilities, centres and the technologies that we deploy to provide accurate results to patients. The combination of technological advancements, infrastructure, operational excellence and strategic pricing contributes to our sustained growth.



10+ million

Tests Performed

3+ million

Footfalls

121

Centres

23

CT Machines

8

PET CT / Gamma machines

23

MRI Machines



We have achieved encouraging growth in our manufactured capital. The inauguration of state-of-the-art facilities, the operational break-even achieved in record time, and the integration of cutting-edge technology formed the bedrock of our growth. Our dedication to providing comprehensive diagnostic services through an effective

operational model translated into tangible results. This, in turn, fuelled our ambition to expand our reach and innovate further.

Our approach to manufactured capital was not limited to mere physical expansion; it extended to improving the quality of our services and harnessing

technology to achieve excellence. From absorbing global standards in preventive care to adopting an efficient 'hub-and-spoke' model for specimen collection and testing, we ensured that our manufactured capital served as the backbone of our quality healthcare delivery system.

Facilities and infrastructure

We inaugurated numerous centres across multiple locations, including more than 10,000 sq. ft. state-of-the-art facilities. These infrastructural advancements were pivotal in widening our footprint and enhancing our capability to offer integrated diagnostic services.



Tirupati, Andhra Pradesh
Inaugurated a 10,000 square feet advanced facility, offering advanced radiology investigations



Rajahmundry, Andhra Pradesh

Opened a 10,000 square feet state-of-the-art diagnostic hub, achieving operational break-even within three quarters.



Punjagutta, Hyderabad

Commissioned a 16,000 square feet unique centre equipped with advanced technologies, reaching operational break-even in just 6 months.

Manufactured Capital

Equipment and technology

Our investment in top-tier equipment such as 3T MRI, CT, Gamma Camera, and other cutting-edge technologies bolstered our capacity to perform over 10 million tests. These technological assets positioned us at the forefront of medical diagnostics.

Logistic network

We implemented an effective logistical network, utilising in-house logistics teams and temperature-controlled transport. This critical infrastructure component aided in maintaining specimen quality and optimising the diagnostic process.

Technology absorption

Our efforts towards absorbing technology translated into global quality standards in our services. The integration with Laboratory Information Management System (LIMS) played a key role in ensuring accuracy, speed, and affordability.

Network Strategy

Our 'hub-and-spoke' approach contributed to centralised testing and procurement, reducing the overall cost and enhancing efficiency across our diagnostic services.

Comprehensive Diagnostic Services

We offer a diverse range of 2000+ pathology tests and 550+ Radiology tests under one roof, providing high-quality diagnostic services. Our expansion into various regions ensures that our advanced diagnostic services reached a broader consumer base. Our pricing strategy is aligned with our core value of making healthcare services accessible to all without compromising quality.

Lab test at home

In an era where convenience and healthcare converge, waiting in queues for diagnostic tests can be cumbersome and time-consuming. We understand this concern and bring medical diagnostics right to your doorstep.



A Wide Range of Specialties

With coverage across 21+ medical specialties, our home sample collection service ensures that comprehensive diagnostic care is accessible to everyone.



Expert Care at Your Doorstep

Upon receiving a request for home sample collection, our medically certified professionals arrive at the location to collect the required blood test samples, adhering to the highest standards of safety and hygiene.



Convenience for the customer

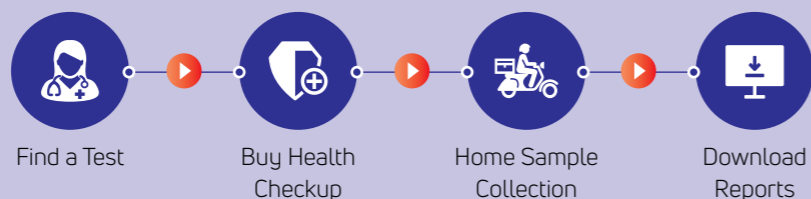
We acknowledge the importance of timely health tests. Our home sample collection service is designed to provide a convenient and user-friendly experience.



Quick and Easy Access to Reports

Once the tests are conducted, the reports are made available via WhatsApp and text messages, or they can be collected at our centre. The customer can download blood test reports from the comfort of their homes.

How to book blood test at home



Corporate wellness

In the past financial year, we have cemented our position as an essential player in corporate health and wellbeing. Serving over 400 corporates, we have become their preferred diagnostic partner, echoing our belief that a healthy workforce is a fundamental driver of organisational success.

One of the benefits of our corporate wellness solution is the provision of a dedicated report portal. This digital interface allows our partners to monitor, download and analyse the health reports of their workforce. The insights derived facilitate the creation of targeted health programmes.

Pre-employment health check-up

Our bespoke packages assist organisations in assessing the fitness of their prospective hires, including vital tests such as Fasting Blood Sugar, ECG and Ultrasound Abdomen. By providing a detailed health profile, we ensure that every new recruit is fit to perform his/her duties.

Annual health check-up

Our unique 360-degree programme goes beyond mere diagnosis, focusing on prognosis and prevention. Tailorable to specific organisational needs, these comprehensive evaluations have proven pivotal in sustaining the health and wellbeing of the workforce.

Specialised testing services

Catering to the unique requirements of various industries, we offer a wide array of Drug Panel tests, Food Handlers Check-ups, and Hazardous testing. Whether it is compliance with FSSAI regulations or periodic screening for hazardous exposure, we provide a one-stop solution.

Special discounts

As part of our commitment to our corporate partners, their employees enjoy exclusive discounts on selected investigations throughout the year. Further, the Company also offers special discounts to senior citizens on both pathology and radiology services. This encourages a culture of regular health monitoring without financial burden.

With our extensive network of 121 branches across 4 states and 20 cities, we offer flexibility in delivering these services, both on-site and off-site. Our innovative approach includes periodic health interventions, where the results are analysed, and action plans are formulated to drive health improvements. The efficacy of these programmes is tracked, showing measurable improvements in individual and collective health.



Intellectual

Capital



Our intellectual capital extends beyond state-of-the-art equipment, encompassing a relentless pursuit of quality and excellence in patient care. Strategically aligned with our goal of delivering top-tier diagnostic services, it serves as a foundation for continuous improvement and innovation, enabling us to become a dominant entity in the diagnostic services industry.

8

NABH Accreditations

12

NABL Accreditations



Technology integration and advanced solutions

The integration of advanced medical equipment and IT infrastructure within our operations has been strategically undertaken. With the aim of enhancing efficiency, accessibility, and precision, we have implemented a series of technological advancements. These include the stabilisation of essential software, the launch of user-friendly digital platforms, and the incorporation of cutting-edge radiological features.

Efficient and robust IT infrastructure

The integration of technology within our operations, both in advanced medical equipment and our Information Technology (IT) infrastructure, serves specific purposes in enhancing our offerings.

With an aim to increase operational efficiency, the recent stabilisation of the Laboratory Information Management System (LIMS) software has been

implemented. This has enabled seamless utilisation across all centres, fostering a cohesive workflow.

In order to make medical testing more accessible to users, we have developed and launched a robust mobile application that covers all test types in radiology and pathology. This step is instrumental in extending medical testing to a broader audience.

The rollout of a fully functional e-commerce website has been executed, providing convenient services to our customers. This step represents a direct response to the growing need for online access to our services.

To effectively manage the workflow of radiology testing services, our Radiology Information System (RIS) has been designed, offering features such as Maximum Intensity Projection (MIP), Multi-Planar Reconstruction (MPR) and 3D imaging. The implementation of these advanced features has been vital in ensuring efficiency and precision within radiological examinations.



Commitment to Sustainability and Growth

Our extensive industry experience and professional knowledge fuel our mission to continually raise the bar for patient care. Our advanced solutions foster an environment conducive to growth, while adhering to global quality standards in preventive care and diagnostic testing.

Quality assurance and safety measures

Quality assurance remains a cornerstone of our operational ethos. Through rigorous processes, standard operating procedures, and continuous internal audits, we maintain the highest standards of quality in laboratory and radiological services.

Laboratory quality assurance



Our laboratory quality assurance system provides a process-driven approach to ensure the accuracy of testing. This approach includes the maintenance of documents and application of stringent quality controls.

Radiological quality assurance



Our radiological quality assurance is crafted to build trust and maintain excellence in diagnostic imaging quality. With an in-house radiation quality assurance committee, we ensure proper equipment operation and the least amount of radiation exposure.

Privacy and security of user data

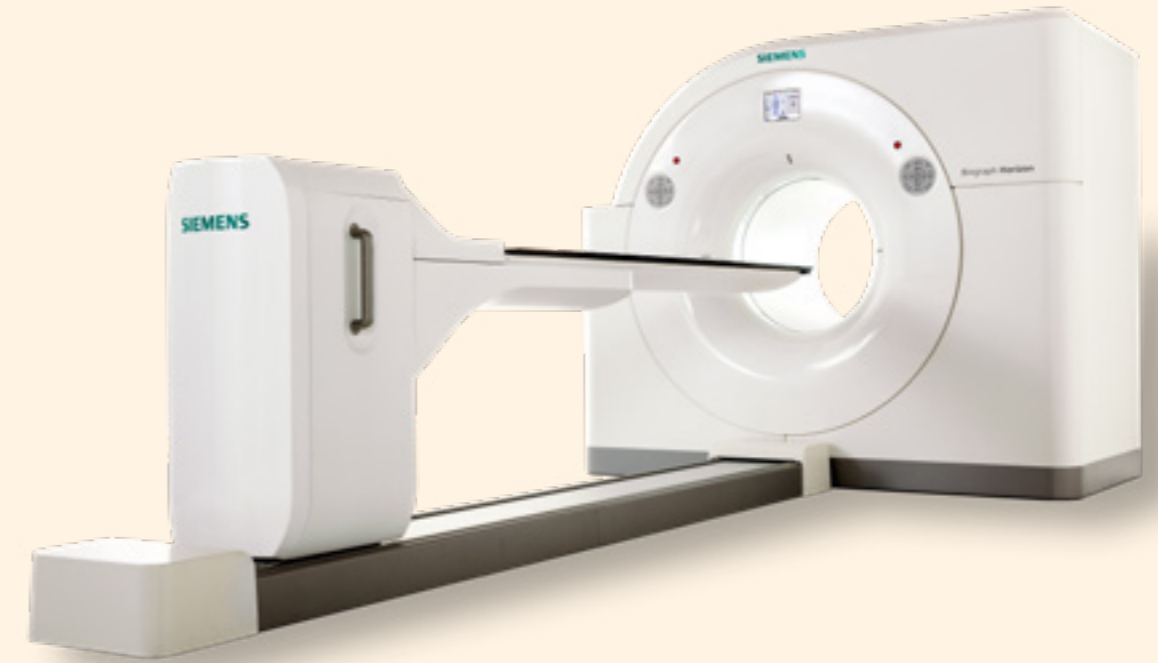
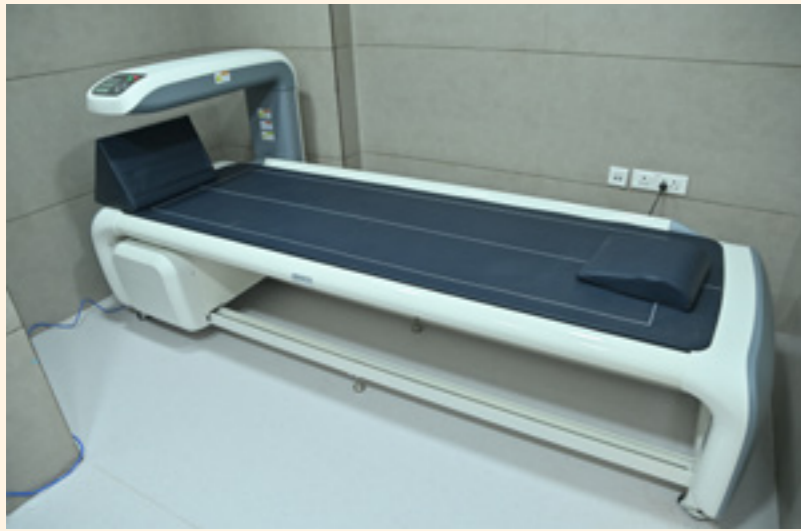


Protecting customer information is paramount to our operations. Our system ensures the secure collection and storage of demographic and medical data, accessible only to authorised personnel.

Intellectual Capital

Complete Range of Diagnostic Services under One Roof

Comprehensive and high quality integrated diagnostic services through our operational network



Human

Capital



At Vijaya Diagnostics, our human assets represent the catalysts of our profitable and sustainable growth. Our teams are given an inspiring and empowering environment to thrive and take more challenges. Our commitment to their safety, continuous growth, and recognition forms the core of our corporate culture. It reflects our ethos of building not just a company, but a community that aspires to make a significant difference in the healthcare industry.

2400+

Staff

200+

Radiologists, laboratory doctors and physicians



Personnel and expertise

Our organisation's strength lies in our people, and this principle is manifest across our network. The collective experience, expertise, and energy of our team of 2400+ dedicated individuals, including trainees, define our ability to innovate and deliver. Our skilled workforce, comprising 200+ radiologists, laboratory doctors, and physicians, embodies a diverse and robust commitment to excellence. Together, they are integral to our ongoing success, reflecting our corporate philosophy of quality, innovation, and positive societal contribution.

Safety and quality assurance

Safety and quality assurance form the core of our commitment to maintaining the trust and confidence of both employees and customers, setting the standards that underpin every aspect of our service delivery. We are steadfast in our dedication to creating a safe and healthy work environment, and by adhering to NABH and NABL safety guidelines, we ensure a focus on quality throughout our services. Our quality management system embodies these principles, guaranteeing an environment and process that is safe and secure for all, reflecting our overarching values and pursuit of excellence.

Rewards and recognition

Recognising and rewarding talent is essential for maintaining a motivated workforce, building a culture of excellence and collaboration. In our organisation, this philosophy is manifested through various recognition programmes such as the Thank You Award, Star Monthly Award, Go - WOW Award, GEM Quarterly Award, and Great People Manager Award. These are not merely incentives but symbols of the value we place on each individual's contribution to our shared goals.

Rewarding talent through ESOP

The Employee Stock Ownership Plan (ESOP) serves as an impactful mechanism to align employees' interests with organisational growth, connecting employee performance to the company's value. For us, this is more than a strategy to drive performance, retain key employees, and attract and reward the best talent; our ESOP plan is an acknowledgement of the technical and non-technical personnel's vital role in our success story.

Training and development

Training and development (T&D) at Vijaya Diagnostic is more than skill enhancement. It is about empowering individuals to grow, innovate and lead. We have implemented a three-phase training programme, encompassing knowledge, skills and attitude, ensuring the deployment of competent personnel. From new joinees to experienced professionals, our training covers various facets, including protocols, latest practices and leadership development. Collaboration with equipment manufacturers adds depth and practicality to our training, nurturing an ecosystem that thrives on excellence.



Social and Relationship

Capital



At Vijaya Diagnostic, we consistently endeavour to giving back to society in many ways. Our objective is to meaningfully connect with stakeholders across various sectors, fostering enduring relationships that result in tangible societal improvements and foster positive change within the community.



Engagement with Stakeholders

We aim to foster a sustainable relationship with our stakeholders across different verticals, with the goal of making a positive change in society.



Supplier Relationship Management

Based on synergistic business goals, we collaborate with leading international suppliers, including equipment, instrument, reagent and film manufacturers, to innovate our services and promote mutual growth. Trust, inclusive growth, quality excellence, and social responsibility form the fundamental pillars of this engagement.



Shareholders and Financial Performance

Consistent performance and financial solidity are crucial for satisfying shareholder expectations. Our brand equity, supported by operational competence, reflects our market dominance and investor confidence.



Compliance with Government and Regulatory Authorities

Regular dialogue and responsible adherence to transparency, accounting, governance, and compliance ensure our alignment with industry growth policies in all markets where we operate.

CSR Initiatives and Impact

Our efforts towards social empowerment are driven by a dedication to improving the lives of the underserved. To achieve our objectives, we focus on targeted interventions in key areas with a focus on building sustainable solutions that yield long-term benefits. In collaboration with NGOs and relevant local organisations, these initiatives are meticulously planned and executed to ensure that they align with Vijaya's core values and contribute effectively to the broader social good.

₹22.52 million

Total CSR expenditure

Focus areas

Education

Nampally, Hyderabad Project

Supplied essential furniture to enhance the learning environment at a government school.

Padillapalli Village, Khammam Project

Introduced a Digital Interactive Smart Board at ZP High School to foster digital literacy.

Raghunathapuram Village, Yadadri Project

Constructed a kitchen and dining hall at Mandal Parishad Primary School to ensure proper nutrition for students.

Patancheruvu, Sangareddy District Project

Facilitated the construction of a school to create new learning opportunities for local children.

Healthcare

SR Nagar, Hyderabad Project

Supplied medical equipment to a government hospital to enhance healthcare diagnostics and preventive care.

Vocational Training

Hyderabad Project

Implemented Skill Training under the National Apprenticeship Promotion Scheme (NAPS) to provide vital vocational skills, promoting individual growth and regional vocational proficiency.



Kitchen & Dining Hall at primary school in Yadadri District

Corporate Information

CIN: L85195TG2002PLC039075

DETAILS OF BOARD OF DIRECTORS

Dr. Sura Surendranath Reddy
Executive Chairman

Mr. Sunil Chandra Kondapally
Executive Director

Mrs. Sura Geeta Reddy
Non-Executive Non-Independent
Director

Mr. Chavali Satyanarayana Murthy
Non-Executive Independent Director

Mr. Shekhar Prasad Singh
Non-Executive Independent Director

Dr. Duvvur Nageshwar Reddy
Non-Executive Independent Director

Dr. Manjula Anagani
Non-Executive Independent Director

KEY MANAGERIAL PERSONNEL

Ms. Sura Suprita Reddy
Chief Executive Officer

Mr. Narasimha Raju KA
Chief Financial Officer

Mr. Hansraj Singh Rajput
Company Secretary & Compliance
Officer

STATUTORY AUDITORS

M/s. B S R & Associates LLP,
Chartered Accountants

SECRETARIAL AUDITORS

Balaramakrishna & Associates
Practising Company Secretaries

INTERNAL AUDITORS

Laxminiwas & Co.
Chartered Accountants

REGISTERED OFFICE ADDRESS

No. 6-3-883/F, FPA Building, Near Topaz
building,
Punjagutta, Hyderabad-500082,
Telangana
Tel. Ph. No. 040-2342 0411/12
Email – ir@vijayadiagnostic.in
Website – www.vijayadiagnostic.com

REGISTRAR AND SHARE TRANSFER AGENT

KFin Technologies Limited
Selenium Tower B, Plot Nos. 31 & 32,
Financial District Nanakramguda,
Serilingampally,
Hyderabad – 500032, Telangana, India.
Toll: 1800-3454-001
Email- einward.ris@kfintech.com
Website: www.kfintech.com

NOTICE

Notice is hereby given that the 21st Annual General Meeting (AGM) of the Members of **Vijaya Diagnostic Centre Limited** will be held on Wednesday, the 20th Day of September, 2023, at 03:00 P.M. (IST) through Video Conferencing/Other Audio visual Means ("VC/OAVM") facility, to transact the following businesses:

ORDINARY BUSINESS:

- To receive, consider and adopt the Audited Standalone Financial Statements of the Company for the financial year ended March 31, 2023 and the Reports of the Board of Directors and Auditors thereon.**

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

"RESOLVED THAT the audited standalone financial statements of the Company for the financial year ended March 31, 2023 and the reports of the Board of Directors and Auditors thereon laid before this meeting, be and are hereby considered and adopted."

- To receive, consider and adopt the Audited Consolidated Financial Statements of the Company for the financial year ended March 31, 2023 and the Report of Auditors thereon.**

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

"RESOLVED THAT the audited consolidated financial statements of the Company for the financial year ended March 31, 2023 and the report of Auditors thereon laid before this meeting, be and are hereby considered and adopted."

- To declare Final Dividend of Re.1/- (100%) per equity share of face value of Re.1/- each for the financial year ended March 31, 2023.**

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

"RESOLVED THAT a dividend at the rate of Re.1/- (Rupee One Only) per equity share of Re. 1/- (one rupee) each fully paid-up equity share be and is hereby declared for the financial year ended March 31, 2023 and the same be paid as recommended by the Board of Directors of the Company, out of the profits of the Company for the financial year ended March 31, 2023."

- To appoint a Director in the place of Mrs. Sura Geeta Reddy (DIN: 01073233), who retires by rotation and being eligible offers herself for re-appointment.**

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

"RESOLVED THAT pursuant to the provisions of Section 152 of the Companies Act, 2013, Mrs. Sura Geeta Reddy (DIN: 01073233), who retires by rotation at this meeting and being eligible offers herself for re-appointment, be and is hereby re-appointed as a Director of the Company, liable to retire by rotation."

- To re-appoint M/s. B S R and Co, Chartered Accountants as statutory auditors of the Company and to fix their remuneration.**

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

"RESOLVED THAT pursuant to Section 139, 142 and all other applicable provisions, if any, of the Companies Act, 2013 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 Board of Directors of the Company, M/s. B S R and Co, Chartered Accountants, Hyderabad, having Firm Registration No. 128510W, who have given their consent letter and confirmed their eligibility for the re-appointment pursuant to Section 141 of the Companies Act, 2013, be and is hereby re-appointed as the Statutory Auditors of the Company, for another term of five (5) consecutive years, who shall hold office from the conclusion of this 21st Annual General Meeting till the conclusion of the 26th Annual General Meeting to be held in the calendar year 2028, at such remuneration as may be mutually agreed between the Board of Directors of the Company and the Statutory Auditors in addition to applicable taxes, reimbursement of all out-of-pocket expenses as may be incurred in connection with the audit of the accounts of the Company."

SPECIAL BUSINESS:

- To consider and ratify the remuneration of Cost auditor for the financial year 2023-24.**

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

"RESOLVED THAT pursuant to the provisions of Section 148 and other applicable provisions, if any, of the Companies Act, 2013 read with Companies (Audit

and Auditors) Rules, 2014 and the Companies (Cost Records and Audit) Rules, 2014, (including any statutory modification(s) or re-enactment thereof, for the time being in force, remuneration of ₹30,000/- (Thirty Thousand only) plus applicable GST & reimbursement of out of pocket expenses, if any, as approved by the Board of Directors be paid to M/s. TSSV Santhosh Kumar, Cost and Management Accountant, (Firm Registration No. 003955) appointed by the Board of Directors as Cost Auditor of the Company for the financial year 2023-24, be and is hereby ratified."

"RESOLVED FURTHER THAT the Board of Directors of the Company be and are hereby severally authorized to do all such acts, matters, deeds and things as may be necessary to give effect to the above resolution."

7. To consider and revise the borrowing limit under Section 180(1)(c) of the Companies Act, 2013.

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

"RESOLVED THAT in supersession of earlier resolution passed by the members of the Company at their Extraordinary General Meeting held on October 01, 2014 and pursuant to the provisions of Section 180(1)(C) and other applicable provisions, if any, of the Companies Act 2013 ("the Act") and the Rules made thereunder and all other applicable provisions, if any, of any other law for the time being in force (including any statutory modification or amendment thereto or re-enactment thereof for the time being in force) and in terms of Memorandum & Articles of Association of the Company, as amended or restated, from time to time, and all other provisions of applicable laws, consent of the members of the Company be and is hereby accorded to the Board of Directors of the Company for borrowing any sum or sums of money from time to time (including external commercial borrowings from any foreign source / countries as prescribed by guidelines, if any, in this respect) from any one or more bankers or consortium of bankers and /or from any one or more persons, firms, bodies corporate, financial institutions, banks or other acceptable source whether by way of advances, deposits, letter of credit, loans, debentures, bonds or otherwise and whether unsecured or secured notwithstanding that the moneys to be borrowed together with the moneys already borrowed by the Company (apart from the temporary loans obtained from the Company's Bankers in the ordinary course of business or as permitted, from time to time, under the applicable laws) will or may exceed the aggregate of paid-up share capital, free reserves and securities premium of the Company, subject however that the total amount up to which the money may be borrowed as above by the Board and outstanding at any point of time shall not exceed the aggregate of the paid-up share capital, free reserves and securities premium account as per the latest audited financial statements of the Company as prescribed under Section 180(1)(C) of the Act or as amended from time to time."

"RESOLVED FURTHER THAT the Board of Directors be and is hereby severally authorized to take all such steps as may be necessary, proper and expedient to give effect to this Resolution."

"RESOLVED FURTHER THAT any Director and Company Secretary of the Company be and are hereby severally authorised to issue a certified true copy of the above resolution to various authorities, as may be required."

8. To consider and revise the limit under Section 180(1)(a) of the Companies Act, 2013, for creation of charge on the assets of the Company, both present and future, in respect of its borrowings.

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

"RESOLVED THAT in supersession of earlier resolution passed by the members of the Company at their Extraordinary General Meeting held on October 01, 2014 and pursuant to the provisions of Section 180(1)(a) and other applicable provisions, if any, of the Companies Act, 2013 ("the Act") read with rules made thereunder and all other applicable provisions, if any, of any other law for the time being in force (including any statutory modification or amendment thereto or re-enactment thereof for the time being in force) and in terms of Memorandum & Articles of Association of the Company, as amended or restated, from time to time and all other provisions of applicable laws, consent of the members of the Company be and is hereby accorded to the Board of Directors of the Company to create charge(s), mortgage(s), hypothecation(s) or provide security in addition to the existing charge(s), mortgage(s), hypothecation(s), security created by the Company on any of its assets (movable, immovable etc.) both present and future, together with any or all substantial assets of the Company in certain events and in such manner as the Board may deem fit, in favor of banks/financial institutions, other investing agencies and trustees for the holders of debentures/bonds/other instruments to secure rupee/ foreign currency loans and/ or the issue of debentures and/or rupee/foreign currency convertible bonds and/ or foreign currency bonds and/ or bonds with share warrants attached etc. (hereinafter collectively referred to as "Loans") subject however that the aggregate value of such charge(s), mortgage(s) and hypothecation(s) in addition to the existing charge(s), mortgage(s) and hypothecation(s) created by the Company, on the assets of the Company, both present and future, etc. shall not exceed the aggregate of the paid-up share capital, free reserves and securities premium account as per the latest audited financial statements of the Company in line with the borrowing limit of the Company or otherwise, approved or amended from time to time."

"RESOLVED FURTHER THAT the Board of Directors be and is hereby authorized to take all such steps as may be necessary, proper and expedient to give effect to this Resolution."

“RESOLVED FURTHER THAT any Director and Company Secretary of the Company be and are hereby severally authorised to issue a certified true copy of the above resolution to various authorities, as may be required.”

9. To consider and approve the appointment of Ms. Sura Suprita Reddy (DIN: 00263618) as, Managing Director and Chief Executive Officer (MD & CEO) of the Company, not liable to retire by rotation and approve the remuneration payable to her.

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

“RESOLVED THAT pursuant to the provisions of section 160, 161 and other applicable provisions of the Companies Act, 2013 and the rules made thereunder and pursuant to any other law for the time being in force, Ms. Sura Suprita Reddy (DIN: 00263618) who was appointed as additional director of the Company with effect from 01st July 2023 and who holds office till the date of this Annual General Meeting and whose candidature is proposed for directorship of the Company be and is hereby appointed as director not liable to retire by rotation.”

“RESOLVED FURTHER THAT pursuant to the provisions of Section 149, 152, 196, 197, 198, and 203 of the Companies Act, 2013 and other applicable provisions, if any, of the Companies Act, 2013, read with the Companies (Appointment and Qualification of Directors) Rules, 2014, Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014 and Schedule V of the Companies Act, 2013 (including any statutory modification(s) or re-enactment thereof for the time being in force) collectively referred to as, the “Act”), the applicable provisions of Regulation 17(6) of Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015, as amended from time to time, such other provisions as may be applicable, in accordance with the provisions of the Articles of Association, and Nomination and Remuneration Policy of the Company, and recommendation of the Nomination and Remuneration Committee, the consent of the shareholders of the Company be and is hereby accorded for the appointment of Ms. Sura Suprita Reddy, as Managing Director and Chief Executive Officer (MD & CEO) of the Company for a term of five (5) consecutive years with effect from 01st July 2023 and whose term of office shall not be liable to retire by rotation on such terms and conditions as mentioned below and to pay the annual remuneration to Ms. Sura Suprita Reddy (DIN: 00263618) in the capacity of Managing Director and Chief Executive Officer of the Company for a period from 01st July 2023 up to 30th June 2028 as set out in the statement herein below:

A. Salary – ₹ 2.75 Crores per annum.

B. The company’s contributions to provident fund, superannuation or annuity fund, gratuity payable

and encashment of leave, if any, shall be as per the rules of the company, and be in addition to the remuneration under (A) above.

C. In addition to the remuneration under (A) above, Ms. Sura Suprita Reddy, during her tenure as the MD & CEO of the company, shall be entitled to the following perquisites, allowances, and reimbursement of expenses, wherever applicable:

- i. Company maintained car with driver for the use of Company’s business.
- ii. Expenses incurred for travelling, boarding and lodging during business trips and communication expenses for telephone / internet / mobile / fax at residence shall be reimbursed at actuals.
- iii. Medical reimbursement expenses incurred for self and family as per the companies’ group medical insurance policy.
- iv. Personal Accident Insurance: As per Company’s policy.
- v. Keyman Insurance.
- vi. Club Fee: Fee of clubs subject to maximum of two clubs.
- vii. Reimbursement of reasonable expenses actually and properly incurred in connection with the business of the Company.
- viii. Ms. Sura Suprita Reddy shall not, so long as she functions as the MD & CEO, be entitled to receive any fee for attending any meeting of the Board or Committee thereof.

D. Annual Increment: During her tenure as MD & CEO, Ms. Sura Suprita Reddy, be paid an annual increment not exceeding 12% of the salary, which shall be subject to the company’s policy, and the approval of the Nomination and Remuneration Committee and the Board of Directors of the company.

E. General:

- i. The MD & CEO shall perform such duties as shall from time to time be entrusted to her by the Chairman/Board, subject to superintendence, guidance and control of the Chairman/Board.
- ii. The MD & CEO shall act in accordance with the Articles of Association of the Company and shall abide by the provisions contained in Section 166 of the Act with regard to duties of directors.
- iii. The MD & CEO shall adhere to the Company’s Code of Conduct.
- iv. Notice period and other terms regarding cessation of employment shall be governed as per the rules of the company.

"RESOLVED FURTHER THAT the above may be treated as a written memorandum setting out the terms of appointment of Ms. Sura Suprita Reddy under Section 190 of the Act."

"RESOLVED FURTHER THAT notwithstanding to the above, in the event of any loss or inadequacy of profits in any financial year of the Company during the tenure of Ms. Sura Suprita Reddy (DIN: 00263618), MD & CEO, the remuneration approved herewith shall be treated as minimum remuneration and be payable to her, notwithstanding that the above specified remuneration may be in excess of the limits specified in Section 197 of the Companies Act, 2013, and Section II of Part II of Schedule V of the Act and rules made thereunder, or any amendments thereto."

"RESOLVED FURTHER THAT the Board of Directors of the Company (including any Committee of Directors) be and are hereby authorized to vary and/or revise the terms and conditions of the appointment including remuneration of Ms. Sura Suprita Reddy as MD & CEO of the Company within the overall limits under the Act and to do all such acts, deeds and things and execute all such documents, instruments and writings as may be required and to delegate all or any of its powers herein conferred to any Committee of Board of Directors to give effect to the aforesaid resolution."

"RESOLVED FURTHER THAT the Board of Directors, Chief Financial Officer and Company Secretary of the Company, be and are hereby severally authorized to take such necessary steps as may be required in relation to the above and to all matters arising out of and incidental thereto and to sign and to execute deeds, applications, documents and file necessary forms with the Registrar of Companies and with such other regulatory authorities, and to do the necessary entries in the statutory records and register of Directors and Key Managerial Personnel."

"RESOLVED FURTHER THAT any Director and Company Secretary of the Company be and are hereby severally authorised to issue a certified true copy of the above resolution to various authorities, as may be required."

By order of the Board
For Vijaya Diagnostic Centre Limited

Hansraj Singh

Place: Hyderabad Company Secretary & Compliance Officer
Date: May 29, 2023 M. No. F11438

NOTES:

1. Explanatory Statement(s) setting out the material facts pursuant to Section 102(1) of the Companies Act 2013 ("Act") in respect of special businesses set forth in the accompanying AGM Notice is annexed hereto and forms part of the Notice.
 2. The Ministry of Corporate Affairs ('MCA') has vide its General Circular Nos. 14/2020, 17/2020, 20/2020, 02/2021, 21/2021, 02/2022 and 10/2022 dated April 8, 2020, April 13, 2020, May 5, 2020, January 13, 2021, December 14, 2021, May 5, 2022 and December 28, 2022, respectively (collectively referred to as 'MCA Circulars') and Securities and Exchange Board of India ('SEBI') vide its Circular Nos. SEBI/HO/CFD/CMD1/CIR/P/2020/79, SEBI/HO/CFD/CMD2/CIR/P/2021/11, SEBI/HO/CFD/CMD2/CIR/P/2022/62 and SEBI/HO/CFD/PoD-2/P/CIR/2023/4 dated May 12, 2020, January 15, 2021, May 13, 2022 and January 5, 2023, respectively (collectively referred to as 'SEBI Circulars') permitted the holding of the AGM through VC/OAVM, without physical presence of Members at a common venue. In compliance with the provisions of the Companies Act, 2013 ('the Act'), SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 ('SEBI Listing Regulations'), the MCA Circulars and the SEBI Circulars, the 21st AGM of the Company is being held through VC/OAVM. The Registered Office of the Company shall be deemed to be the venue for the AGM.
 3. Since this AGM is being held through VC/OAVM, physical attendance of Members has been dispensed with. Accordingly, the facility for appointment of proxy by Members under Section 105 of the Act will not be available for the AGM and hence the Proxy Form, Attendance Slip and Route Map are not annexed to this Notice. However, in pursuance of Section 113 of the Act, Corporate Members are entitled to appoint their authorised representatives to attend the AGM through VC/OAVM on their behalf and to vote through electronic means.
 4. Participation of Members through VC/OAVM shall be reckoned for the purpose of quorum for the AGM as per Section 103 of the Act.
 5. The facility of VC/OAVM, casting votes by a member using remote e-Voting system as well as venue e-voting on the date of the AGM is being provided by e-voting service provider, Kfin Technologies Limited ("Kfin").
 6. The Members can join the AGM in the VC/OAVM mode 30 minutes before scheduled time of the meeting and after the scheduled time of the commencement of the Meeting by following the procedure mentioned in the Notice. The facility of participation at the AGM through VC/OAVM will be made available for 1000 members on first come first served basis. This will not include large Shareholders (Shareholders holding 2% or more shareholding), Promoters, Institutional Investors, Directors, Key Managerial Personnel, the Chairpersons of the Audit Committee, Nomination and Remuneration Committee and Stakeholders Relationship Committee, Auditors etc. who are allowed to attend the AGM without restriction on account of first come first served basis.
 7. In case of joint holders, the member whose name appears as the first holder in the order of names as per the Register of Members of the Company will be entitled to vote at the AGM.
 8. Institutional/Corporate Shareholders are required to send a scanned copy of their Board or governing body Resolution/ Authorization etc., authorizing its representative to attend the AGM through VC/OAVM on its behalf and to vote through e-Voting/remote e-Voting. The said Resolution/ Authorization shall be sent to Scrutinizer by email at balaramdesina@gmail.com and to Kfin at evoting@kfintech.com with a copy marked to cs@vijayadiagnostic.in.
 9. All documents referred to in the accompanying Notice shall be open for inspection electronically by the members by writing an email to the Company Secretary to cs@vijayadiagnostic.in.
 10. The Register of Directors and Key Managerial Personnel and their shareholding, and the Register of Contracts or Arrangements in which the Directors are interested, maintained under the Companies Act, 2013, will be available electronically for inspection by the members during the AGM. Members seeking to inspect such documents can send an email to cs@vijayadiagnostic.in
 11. Members holding shares in demat mode, who have not registered their email addresses are requested to register their email addresses with their respective depository participants.
 12. The final dividend as recommended by the Board, if approved at the ensuing AGM, will be paid to those members whose names appear on the list of beneficial ownership as furnished by the Depositories on the Record Date i.e. 13th September, 2023. Members are requested to update their bank account details with their respective Depository Participants for receipt of dividend payment by the Company.
- Pursuant to the Finance Act, 2020, dividend income is taxable in the hands of Members w.e.f. April 01, 2020 and the Company is required to deduct tax at source at time of paying dividend to the Members at the prescribed rates on the said Record Date. For the prescribed rates for various categories, the shareholders are requested to refer to the Finance Act, 2020 and amendments thereof. The shareholders are requested to update their PAN with the Depositories (in case of shares held in demat mode).
- A Resident individual shareholder with PAN and who is not liable to pay income tax can submit a yearly declaration in Form No.15G/15H, to avail the benefit of non-deduction of tax at source by email to einward.ris@

kfintech.com by 5 p.m. IST till 11th September, 2023. Where any entity/person is entitled for exemption from TDS, TDS will not be deducted/deducted at lower rates provided such shareholder/entity provides valid self-attested documentary evidence (e.g. relevant copy of registration, notification, order, etc. issued by the Indian tax authorities) by email to einward.ris@kfintech.com by 5 p.m. IST till 11th September, 2023. Any documents / communication on the tax determination / deduction received after 11th September, 2023 shall not be considered. Members are requested to note that in case their PAN is not registered, the tax will be deducted at a higher rate of 20%.

In case tax on dividend is deducted at a higher rate in the absence of receipt of the aforementioned details / documents, the concerned Shareholder may still have the option of claiming refund at the time of filing the income tax return (provided a valid PAN is registered with the RTA or DP). No claim shall lie against the Company for such taxes deducted. In the event of any income tax demand (including interest, penalty, etc.) on the Company arising due to any declaration, misrepresentation, inaccurate or omission of any information provided by the shareholder, such shareholder would be responsible to indemnify the Company and provide the Company with all information / documents and co-operation in any appellate proceedings.

13. In line with the aforesaid MCA Circulars and SEBI Circulars, Notice of the AGM along with the Annual Report 2022-23 is being sent only through electronic mode to those Members whose e-mail addresses are registered with the Company/Depositories. Members may note that the Notice and Annual Report 2022-23 will also be available on the Company's website viz. <https://www.vijayadiagnostic.com/investors/annual-reports>, and on the website of the Stock Exchanges i.e. BSE Limited at www.bseindia.com and NSE at www.nseindia.com. The AGM Notice is also available on the website of Kfin at <https://evoting.kfintech.com>.
14. As per the provisions of the Act and SEBI Circulars, the facility for making nomination is available for the members in respect of the shares held by them. All the shares of the Company are held in dematerialized form. Pursuant to the aforesaid SEBI circulars, all the existing trading and demat account holders shall update their choice of nomination on or before October 01, 2023, failing which the trading accounts shall be frozen for trading and demat account shall be frozen for debits.
15. SEBI has mandated the submission of the Permanent Account Number (PAN) by every participant in the securities market. Members holding shares in electronic form are therefore requested to submit their PAN to their depository participant(s).
16. The relevant details of the Director(s) seeking re-appointment/appointment at this AGM under item no. 4 and item no. 9 of the accompanying Notice as required under Regulation 36(3) of the SEBI Listing Regulations and Secretarial Standard on General Meetings issued by The Institute of Company Secretaries of India ('Secretarial Standard') are annexed hereto and forms part of the Notice.
17. For Members who have not registered their email address, the Annual Report, Notice of AGM and e-voting instructions cannot be serviced. In such case, member may send an e-mail request at the mail id einward.ris@kfintech.com along with scanned copy of the signed request letter providing the email address, mobile number, self-attested PAN copy and Client Master copy in case of electronic folio for sending the Annual report, Notice of AGM and the e-voting instructions along with User id and password, as applicable.

18. IEPF RELATED INFORMATION:

- a) Shareholders/Members are requested to note that dividends remaining unclaimed for a consecutive period of seven years from the date of transfer to the Company's Unpaid Dividend Account, are liable to be transferred to the Investor Education and Protection Fund ("IEPF"). In addition, all shares in respect of such unclaimed dividends are also liable to be transferred to the demat account of the IEPF Authority.
- b) In view of above Shareholders/Members are requested to claim their dividends from the Company, within the stipulated time line as prescribed under the Companies act 2013 ('the Act'). In the event of transfer of shares and the unclaimed dividends to IEPF, Members may claim the same by making an online application to the IEPF Authority in web Form No. IEPF-5 available on www.iepf.gov.in.
- c) Members intending to claim their unclaimed dividends are requested to correspond with the KFinTech at einward.ris@kfintech.com or write to the Company at ir@vijayadiagnostic.in

19. PROCEDURE FOR E-VOTING:

- a) Pursuant to the provisions of Section 108 of the Act, read with Rule 20 of the Companies (Management and Administration) Rules, 2014 (as amended) and Regulation 44 of SEBI (Listing Obligations & Disclosure Requirements) Regulations 2015 (as amended), the Company is providing facility to its members holding shares as on Cut-off date i.e., 13th September, 2023 to exercise their right to vote by way of electronic means on all the resolutions as set forth in the accompanying AGM Notice through e-Voting service provider Kfin Technologies Limited ("Kfin").
- b) The remote e-Voting period commences on Saturday, 16th September, 2023 from 9:00 a.m. and ends on Tuesday, 19th September, 2023 till 5:00 p.m. The e-voting module shall be disabled by Kfin for voting thereafter. Once the shareholder casts the vote on a resolution, the shareholder shall not be allowed to change it subsequently.

- c) Members may cast their vote during the above-referred remote e-voting period. Further, the facility to e-vote at the AGM will be provided to the Members who have not cast their vote during remote e-voting period.
- d) A member may participate in the AGM even after exercising his right to vote through remote e-voting prior to the AGM but shall not be allowed to vote again at the AGM.
- e) Any person holding shares in physical form and Non Individual shareholders, who acquires shares of the Company and becomes a Member of the Company after dispatch of the Notice and holding shares as of cut-off date, may obtain the login id and password by sending a request to evoting@kfintech.com. However, if he/she is already registered for remote e-voting then he/she can use his/her existing User ID and password for casting the vote.
- f) In case of Individual Shareholders holding securities in demat mode and who acquires shares of the Company and becomes a Member of the Company after sending of the Notice and holding shares as of the cut-off date may follow steps mentioned below under "Login method for remote e-Voting and joining virtual meeting for Individual shareholders holding securities in demat mode."
 - g) The Board of Directors has appointed Mr. D. Balarama Krishna, Practicing Company Secretary (FCS: 8168, CP No. 22414) as the Scrutinizer to scrutinize the remote e-voting process and voting during the AGM in a fair and transparent manner.
 - h) The Scrutinizer shall, immediately after the completion of the scrutiny of the e-voting (votes cast during the AGM and votes cast through remote e-voting), not later than 48 hours from the conclusion of the AGM, submit a consolidated scrutinizer report of the total votes cast in favor and against the resolution(s) has/have been carried or not, to the chairman or any other person authorised by him in writing.
 - i) The result declared along with the Scrutinizer's Report shall be placed on the Company's website www.vijayadiagnostic.com and on the website of Kfin <https://evoting.kfintech.com> immediately after the result is declared. The Company shall simultaneously forward the results to NSE and BSE where the securities of the Company are listed.
 - j) Subject to the receipt of requisite number of votes, the Resolutions shall be deemed to be passed on the date of the Meeting i.e., 20th September, 2023

20. PROCESS FOR E-VOTING AND JOINING E-AGM:

The detailed process and manner for remote e-Voting and e-AGM are explained herein below:

STEP 1: Access to Depositories (NSDL / CDSL) e-Voting system in case of individual shareholders holding shares in demat mode.

STEP 2: Access to KFintech e-Voting system in case of shareholders holding shares in physical and non-individual shareholders in demat mode.

STEP 3: Access to join virtual meetings (e-AGM) of the Company on KFin system to participate in e-AGM and vote at the AGM.

STEP 1: Login method for remote e-Voting for Individual shareholders holding securities in demat mode:

Type of shareholders	Login Method
Individual Shareholders holding securities in demat mode with NSDL	<p>1. User already registered for IDeAS facility may follow the following procedure:</p> <ul style="list-style-type: none"> i. Visit URL: https://eservices.nsd.com ii. Click on the "Beneficial Owner" icon under "Login" under 'IDeAS' section. iii. On the new page, enter User ID and Password. Post successful authentication, click on "Access to e-Voting. iv. Click on company name or e-Voting service provider and you will be re-directed to e-Voting service provider website for casting the vote during the remote e-Voting period. v. Click on "Active E-voting Cycles" option under E-voting. vi. You will see Company Name: "Vijaya Diagnostic Centre Limited" on the next screen. Click on the e-Voting link available against Vijaya Diagnostic Centre Ltd. or select e-Voting service provider "KFintech" and you will be redirected to the e-Voting page of KFintech to cast your vote without any further authentication.

Type of shareholders	Login Method
Individual Shareholders holding securities in demat mode with CDSL	<p>2. User not registered for IDeAS e-Services may follow the following procedure:</p> <ol style="list-style-type: none"> i. To register click on link: https://eservices.nsd.com ii. Select "Register Online for IDeAS" or click at https://eservices.nsd.com/SecureWeb/IdeasDirectReg.jsp iii. Proceed to complete registration using your DP ID, Client ID, Mobile Number etc. iv. After successful registration, please follow steps given under point 1 above, to cast your vote. <p>3. Alternatively the users may directly access the e-Voting website of NSDL:</p> <ol style="list-style-type: none"> i. Open URL: https://www.evoting.nsd.com ii. Click on the icon "Login" which is available under 'Shareholder/Member' section. iii. A new screen will open. You will have to enter your User ID (i.e. your sixteen digit demat account number held with NSDL), Password/OTP and a Verification Code as shown on the screen iv. Post successful authentication, you will be requested to select the name of the Company and the e-Voting Service Provider name, i.e. Kfintech v. On successful selection, you will be redirected to Kfintech e-Voting page for casting your vote during the remote e-Voting period
	<p>1. Existing user who have opted for Easi /Easiest may follow the following procedure:</p> <ol style="list-style-type: none"> i. Visit URL: https://web.cdslindia.com/myeasinew/home/login ii. Click on New System Myeasi iii. Login with your registered user id and password iv. The user will see the e-Voting Menu. The Menu will have links of e-voting service provider i.e. Kfintech e-Voting portal. v. You will see Company Name: "Vijaya Diagnostic Centre Limited" on the next screen. Click on the e-Voting link available against Vijaya Diagnostic Centre Ltd. or select e-Voting service provider "Kfintech" and you will be re-directed to the e-Voting page of Kfintech to cast your vote without any further authentication. Click on e-Voting service provider name to cast your vote. <p>2. User not registered for Easi/Easiest may follow the following procedure:</p> <ol style="list-style-type: none"> i. Option to register is available at https://web.cdslindia.com/myeasinew/Registration/EasiRegistration ii. Proceed to complete registration using your DP ID/Client ID (BO ID), etc. iii. After successful registration, please follow steps given under point 1 above to cast your vote <p>3. Alternatively, by directly accessing the e-Voting website of CDSL</p> <ol style="list-style-type: none"> i. Visit URL: www.cdslindia.com ii. Provide your Demat Account Number and PAN No iii. System will authenticate user by sending OTP on registered Mobile & Email as recorded in the Demat Account iv. After successful authentication, you will enter the e-voting module of CDSL. Click on the e-Voting link available against Vijaya Diagnostic Centre Ltd. or select e-Voting service provider "Kfintech" and you will be redirected to the e-Voting page of Kfintech to cast your vote without any further authentication.

Type of shareholders	Login Method
Individual Shareholders (holding shares in demat mode) login through their demat accounts/ Website of Depository Participant.	<p>i. You can also login using the login credentials of your demat account through your DP registered with NSDL /CDSL for e-Voting facility.</p> <p>ii. Once logged-in, you will be able to see e-Voting option.</p> <p>Once you click on e-Voting option, you will be redirected to NSDL / CDSL Depository site after successful authentication, wherein you can see e-Voting feature.</p> <p>iii. Click on options available against Vijaya Diagnostic Centre Ltd. or e-Voting service provider – KFintech and you will be redirected to e-Voting page of KFintech to cast your vote during the remote e-Voting period without any further authentication.</p>

Important note: Members who are unable to retrieve User ID/Password are advised to use Forgot user ID and Forgot Password option available at respective websites.

[Helpdesk for Individual Shareholders holding securities in demat mode for any technical issues related to login through Depository i.e. NSDL and CDSL:](#)

Login Type	Helpdesk details
Securities held with NSDL	Please contact NSDL helpdesk by sending a request at evoting@nsdl.co.in or call at toll free no.: 1800 1020 990 and 1800 22 44 30
Securities held with CDSL	Please contact CDSL helpdesk by sending a request at helpdesk.evoting@cdslindia.com or contact at 022 - 23058738 or 022 -23058542-43

STEP 2: Login method for e-Voting for shareholders other than Individual shareholders holding securities in demat mode and shareholders holding securities in physical mode:

- A) Members whose email IDs are registered with the Company/Depository Participants (s), will receive an email from KFintech which will include details of E-Voting Event Number (EVEN), USER ID and password. They will have to follow the following process:
- i. Launch internet browser by typing the URL: [https:// evoting.kfintech.com](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 (E-Voting Event Number) xxxx, 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 use your existing User ID and password for casting the vote. If required, please visit <https://evoting.kfintech.com> or contact toll-free numbers 1800309 4001 (from 9:00 a.m. to 6:00 p.m. on all working days) for assistance on your existing password
 - 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 "EVEN" i.e. "Vijaya Diagnostic Centre Ltd. – AGM" and click on "Submit"
- 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 mentioned herein above. 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. Members holding multiple folios/demat accounts shall choose the voting process separately for each folio/ demat account.
 - ix. 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.
 - 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. During the voting period, Members can login any number of times till they have voted on the Resolution(s).
 - xii. Corporate/Institutional Members (i.e. other than Individuals, HUF, NRI etc.) are also required to send scanned certified true copy (PDF Format) of the Board Resolution/Authority Letter etc., authorizing its representative to attend the AGM through VC / OAVM on its behalf and to cast its vote through remote e-voting, together with attested specimen signature(s) of the duly authorised representative(s), to the Scrutinizer at email id balaramdesina@gmail.com with a copy marked to evoting@kfintech.com. The scanned image of the above-mentioned documents should be in the naming format "Corporate Name_ EVEN No."
- B) Members whose email IDs are not registered with the Company/Depository Participants(s), and consequently the Annual Report, Notice of AGM and e-voting instructions cannot be serviced, will have to follow the following process:
- i. Member may send an e-mail request at the email id einward.ris@kfintech.com along with scanned copy of the signed request letter providing the email address, mobile number, self-attested PAN copy and Client Master copy in case of electronic folio and copy of share certificate in case of physical folio for sending the Annual report, Notice of AGM and the e-voting instructions.
 - ii. After receiving the e-voting instructions, please follow all steps above to cast your vote by electronic means.

STEP 3: Instructions for all the shareholders, including Individual, other than Individual and Physical, for attending the AGM of the Company through VC / OAVM and e-Voting during the meeting.

- i. Members will be provided with a facility to attend the AGM through VC / OAVM platform provided

by KFin. Members may access the same at <https://emeetings.kfintech.com> by using the e-voting login credentials provided in the email received from the Company/ Kfintech. After logging in, click on the Video Conference tab and select the EVEN of the Company or the company name and click on the video symbol and accept the meeting etiquettes to join the meeting. Please note that the 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 remote e-Voting instructions mentioned above.

- ii. Facility for joining AGM through VC / OAVM shall open at least 30 minutes before the commencement of the Meeting.
- iii. Members are encouraged to join the Meeting through Laptops/ Desktops with Google Chrome (preferred browser), Safari, Internet Explorer, Microsoft Edge, Mozilla Firefox 22.
- iv. Members will be required to grant access to the webcam to enable VC / OAVM. Further, Members connecting from Mobile Devices or Tablets or through Laptop, 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 kind of aforesaid glitches.
- v. As the AGM is being conducted through VC / OAVM, for the smooth conduct of proceedings of the AGM, Members are encouraged to express their views/ send their queries in advance mentioning their name, demat account number/ folio number, email id, mobile number at cs@vijayadiagnostic.in Questions / queries received by the Company till 16th September, 2023 shall only be considered and responded during the AGM.

Instructions for e-voting during AGM:

- i. The e-Voting "Thumb sign" on the left hand corner of the video screen shall be activated upon instructions of the chairman during the AGM proceedings. Shareholders shall click on the same to take them to the "instapoll" page.
- ii. Members need to click on the "Instapoll" icon to reach the resolution page and follow the instructions to vote on the resolutions.
- iii. Only those shareholders, who are present in the AGM and have not casted their vote through remote e-Voting and are otherwise not barred from doing so, shall be eligible to vote through e-Voting system available during the AGM.

21. OTHER INSTRUCTIONS:

- i. **Speaker Registration:** The Members who wish to speak during the AGM may register themselves as speakers for the AGM to express their views. They can visit <https://emeetings.kfintech.com> and login through the user id and password provided in the mail received from KFintech. On successful login, select 'Speaker Registration' for registration which will be opened from Saturday, 16th September, 2023, 9:00 a.m. IST to Monday, 18th September, 2023, 5:00 p.m. IST. Members shall be provided a 'queue number' before the meeting. The Company reserves the right to restrict the number of questions and number of speakers, as appropriate for smooth conduct of the AGM.
- ii. **Post your Question:** The Members who wish to post their questions prior to the meeting can do the same by visiting <https://emeetings.kfintech.com>. Please login through the user id and password provided in the email received from KFintech. On successful login, select 'Post Your Question' option which will be opened from Saturday, 16th September, 2023, 9:00 a.m. IST to Monday, 18th September, 2023, 5:00 p.m. IST.
- iii. 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> (KFintech Website) or contact Mr. Raghunath Veedha on (040) 67161606 or call KFintech's toll free No. 1-800-309-4001 for any further clarifications.
- iv. The Members whose names appear in the Register of Members/list of Beneficial Owners as on 13th September, 2023, being the cut-off date, are entitled to vote on the Resolutions set forth in this Notice. A person who is not a Member, as on the cut-off date should treat this Notice for information purposes only. Once the Member casts the vote on a resolution, the Member shall not be allowed to change it subsequently.

In case a person has become a Member of the Company after dispatch of AGM Notice but on or before the cutoff date for E-voting, he/she may obtain the User ID and Password in the manner as mentioned below:

- a) If the mobile number of the member is registered against Folio No./ DP ID Client ID, the member may send SMS: MYEPWD <space> E-Voting Event Number + Folio No. or DP ID Client ID to 9212993399
 1. Example for NSDL: MYEPWD <SPACE> XXXX IN12345612345678

2. Example for CDSL: MYEPWD<SPACE> XXXX 1402345612345678
 3. Example for Physical: MYEPWD <SPACE> XXXX1234567890
- b) 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.
 - c) Members who may require any technical assistance or support before or during the AGM are requested to contact KFintech at toll free number 1-800-309-4001 or write to them at evoting@kfintech.com.

22. GENERAL INSTRUCTIONS:

- a) The Company has appointed Mr. Balaramakrishna Desina, Practising Company Secretary, Hyderabad (FCS No. 8168, CP. No. 22414) to act as Scrutinizer to scrutinize the remote e-Voting process and voting during the AGM in a fair and transparent manner. The Scrutinizer will submit their report to the Chairman after the completion of scrutiny, and the result of the voting will be announced by the Chairman or any Director of the Company duly authorized, on or before 22nd September, 2023 and will also be displayed on the website of the Company (www.vijayadiagnostic.com), besides being communicated to the Stock Exchanges, Depositories and Registrar and Share Transfer Agent.
- b) All communications relating to equity shares / AGM are to be addressed to the Company's RTA at KFin Technologies Limited, Selenium Tower-B, Plot No. 31 & 32, Financial District, Gachibowli, Nanakramguda, Serilingampally, Hyderabad-500032, Telangana State, India, Toll free Number 1800 309 4001, e-Mail id: einward.ris@kfintech.com, website: www.kfintech.com
- c) As an ongoing endeavor to enhance Investor experience and leverage new technology, our KFin have been continuously developing new applications. Here is a list of applications that has been developed for our investors.

Investor Support Centre: A webpage accessible via any browser enabled system. Investors can use a host of services like Post a Query, raise a service request, Track the status of their DEMAT and REMAT request, Dividend status, Interest and Redemption status, Upload exemption forms (TDS), Download all ISR and other related forms.

URL: <https://ris.kfintech.com/clientservices/isc/default.aspx>

eSign Facility: Common and simplified norms for processing investor's service requests by RTAs and norms for furnishing PAN, KYC details and Nomination requires that eSign option be provided to Investors for raising service requests. KFIN is the only RTA which has enabled the option and can be accessed via the link below.

URL: <https://ris.kfintech.com/clientservices/isr/isr1.aspx?mode=f3Y5zP9DDNI%3d>

KYC Status: Shareholders can access the KYC status of their folio. The webpage has been created

to ensure that shareholders have the requisite information regarding their folios.

URL: <https://ris.kfintech.com/clientservices/isc/kycqry.aspx>

KPRISM: A mobile application as well as a webpage which allows users to access Folio details, Interest and Dividend status, FAQs, ISR Forms and full suite of other investor services.

URL: <https://kprism.kfintech.com/signin.aspx>

EXPLANATORY STATEMENT

PURSUANT TO SECTION 102 OF THE COMPANIES ACT, 2013 AND ADDITIONAL INFORMATION AS REQUIRED UNDER THE SECURITIES AND EXCHANGE BOARD OF INDIA (LISTING OBLIGATIONS AND DISCLOSURE REQUIREMENTS) REGULATIONS, 2015 AND CIRCULARS ISSUED THEREUNDER

The following Explanatory Statement sets out all material facts relating to Item No's. 5 to 9 mentioned in the accompanying Notice and should be taken as forming part of the Notice.

Item No. 5:

This explanatory statement is provided in terms of Regulation 36(5) of the Listing Regulations, however, the same is strictly not required as per Section 102 of the Companies Act, 2013.

In accordance with the provisions of Section 139 of the Companies Act, 2013 read with the Companies (Audit and Auditors) Rules, 2014, the Shareholders of the Company at their 16th Annual General Meeting ('AGM') held on September 27, 2018, had appointed BSR & Associates LLP, Chartered Accountants (Firm Registration No. 116231W/W-100024), as the Statutory Auditors of the Company for a term of five (5) years i.e. to hold office from the conclusion of 16th AGM to the conclusion of 21st AGM of the Company.

BSR & Associates LLP, Chartered Accountants, would be completing their term of five (5) years as the Statutory Auditors at the conclusion of this AGM and as per applicable provisions of the Companies Act, 2013 are eligible for re-appointment for a further term of five (5) years.

In view of the above, the Board of Directors of the Company at their meeting held on May 29, 2023, pursuant to the recommendation of Audit Committee, have approved the re-appointment of M/s. B S R and Co, Chartered Accountants (Firm Registration No. 128510W) as Statutory Auditors for a term of five (5) years, until the conclusion of 26th AGM to be held in the calendar year 2028.

B S R and Co ('the firm') was constituted on 01st 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.

In accordance with the provisions of Section 139, 141 and other applicable provisions, if any of the Companies Act, 2013 read with the Companies (Audit and Auditors) Rules, 2014 and the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, M/s. B S R and Co, Chartered Accountants, have provided their consent and eligibility certificate to that effect that, their re-appointment, if made, would be in compliance with the applicable laws.

M/s. B S R and Co, have confirmed that they have subjected themselves to the peer review process of the Institute of Chartered Accountants of India (ICAI) and hold a valid certificate issued by the Peer Review Board of the ICAI.

The proposed remuneration to be paid to Auditors for the financial year 2023-24 is in the range of ₹ 50 – 55 lakhs towards the statutory audit and ₹ 6 – 7 lakhs per quarter towards limited review engagements plus reimbursements of out of pocket expenses. The remuneration for the subsequent years(s) of their term shall be fixed by the Board of Directors of the Company based on the recommendation of the Audit Committee.

None of the Directors and/or Key Managerial Personnel's of the Company and their relatives are concerned or interested, financially or otherwise, in the resolution set out at item no. 5 of this AGM Notice.

The Board, on the recommendations of the Audit Committee, recommends the resolution set forth in Item No. 5 for the approval of members by way of an Ordinary Resolution.

This explanatory statement may be regarded as a disclosure under the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015.

Item No. 6:

As per the provisions of Section 148 of the Act and relevant Rules made thereunder, Company is required to get the cost accounting records audited by a Cost & Management Accountant. Accordingly the Board of Directors of the Company, on recommendation of the Audit Committee, has approved the appointment of the Cost Auditors namely M/s. Santhosh & Associates, (Firm Registration No.003955), Cost Accountants, to conduct the audit of the cost records of the Company for the financial year ending March 31, 2024, at a remuneration of ₹ 30,000/- (Rupees Thirty Thousand only) plus applicable taxes and out-of-pocket expenses incurred in connection with the Cost Audit.

Pursuant to Rule 14 of the Companies (Audit and Accounts) rules, 2014, the members of the Company have to ratify the remuneration payable to Cost Auditor, as approved by the Board of Directors. Accordingly the member's approval, to ratify the remuneration as approved or fixed by the Board for FY 2023-24, is sought at item no. 6 of the accompanying notice.

None of the Directors and/or Key Managerial Personnel's of the Company and their relatives are concerned or interested, financially or otherwise, in the resolution set out at item no. 6 of this AGM Notice.

The Board recommends the Ordinary Resolutions as set out at item no. 6 of the Notice for approval of the Members.

Item No. 7 & 8:

On the recommendation of Board of Directors, the members of the Company at their Extra-Ordinary General Meeting held on October 01, 2014 had approved the following limits by way of special resolutions:

Borrowing powers of the Company and creation of security in favor of the lenders respectively, over and above the aggregate of paid up share capital, free reserves (that is to say, reserve not set apart for any specific purpose) and securities premium of the Company in terms of Section 180(1)(C) and 180(1)(a) of the Act, provided that the total amount of such borrowings/charge & mortgage together with the amounts already borrowed/charge & mortgage created and outstanding at any point of time shall not be in excess of ₹ 200 Crores (Rupees Two Hundred Crores Only).

Taking into consideration the growth in the business operations, foreseeable future plans and the existing credit facilities availed by the Company if any, it would be in the interest of the Company to enhance the borrowing limits for the Board and authorise the Board of Directors to borrow monies and creation of security in favor of the lenders in terms of Section 180(1)(C) and 180(1)(a), such that the total amount up to which the money may be borrowed and creation of security/mortgage on assets as above by the Board and outstanding at any point of time shall not exceed the aggregate of the paid-up share capital, free reserves and securities premium account as per the latest audited financial statements of the Company.

The approval sought before the members for the aforesaid limits to authorise the Board of Directors to exercise the powers as per Section 180(1)(a) and 180(1)(C) of the Act shall also ensure that the debt equity ratio is always maintained and it does not cross 1:1. In this way, the company will always maintain the optimum balance of debt and equity and be well within the acceptable industry standards.

None of the Directors and/or Key Managerial Personnel's of the Company and their relatives are concerned or interested, financially or otherwise, in the resolutions set out at item no. 7 & 8 of this AGM Notice.

The Board recommends the Special Resolutions as set out at item no. 7 & 8 of the Notice for approval of the Members.

Item No. 9:

The Board of Directors, on the recommendation of the Nomination & Remuneration Committee, had approved the appointment of Ms. Sura Suprita Reddy (DIN: 00263618) as an Additional Director in the category of Managing Director & Chief Executive Officer effective from July 01, 2023.

As per Section 161 of the Act, Ms. Sura Suprita Reddy would hold office up to the conclusion of this annual general meeting. As per the provisions of Regulation 17(1C) of SEBI (LODR) Regulations, 2015, as amended, a listed entity should obtain the approval of shareholders for appointment of a person on the Board of Directors within three months from the date of appointment.

Accordingly, the Nomination & Remuneration Committee, at their meeting held on May 29, 2023, considered the matter and recommended the Board to seek the approval of Shareholders at this Annual General Meeting for appointment of Ms. Sura Suprita Reddy as Managing Director & Chief Executive Officer effective from July 01, 2023 in accordance with the provisions of Articles of Association, Nomination and Remuneration Policy of the Company and the Act.

The Board of Directors at their meeting held on May 29, 2023, accepted the recommendation of the Nomination & Remuneration Committee and passed resolutions appointing Ms. Sura Suprita Reddy (DIN: 00263618) as Additional Director in the category of Managing Director & Chief Executive Officer for a period of five years from July 01, 2023 subject to the shareholders' approval.

Ms. Sura Suprita Reddy is related to Dr. Sura Surendranath Reddy, Mrs. Sura Geeta Reddy and Mr. Sunil Chandra Kondapally, directors of the company.

The Company has received notice in writing pursuant to Section 160 of the Companies Act, 2013, from a member proposing the appointment of Ms. Sura Suprita Reddy for the office of Director of the company. She is not disqualified from being appointed as Director in terms of Section 164 of the Act. Ms. Sura Suprita Reddy satisfies all the conditions set out in Part-I of Schedule V of the Act as also conditions set out under Section 196(3) of the Act for being eligible for her appointment.

Brief resume of Ms. Sura Suprita Reddy, nature of her expertise in specific functional areas, names of companies in which she holds directorships and memberships / chairmanships of Board Committees and shareholding etc. as stipulated under the Listing Regulations and incremental details as per Secretarial Standards-2, are given in Annexure to the notice.

Pursuant to provisions of sections 152, 160, 162 and all other applicable provisions of the Companies Act, 2013, the resolution No. 9 is now being placed before the members in the 21st AGM for their approval by way of a Special Resolution.

Except, Ms. Sura Suprita Reddy, being the appointee, Dr. Sura Surendranath Reddy, Executive Chairman, Mrs. Sura Geeta Reddy, Non-Executive Director and Mr. Sunil Chandra Kondapally, Executive Director, none of the other directors, Key Managerial Personnel's of the Company or their relatives, are concerned or interested, financially or otherwise, in the passing of the Resolutions set out at Item No. 9 of the Notice.

The Board recommends the Special Resolutions as set out at item no. 9 of the Notice for approval of the Members.

STATEMENT OF INFORMATION PURSUANT TO SCHEDULE V, PART- II OF THE COMPANIES ACT, 2013

I. General information:

1. Nature of Industry: Healthcare Service Provider
2. Date of commencement of commercial production: The Company was incorporated on June 05, 2002 and started its business operations in the same year.
3. In case of new companies, expected date of commencement of activities as per project approved by financial institutions appearing in the prospectus: Not Applicable
4. Financial performance based on given indicators:

Financial Performance	2022-23	2021-22	2020-21
Turnover (₹ in lakhs)	44,957.93	45,087.93	36,731.59
Net Profit/loss as per profit and loss account (₹ in lakhs)	8,323.39	10,810.47	8,282.15
Amount of dividend paid (excluding TDS/dividend tax) (₹ in lakhs)	911.06	Nil	Nil
Rate of Dividend Declared	100%	Nil	Nil

5. Foreign investments or collaborations, if any: For details in relation to foreign investment in the Company, refer to the shareholding pattern of the Company available on the website of the Company & that of the Stock Exchanges on which the Shares of the Company are listed.

II. Information about the appointee:

1. Background details:

Ms. Sura Suprita Reddy is the CEO of our Company. She has been associated with our Company since its incorporation. Since then, she has been heading the overall strategy, clinical excellence, operations, and expansion of the company.

2. **Past Remuneration:** ₹ 2.75 crores per annum received as the CEO of the company.

3. **Recognition or Awards:** She has been awarded the 'Women Leadership Award in Healthcare' by ABP in 2019.

4. **Job profile and his suitability:** Ms. Sura Suprita Reddy is the Chief Executive Officer of Vijaya Diagnostic Centre Limited. She has been associated with the Company since inception. Since then, she has been heading the overall strategy, clinical excellence, operations, and expansion of the company in its home markets and beyond. With return metrics and best in class profitability, Ms. Reddy has been driving its growth giving the centre the lead in the market.

Ms. Reddy is known for her entrepreneurial skills and conscientiousness. She took a keen interest in the business at a very early age. After studying commerce

from Osmania University, she was able to use her skills to help the company grow. Because of her, in less than 2 decades, the company was able to earn revenue of over INR 4500 million from INR 70 million. Her business acumen and deep understanding of the industry has helped the company remain competitive and offer the latest technology in diagnostics at an affordable price.

Ms. Reddy also believes in helping the needy and spares adequate time in her busy schedule for the welfare of the society. Her contribution towards education and healthcare in rural area were remarkable.

5. **Remuneration proposed:** As stated in the resolution at item no. 9. There is no change in the remuneration being proposed as the MD & CEO of the company.

6. **Comparative remuneration profile with respect to industry, size of the company, profile of the position and person (in case of expatriates the relevant details would be with respect to the country of his origin):** Taking into consideration of the size of the Company, the profile of Ms. Sura Suprita Reddy and the responsibilities shouldered on her, the aforesaid remuneration package is commensurate with the remuneration package paid to managerial position in other companies.

- 7. Pecuniary relationship directly or indirectly with the company, or relation with the managerial personnel, if any:** Ms. Sura Suprita Reddy, is holding 91,76,933 equity shares of the Company and is a part of Promoter & Promoter Group of the company. Ms. Sura Suprita Reddy is the daughter of Dr. Sura Surendranath Reddy, Executive Chairman and Ms. Sura Geeta Reddy, Director, of the company. Further, Ms. Sura Suprita Reddy is also the sister of Mr. Sunil Chandra Kondapally, Executive Director, of the company.

Except as stated above, Ms. Sura Suprita Reddy, does not have any other pecuniary relationship directly or indirectly with the company, directors or relation with the managerial personnel.

III. Other Information:

- 1. Reasons of loss or inadequate profits:** Not applicable
- 2. Steps taken or proposed to be taken for improvement:** Not applicable

- 3. Expected increase in productivity and profits in measurable terms:** It is difficult to forecast the productivity and profitability in measurable terms. However, the Company expects that productivity and profitability may improve and would be comparable with the industry average.

IV. Disclosures:

All elements of remuneration package of the Directors have been given in the Report on Corporate Governance under the head Remuneration paid to Directors for the Financial Year 2022-2023.

By order of the Board
For Vijaya Diagnostic Centre Limited

Place: Hyderabad Company Secretary & Compliance Officer
Date: May 29, 2023 **Hansraj Singh**
M. No. F11438

ANNEXURE TO NOTICE

The details of the Director seeking re-appointment at the ensuing AGM as required under Secretarial Standard on General Meetings issued by The Institute of Company Secretaries of India ('Secretarial Standard') is provided hereunder:

Name of Director	Mrs. Sura Geeta Reddy	Ms. Sura Suprita Reddy
Director Identification Number	01073233	00263618
Date of Birth & Age (As on March 31, 2023)	January 24, 1959 64 years	November 17, 1981 41 Years
Date of first Appointment	21-11-2019	01-07-2023
Qualification	She holds a bachelor's degree in law from Osmania University.	She holds a bachelor's degree in commerce from Osmania University.
Category/Designation	Non-Executive Director	Managing Director & Chief Executive Officer
Terms & Conditions of Re-Appointment along with Remuneration sought to be paid	Being re-appointed as a Director liable to retire by rotation and all other terms of her appointment as Non-Executive Director shall remain same.	Not liable to retire by rotation and other terms and conditions as covered in the above resolution.
Remuneration paid for FY 2022-23	Nil	₹ 2,75,00,000/- per annum (In the capacity of CEO of the company)
Relationship with other Directors, Manager and other Key Managerial Personnel of the Company.	Mrs. S. Geeta Reddy is related to Dr. Surendranath Reddy, Mr. Sunil Chandra Kondapally and Ms. Sura Suprita Reddy	Ms. Sura Suprita Reddy is related to Dr. Sura Surendranath Reddy, Mrs. Sura Geeta Reddy and Mr. Sunil Chandra Kondapally
Brief Resume and expertise in specific functional area	She holds a bachelor's degree in law from Osmania University. She is enrolled as an Advocate with the Andhra Pradesh High Court in 1986. She is on the board of directors of various companies such as, Namrata Diagnostic Centre Private Limited, Vijaya Hospitals Private Limited and Doctors lab Medical Services Private Limited.	Ms. Sura Suprita Reddy has been associated with the Company since its inception. Since then, she has been heading the overall strategy, clinical excellence, operations, and expansion of the company in its home markets and beyond. With return metrics and best in class profitability, Ms. Reddy has been driving its growth giving the centre the lead in the market. Ms.Reddyisknownforherentrepreneurial skills and conscientiousness. She took a keen interest in the business at a very early age. After studying commerce from Osmania University, she was able to use her skills to help the company grow. Because of her, in less than 2 decades, the company was able to earn revenue of over INR 4500 million from INR 70 million. Her business acumen and deep understanding of the business has helped the company remain competitive and offer the latest technology in diagnostics at an affordable price. Ms. Reddy also believes in helping the needy and spares adequate time in her busy schedule for the welfare of the society. Her contribution towards education and healthcare in rural area were remarkable. She has been awarded the 'Women Leadership Award in Healthcare' by ABP in 2019.

Name of Director	Mrs. Sura Geeta Reddy	Ms. Sura Suprita Reddy
Directorships held in other Companies as on March 31, 2023	She holds Directorship in three (3) private limited companies i.e. Namrata Diagnostic Centre Private Limited, Doctorslab Medical Services Private Limited & Vijaya Hospitals Private Limited	She holds Directorship in two (2) private limited companies i.e. Kshetra Agritech Private Limited & Vijaya Hospitals Private Limited
Chairman / Member of the Committee of the Board of Directors of the Company	Nomination & Remuneration Committee - Member Corporate Social Responsibility Committee - Member	Risk Management Committee - Member
No. of Board Meetings attended during the financial year	She has attended Five (5) Board Meetings during the financial year 2022-23.	She has attended Three (3) Board Meetings during the financial year 2022-23.
Chairman/Member of the Committee of the Board of Directors in other Companies as on March 31, 2023	Nil	Nil
No. of Equity Shares of Re.1/- held in the Company as on 31.03.2023	40,58,638 Equity Shares of Re.1/- each.	91,76,933 Equity Shares of Re.1/- each.
Names of Listed Entities from which the director has resigned during last three years	Nil	Nil

BOARD'S REPORT

Dear Shareholders,

Your Directors have pleasure in presenting the Twenty First (21st) Annual Report on the business and operations of Vijaya Diagnostic Centre Limited ('the Company' or 'VDCL') and the Audited Financial Statements for the financial year ended March 31, 2023.

FINANCIAL SUMMARY

The financial performance of the Company for the year ended March 31, 2023, is summarized below:

(₹ in Lakhs)

Particulars	Standalone		Consolidated	
	2022-23	2021-22	2022-23	2021-22
Revenue from Operations	44,957.93	45,087.93	45,922.27	46,236.99
Earnings Before Depreciation, Interest, Tax and Exceptional Items	17,897.01	19,985.58	18,202.73	20,369.01
Finance Cost	2,087.61	1,625.56	2,094.79	1,645.03
Depreciation	6,139.43	5,213.65	6,172.01	5,268.61
Profit before Tax	11,127.30	14,438.08	11,351.00	14,738.43
Provision for Tax	2,803.91	3,627.61	2,830.30	3,671.67
Profit after Tax	8,323.39	10,810.47	8,520.70	11,066.76
Other Comprehensive Income	19.39	19.10	20.16	20.66
Total Comprehensive Income for the Period	8,342.78	10,829.57	8,540.86	11,087.42
Basic EPS	8.16	10.60	8.29	10.76
Diluted EPS	8.12	10.54	8.26	10.69

FINANCIAL PERFORMANCE

The standalone and consolidated financial statements of the Company for the financial year ended March 31, 2023, have been prepared in accordance with the applicable Indian Accounting Standards (Ind-AS) and the provisions of Companies Act, 2013.

Standalone Performance

During the year under review, your Company generated revenue of ₹ 44,957.93 Lakhs as compared to ₹ 45,087.93 Lakhs in the previous year registering a decline of 0.29%. EBITDA for the year declined by 10.45% to ₹17,897.01 lakhs against ₹ 19,985.58 lakhs in the previous year. The Profit before the Tax for the year is at ₹ 11,127.30 lakhs as against ₹ 14,438.08 Lakhs in the previous year. The Net Profit after tax is ₹ 8,323.39 Lakhs as against ₹ 10,810.47 Lakhs in the previous year. The diluted earnings per share stood at ₹ 8.12 compared to ₹ 10.54 in previous year.

Consolidated Performance

During the year under review, your Company generated consolidated revenue of ₹45,922.27 Lakhs as compared to ₹ 46,236.99 Lakhs in the previous year registering a decline of 0.68%. EBITDA for the year declined by 10.64% to ₹ 18,202.73 lakhs against ₹ 20,369.01 lakhs in the previous year. The Profit before Tax for the year is at ₹ 11,351.00 lakhs as against ₹ 14,738.43 Lakhs in the previous year. The Net Profit after tax is

₹ 8,520.70 Lakhs as against ₹ 11,066.76 Lakhs in the previous year. The diluted earnings per share stood at ₹ 8.26 compared to ₹ 10.69 in previous year.

CONSOLIDATED FINANCIAL STATEMENTS

The Standalone and Consolidated Financial Statements of the Company for Financial year 2022-23 are prepared in accordance with the applicable provisions of Companies Act 2013 ("Companies Act"), Indian Accounting Standards ("Ind-AS") and SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 ("SEBI Listing Regulations"). The consolidated financial statements have been prepared based on the audited financial statements of the Company and its subsidiaries as approved by their respective Board of Directors.

DIVIDEND

The Board of Directors of your Company has recommended final dividend for the Financial Year 2022-23 @100%, i.e. Re.1/- per equity share of face value of Re. 1/- each, as final dividend for the Financial Year 2022-23, for approval by the shareholders at the ensuing Annual General Meeting ("AGM") of the Company.

As per Regulation 43A of the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements)

Regulations, 2015 ('SEBI Listing Regulations'), the Company has adopted a Dividend Distribution Policy which is available on the website of the Company at <https://images.vijayadiagnostic.com/investor/corporategovernance/DIVIDEND-DISTRIBUTION-POLICY.pdf>

The dividend declared by the Company for the financial year ended March 31, 2023 is in compliance with the Dividend Distribution Policy of the Company.

TRANSFER TO GENERAL RESERVES

During the year under review, ₹ 75.52 Lakhs have been transferred to the General Reserves of the Company.

SUBSIDIARY COMPANIES

Your Company has the following five (5) subsidiaries (including step down subsidiaries) as on March 31, 2023.

1. Medinova Diagnostic Services Limited
2. Doctorslab Medical Services Private Limited
3. Namrata Diagnostic Centre Private Limited
4. VDC Diagnostics (Karnataka) LLP
5. Medinova Millennium MRI Services, LLP

CHANGES IN SHARE CAPITAL OF THE COMPANY

Your Company's Equity Share Capital position as at the beginning of the Financial Year 2022-23 (i.e., as on April 1, 2022) and as at the end of the said Financial Year (i.e., as on March 31, 2023) was as follows:

Category of Share Capital	Authorised Share Capital			Issued, Subscribed & Paid-up Share Capital		
	No. of Shares	Face Value Per Share (₹)	Total Amount (₹)	No. of Shares	Face Value Per Share (₹)	Total Amount (₹)
As on April 1, 2022:						
Equity Share	12,05,00,000	1/-	12,05,00,000/-	10,19,65,926	1/-	10,19,65,926/-
Total	12,05,00,000		12,05,00,000/-	10,19,65,926		10,19,65,926/-
Changes during the year under review:						
*Allotment of equity shares under Employee Stock Option plan 2018 (ESOP 2018):						
June 06, 2022				64,832	1/-	64,832/-
July 25, 2022				13,989	1/-	13,989/-
September 17, 2022				19,049	1/-	19,049/-
November 07, 2022				5,466	1/-	5,466/-
February 13, 2023				1,913	1/-	1,913/-
Total no. of equity shares allotted under ESOP 2018				1,05,249		1,05,249/-
As on March 31, 2023:						
Equity Share	12,05,00,000	1/-	12,05,00,000/-	10,20,71,175	1/-	10,20,71,175/-
Total	12,05,00,000		12,05,00,000/-	10,20,71,175		10,20,71,175/-

*During the Financial Year 2022-23, your Company has allotted 1,05,249 (One Lakh Five Thousand Two Hundred and Forty Nine only) Equity Shares of Face Value of Re.1/- (Rupees One only) each under the VDCL Employees Stock Option Plan, 2018 ("ESOP 2018"), pursuant to exercise of options by Eligible Employees under ESOP 2018.

There was no material change in the nature of the business carried on by the subsidiaries during the year under review.

As per the provisions of Section 129 of the Companies Act, 2013 read with the Companies (Accounts) Rules, 2014, a separate statement containing the salient features of the financial statements of the Subsidiary Companies is prepared in Form AOC-1 and is annexed herewith as **Annexure – I**.

Your Company does not have any Associate Company or Joint Venture as on March 31, 2023. None of the Companies have become or ceased to become subsidiary, associate and joint ventures during the year under review.

The Company has placed separately, the audited accounts of its subsidiaries on its website at <https://www.vijayadiagnostic.com/investors/financials-subsidiaries> in compliance with the provisions of Section 136 of the Companies Act, 2013. Audited financial statements of the Company's subsidiaries will be provided to the Members, on request.

The Company has formulated a policy for determining material subsidiaries. The said policy is also available on the website of the Company at <https://images.vijayadiagnostic.com/investor/corporategovernance/MATERIAL-SUBSIDIARY-POLICY.pdf>

The aforementioned 1,05,249 (One Lakh Five Thousand Two Hundred and Forty Nine only) Equity Shares rank pari passu with the existing Equity Shares of the Company and have been listed for trading on the National Stock Exchange of India Limited (NSE) and BSE Limited (BSE).

Apart from the above, your company has not issued equity shares with differential rights as to dividend, voting or otherwise.

DIRECTORS AND KEY MANAGERIAL PERSONNEL

DIRECTORS

As on March 31, 2023, our Board consists of two (2) Executive Directors, one (1) Non Executive Non Independent Director and four (4) Independent Directors. The constitution of the Board of the Company is in accordance with Section 149 of the Companies Act 2013 and Regulation 17 of the SEBI Listing Regulations.

Further the Board of Directors of the Company has based on the recommendation of the Nomination and Remuneration Committee approved the appointment of Ms. Sura Suprita Reddy (DIN: 00263618) as Managing Director & Chief Executive Officer ("MD & CEO"), not liable to retire by rotation, for a term of five (5) years i.e. from July 01, 2023 to June 30, 2028, which is subject to the approval of the shareholders at the ensuing AGM.

In the opinion of the Board, all the Independent Directors of the Company possesses requisite expertise, integrity and experience including proficiency. Further all the Independent Directors have confirmed that their respective names have been included in the Independent Director's Database as required under Section 150 of the Companies Act, 2013.

In accordance with the provisions of Section 152 and other applicable provisions, if any, of the Companies Act, 2013 and the Articles of Association of the Company, Mrs. Sura Geeta Reddy, will retire by rotation at the ensuing AGM and being eligible offered herself for re-appointment. The Board recommends the same to the shareholders for their approval.

In compliance with Regulation 36(3) of the SEBI Listing Regulations and the applicable provision of the Companies Act, 2013, brief resume and other details of all the directors proposed to be appointed / re-appointed are attached along with the Notice of the ensuing Annual General Meeting.

During the year under review, the non-executive directors of the Company had no pecuniary relationship or transactions with the Company, other than the commission, and reimbursement of expenses, if any, incurred by them for the purpose of attending meetings of the Board / Committee of the Company.

On the basis of the written representations received from the directors, none of the above directors are disqualified under Section 164 (2) of the Companies Act, 2013, and are also not debarred by SEBI or any other statutory authority for holding office of a Director. As required by Listing Regulations, a certificate from Company Secretary in practice, 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 SEBI, MCA or any such statutory authorities, is annexed to the Corporate Governance report which is forming part of the Annual Report.

Apart from the above, there have been no changes in the Directors.

KEY MANAGERIAL PERSONNEL

During the year under review, Ms. Anusha Kanumuru had resigned as Company Secretary & Compliance Officer of the Company effective from December 03, 2022 and Mr. Hansraj Singh was appointed as Compliance Officer the Company from December 22, 2022 by way of circular resolution of the Board and appointed as Company Secretary of the Company with effect from February 13, 2023 by the approval of the Board of Directors at their meeting.

In accordance with the provisions of Sections 2(51), 203 of the Companies Act, 2013 read with Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014, the following were the Key Managerial Personnel of the Company as on March 31, 2023:

1. Dr. Sura Surendranath Reddy - Executive Chairman
2. Mr. Sunil Chandra Kondapally - Executive Director
3. Ms. Sura Suprita Reddy - Chief Executive Officer
4. Mr. Narasimha Raju KA - Chief Financial Officer
5. Mr. Hansraj Singh - Company Secretary & Compliance Officer

DECLARATION BY INDEPENDENT DIRECTORS

The Company has received declarations from all its Independent Directors, confirming that they meet the criteria of independence as prescribed under Section 149(6) of the Act along with Rules framed thereunder and Regulation 16(1)(b) of the SEBI Listing Regulations. In terms of Regulation 25(8) of the SEBI Listing Regulations, the Independent Directors have also confirmed that they are not aware of any circumstance or situation, which exist or may be reasonably anticipated, that could impair or impact their ability to discharge their duties. In the opinion of the Board, Independent directors fulfill the conditions as specified in Companies Act and SEBI Listing Regulations and are independent from the management.

FAMILIARIZATION PROGRAMME

The Company has put in place a system to familiarize its Independent Directors. During the year under review the Independent Directors were familiarized with the Company, its business and the senior management.

Periodic presentations were made at the Board meetings apprising the Board Members about the finer aspects of the Company's businesses, the challenges posed and an overview of future business plans, including:

- Macro-economic view of the industry in which the Company operates.
- Budgets, operations and performance of the business and relevant regulatory/legal updates in the statutes applicable to the Company.
- Business model of the Company, risks and opportunities for the businesses and the growth levels for them; and
- Strategic future outlook and the way forward.

MEETINGS OF BOARD OF DIRECTORS

The Meetings of the Board of Directors are prescheduled and intimated to all the Directors in advance, in order to help them plan their schedule. However, in case of special and urgent business needs, approval is taken either by convening meetings at a shorter notice with consent of all the Directors or by passing a Resolution through Circulation, as permitted by law. Video conferencing facilities are provided to enable active participation by Directors who are unable to attend the meetings in person.

There were five (5) Meetings of the Board of Directors held during the Financial Year 2022-23. The details of Board Meetings and the attendance of the Directors thereat are provided in the Corporate Governance Report, which forms a part of the Annual Report. The provisions of Act and the SEBI Listing Regulations were adhered to, while considering the time gap between any two meetings.

COMMITTEES OF THE BOARD

The Board Committees are set up by the Board and are governed by its terms of reference which exhibit the scope, composition, tenure, functioning and reporting parameters. The Board Committees play a crucial role in the governance structure of the Company and they deal with specific areas of concern for the Company that needs a closer review. The Committees operate under the direct supervision of the Board and Chairpersons of the respective Committees report to the Board about the deliberations and decisions taken by the Committees. The recommendations of the Committees are submitted to the Board for approval.

The Board of Directors of your Company has formed various Committees, as per the provisions of the Companies Act, 2013 and SEBI Listing Regulations. The various committees of the Board are as provided hereunder:

1. Audit Committee
2. Stakeholders Relationship Committee
3. Nomination and Remuneration Committee
4. Corporate Social Responsibility Committee
5. Risk Management Committee

The details of all the Committees along with their charters, composition and meetings held during the year, are provided in the "Report on Corporate Governance", which forms part of this Annual Report. During the year under review, all the recommendations of the Audit committee were accepted by the Board.

STATUTORY AUDITORS

The shareholders at their 16th Annual General Meeting (AGM), approved the appointment of B S R & Associates LLP, (Firm Registration No.116231W/W-100024) as the Statutory Auditors of the Company, for a term of five (5) years to hold the office from the conclusion of the 16th AGM until the conclusion of the 21st AGM of the Company on such remuneration as may be determined by the Board of Directors.

M/s. B S R and Co, Chartered Accountants (ICAI Firm No. 128510W), a networking firm of B S R & Associates LLP, based on the recommendation of the Audit Committee and the Board of Directors at their meetings held on May 29, 2023, will be re-appointed as the Statutory Auditors by the Company in the ensuing 21st AGM to be held for the Financial Year 2022-23 for a period of five (5) years, as per the provisions of the Companies Act, 2013. They have indicated their willingness to continue as the Statutory Auditors of the Company for the next term, and hence their reappointment is being recommended to the Members of the Company, for a further period of five (5) years, from the conclusion of 21st AGM until the conclusion of 26th AGM of the Company to be held in the Calendar year 2028 on such remuneration as may be agreed by the Board, in addition to the applicable taxes, reimbursement of out-of-pocket expenses as may be incurred in connection with the audit of the accounts of the Company.

The Notes on financial statements referred to in the Auditor's Report are self-explanatory and do not call for any further comments. The Auditor's Report does not contain any qualification, reservation, adverse remark, or disclaimer.

No fraud has been reported by the Auditors under Section 143(12) of the Companies Act, 2013 requiring disclosure in the Board's Report.

COST RECORDS AND COST AUDITORS

M/s. Santhosh & Associates, Cost Accountants, Hyderabad (Firm Registration No.: 003955) was appointed by the Board of Directors at its Meeting held on May 26, 2022, as the "Cost Auditors" of the Company for the Financial Year 2022-23, for all the applicable products, pursuant to the provisions of Section 148 of the Companies Act, 2013 and the Companies (Cost Records and Audit) Rules, 2014. The Shareholders of the Company, at their 20th AGM held on September 28, 2022, had ratified the remuneration payable to the Cost Auditors in terms of Rule 14 of the Companies (Audit & Auditors) Rules, 2014.

The Company has prepared and maintained cost accounts and records for the Financial Year 2022-23, as per sub-section (1) of Section 148 of the Companies Act, 2013 and the Companies (Cost Records and Audit) Rules, 2014.

The Cost Auditor has submitted the Cost Audit Report for the financial year 2022-2023 to the Board of Directors and the Board of Directors considered and examined the said report. The Cost audit report does not contain any qualification, reservation, adverse remark, or disclaimer.

M/s. Santhosh & Associates, Cost Accountants, Hyderabad has been re-appointed by the Board of Directors, at its Meeting held on May 29, 2023, as the "Cost Auditors" of the Company for the Financial Year 2023-24, for all the applicable products, pursuant to the provisions of Section 148 of the Companies Act, 2013 and the Companies (Cost Records and Audit) Rules, 2014. The Shareholders are requested to ratify the remuneration payable to the Cost Auditors at their ensuing 21st AGM, in terms of Rule 14 of the Companies (Audit & Auditors) Rules, 2014. There is no change in the remuneration payable to the cost auditor for the FY 2023-2024.

SECRETARIAL AUDITOR AND SECRETARIAL AUDIT REPORT

The Board of Directors of your Company, at its Meeting held on August 9, 2022, had appointed Mr. D Balaramakrishna, Practicing Company Secretary (C.P. No. 22414), as the "Secretarial Auditor" of the Company, to conduct the Secretarial Audit for the Financial Year 2022-23, pursuant to the provisions of Section 204 of the Companies Act, 2013 and Rule 9 of the Companies (Appointment & Remuneration of Managerial Personnel) Rules, 2014.

The Secretarial Audit Report submitted by Mr. D. Balaramakrishna, for the Financial Year 2022-23 is annexed as **Annexure – II** to this Board's Report.

The Secretarial Auditor's Report is self-explanatory and does not contain any qualification, reservation, adverse remark, or disclaimer.

Pursuant to Regulation 24A of SEBI Listing Regulations, the Company has also obtained Annual Secretarial Compliance report for the financial year 2022-23 from Mr. D. Balaramakrishna, Practicing Company Secretary and submitted the same to the Stock Exchanges where the shares of the Company are listed.

The Annual Secretarial Compliance report as submitted to the stock exchanges does not contain any qualification, reservation, adverse remark, or disclaimer.

INTERNAL AUDITOR

Your Company has robust internal audit team for carrying out the internal audit. Further, pursuant to the provisions of Section 138 of the Companies Act, 2013 and the Companies (Accounts) Rules, 2014, M/s. Laxminiwas & Co, Chartered Accountants, are the internal auditors of the company. The Internal Auditors attend the respective Audit Committee Meetings, where internal audit reports are discussed.

INTERNAL FINANCIAL CONTROLS AND THEIR ADEQUACY

Your Company has in place an adequate internal financial controls commensurate with the size, scale and complexity of its operations. The Company has policies and procedures in place for ensuring proper and efficient conduct of its business, safeguarding of its assets, the prevention and detection of frauds, the accuracy and completeness of the accounting records and the timely preparation of reliable financial information.

The internal control is supplemented by an extensive programme of internal, external audits and periodic review by the Management. This system is designed to adequately ensure that financial and other records are reliable for preparing financial statements and other data and for maintaining accountability of assets.

The Statutory Auditors and the Internal Auditors are, inter alia, invited to attend the Audit Committee Meetings and present their observations on adequacy of Internal Financial Controls and the steps required to bridge gaps, if any. Accordingly, the Audit Committee makes observations and recommendations to the Board of Directors of your Company.

LOANS, GUARANTEES OR INVESTMENTS

As required to be reported pursuant to the provisions of Section 186 and Section 134(3)(g) of the Companies Act, 2013, the particulars of loans, guarantees and investments by your Company under the aforesaid provisions during the Financial Year 2022-23, have been provided in the notes to the Financial Statement.

PARTICULARS OF CONTRACTS OR ARRANGEMENTS WITH RELATED PARTIES

During the year under review, all contracts/arrangements/ transactions entered into by the Company with related parties were in ordinary course of business and on an arm's length basis. There were no material related party transactions by the Company during the year under review. Accordingly, the disclosure of Related Party Transactions as required under Section 134(3)(h) of the Act in Form AOC-2 is not applicable. The details of transactions with related parties are provided in the notes to the Financial Statement.

Systems are in place for obtaining prior omnibus approval of the Audit Committee on an annual basis for transaction with related parties which are of a foreseeable and repetitive nature. The transactions entered into pursuant to the omnibus approval so granted and a statement giving details of all transactions with related parties are placed before the Audit Committee for their review on a periodic basis.

In compliance with the requirements of the Companies Act, 2013 and SEBI Listing Regulations, the Board has formulated and adopted a Related Party Transactions Policy ("RPT Policy") for the purpose of identification, approval, monitoring and

reporting of related party transactions. The RPT Policy as approved by the Board is available on the Company's website at <https://images.vijayadiagnostic.com/investor/corporategovernance/Related-Party-Transaction-Policy.pdf>

CHANGE IN NATURE OF BUSINESS

There was no change in the nature of business carried on by the Company during the year under review.

MATERIAL CHANGES AND COMMITMENTS AFFECTING THE FINANCIAL POSITION OF THE COMPANY

There are no material changes and commitments affecting the financial position of the Company which occurred between the end of the financial year to which the financial statements relate and the date of this Report.

However, with effect from January 01, 2023, the Company has changed its method of depreciation on all Property, Plant and Equipment from Written Down Value ("WDV") method to Straight Line Method ("SLM"), based upon the technical assessment of expected pattern of consumption of the future economic benefits embodied in the assets. Consequently, the depreciation on such assets has been charged as per WDV method from April 01, 2022 to December 31, 2022. However, with effect from January 01, 2023, the carrying value of the assets as on December 31, 2022 has been depreciated as per SLM over the remaining useful lives of the assets.

ANNUAL EVALUATION OF BOARD'S PERFORMANCE

The Board of Directors of your Company has carried out an Annual Performance Evaluation of its own, the Directors individually as well as the evaluation of the working of its Committees. The performance evaluation of the Board as a whole, the Chairman of the Board and Non-Independent Directors was carried out by the Independent Directors.

A structured questionnaire was prepared after taking into consideration various aspects of the Board's functioning, composition of the Board and its Committees, culture, execution and performance of specific duties, obligations and governance. The confidential questionnaire was responded to by the Directors and vital feedback was received from them on how the Board currently operates and ways and means to enhance its effectiveness.

The Board of Directors has expressed its satisfaction with the entire evaluation process.

Further Independent directors had separately met to evaluate the performance of Non Independent Directors, Board as a whole, Chairperson and to assess the quality, quantity and timeliness of flow of information between the Company management and the Board.

PUBLIC DEPOSITS

During the year under review, your Company has neither accepted nor renewed any deposit within the meaning of Section 73 and 76 of the Companies Act, read with Companies (Acceptance of Deposits) Rules, 2014.

RISK MANAGEMENT

Your Company through its Risk management policy periodically assesses the risk elements, mitigates the different kinds of risks which the Company faces in its day-to-day operations and incorporates such risk mitigation plans in its business operational plans. As on date of this report, your Company does not foresee any critical risk, which threatens its existence.

Further, information on the risk management process of the Company is contained in the Management Discussion & Analysis Report which forms part of the Annual Report.

COMPLIANCE WITH SECRETARIAL STANDARDS

The Company has complied with the applicable Secretarial Standards issued by the Institute of Company Secretaries of India.

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

The information in respect of matters pertaining to conservation of energy, technology absorption and foreign exchange earnings and outgo, as required under Section 134(3)(m) of the Companies Act, 2013 and Rule 8(3) of the Companies (Accounts) Rules, 2014 is given in the **Annexure – III** to this Directors' Report.

ANNUAL RETURN

The Annual Return for financial year 2022-23 is available on the website of the Company at <https://www.vijayadiagnostic.com/investors/annual-return>

SIGNIFICANT AND MATERIAL ORDERS

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

PARTICULARS OF EMPLOYEES

The disclosures pertaining to remuneration and other details as required under Section 197(12) of the Companies Act, 2013 read with Rule 5 of the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014, are provided in the prescribed format and annexed herewith as **Annexure- IV**.

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, forms part of this Annual Report. In terms of the provisions of the first proviso to Section 136 (1) of the Companies Act, 2013, the Annual Report is being sent to Shareholders, excluding the aforementioned information. Any shareholder interested in obtaining a copy of such statement may write to the Company Secretary of the Company at cs@vijayadiagnostic.in

CORPORATE GOVERNANCE

In accordance with Regulation 34 of the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 (“SEBI Listing Regulations”), a detailed report on Corporate Governance is included in the Annual Report.

Mr. D. Balaramakrishna, Practicing Company Secretary, who is also the “Secretarial Auditor” of your Company, has certified your Company’s compliance with the requirements of Corporate Governance in terms of Regulation 34 of the SEBI Listing Regulations and their Compliance Certificate is annexed to the Report on Corporate Governance.

MANAGEMENT DISCUSSION AND ANALYSIS

The Management Discussion and Analysis Report for the Financial Year 2022-23, as prescribed under Regulation 34(2) of the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015, forms part of the Annual Report.

BUSINESS RESPONSIBILITY AND SUSTAINABILITY REPORT

Securities Exchange Board of India (SEBI) had introduced new requirements for sustainability reporting by listed entities. The new reporting called the Business Responsibility and Sustainability Report (‘BRSR’) has replaced the existing Business Responsibility Report. In terms of the aforesaid

amendment, with effect from the financial year 2022-23, reporting of BRSR is made mandatory for the top 1000 listed companies (by market capitalization).

The BRSR of the Company for financial year 2022-23 as required under SEBI Listing Regulations is presented as a separate section and forms part of this Annual Report.

CORPORATE SOCIAL RESPONSIBILITY

In accordance with the provisions of Section 135 of the Companies Act, 2013 read with CSR Rules, the Company has constituted the Corporate Social Responsibility (CSR) Committee. The details of CSR Committee are detailed in the Corporate Governance Report, which forms part of this Annual Report.

The Board, on the recommendation of the CSR Committee, adopted a CSR Policy. The said CSR Policy is available on the website of the Company at <https://images.vijayadiagnostic.com/website/CSR-POLICY.pdf>

The Annual Report on Corporate Social Responsibility as per Rule 8 of the Companies (Corporate Social Responsibility Policy) Rules, 2014 is annexed herewith as **Annexure-V** to this Report.

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

The Company has always believed in providing a safe and harassment free workplace for every individual working in Company’s premises through various interventions and practices. The Company always endeavours to create and provide an environment that is free from discrimination and harassment including sexual harassment.

The Board of Directors of your Company has constituted Internal Complaints Committees (“ICC”) at Head/Corporate Office as well as Centre/Branch levels, pursuant to the provisions of the Sexual Harassment of Women at Workplace (Prevention, Prohibition and Redressal) Act, 2013 and the Rules framed thereunder.

The Company has complied with the provisions relating to the constitution of Internal Complaints Committee under the Sexual Harassment of Women at Workplace (Prevention, Prohibition and Redressal) Act, 2013. The ICC at the Head Office level comprised of the following Members as on March 31, 2023:

Sl. No.	Name of the Committee Members	Designation	Category
1.	Ms. Nandini Koindala	Manager-Lab services (Biochemistry)	Chairperson
2.	Dr. Geeta R Jahagirdar	AGM-Lab Services (Pathology)	Member
3.	Ms. Vijaya Sree Mathe	DGM-Quality Assurance	Member
4.	Dr. Bikash Kumar Chaudhury	Director-Lab Services	Member
5.	Mr. Damodher Reddy	Manager-HR Operations	Member
6.	Mr. Hansraj Singh Rajput	Company Secretary & Compliance Officer	Member
7.	Ms. Renu Kapoor	External Advisor	Member-Social Worker

The Company has adopted a policy against sexual harassment in line with the provisions of Sexual Harassment of Women at Workplace (Prevention, Prohibition and Redressal) Act, 2013 and the Rules framed thereunder. The Company has constituted Internal Complaints Committee for redressal of complaints on sexual harassment. During the year, the Company had not received any complaints on sexual harassment.

NOMINATION AND REMUNERATION POLICY

In compliance with the provisions of Companies Act, 2013 and SEBI Listing Regulations, the Board had framed a Nomination and Remuneration Policy for selection and appointment of Directors, Key Managerial Personnel, senior management and their remuneration. The Company affirms that the remuneration paid is as per Nomination and Remuneration Policy of the Company. The said Policy is available on the website of the Company at <https://images.vijayadiagnostic.com/investor/corporategovernance/NOMINATION-REMUNERATION-POLICY.pdf>

Further, neither the Managing Director nor the Whole-time Directors of the Company receive any remuneration or commission from any of its subsidiaries.

WHISTLE BLOWER / VIGIL MECHANISM

The Company has established a Vigil Mechanism, which includes a Whistle Blower Policy, for its Directors and Employees, to provide a framework to facilitate responsible and secure reporting of concerns of unethical behaviour, actual or suspected fraud or violation of the Company's Code of Conduct & Ethics. All employees shall be protected from any adverse action for reporting any unacceptable or improper practice and/or any unethical practice, fraud, or violation of any law, rule or regulation.

This Policy is also applicable to your Company's Directors and employees and it is available on the website of your Company at <https://images.vijayadiagnostic.com/investor/corporategovernance/WHISTLE-BLOWER-POLICY.pdf>

EMPLOYEE STOCK OPTION PLAN

VDCL Employee Stock Option Plan 2018 ("ESOP Plan") has been formulated and approved by the Board of Directors and Shareholders of the Company on May 3, 2018 and subsequently amended on March 25, 2021 and August 16, 2021 to be in line with the SEBI (Share Based Employee Benefits and Sweat Equity) Regulations, 2021 ("ESOP Regulations"). The said ESOP Plan have also been ratified subsequently by the shareholders through postal ballot post listing of shares, on January 11, 2022 in terms of ESOP Regulations. The Nomination and Remuneration Committee of the Board of Directors of the Company, inter alia, administers and monitors the ESOP Plan of the Company. During the year under review, no new ESOPs were granted to any employees of the Company.

The details in respect of ESOPs as required under Companies Act, 2013 and ESOP Regulations are annexed herewith as **Annexure-VI** and available on the website of the company at <https://www.vijayadiagnostic.com/investors/disclosure-of-events>

Further the certificate from the Secretarial Auditors of the Company certifying that the Company's Stock Option Plan is being implemented in accordance with the ESOP Regulations and the resolution passed by the Members, is placed on the Company's Website at <https://www.vijayadiagnostic.com/investors/disclosure-of-events>

DIRECTORS' RESPONSIBILITY STATEMENT

Pursuant to the requirement under Section 134(5) of the Companies Act, with respect to Directors' Responsibility Statement, the Directors, to the best of their knowledge and ability, hereby confirm that:

- a) In the preparation of the annual accounts, the applicable accounting standards had been followed along with proper explanation relating to material departures;
- b) Directors have 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 at March 31, 2023 and of the profit and loss of the Company for the year ended on that date;
- c) Directors have taken proper and sufficient care for the maintenance of adequate accounting records in accordance with the provisions of this Act for safeguarding the assets of the Company and for preventing and detecting fraud and other irregularities;
- d) The annual accounts have been prepared on a going concern basis;
- e) The Company had laid down internal financial controls to be followed by the Company and that such internal financial controls are adequate and were operating effectively; and
- f) Directors have devised proper systems to ensure compliance with the provisions of all applicable laws and that such systems were adequate and operating effectively.

DISCLOSURE RELATED TO INSOLVENCY AND BANKRUPTCY

During the year under review, neither any application was made, nor is any proceeding pending under the Insolvency and Bankruptcy Code, 2016 against the Company.

GREEN INITIATIVES

In commitment to keep in line with the Green Initiatives and going beyond it, electronic copy of the Notice of the 21st Annual General Meeting of the Company including the Annual Report for the FY 2022-23 are being sent to all Members whose e-mail addresses are registered with the Company / Depository Participant(s).

ACKNOWLEDGEMENT

Your directors thank various departments of Central and State Government, Organizations and Agencies for the continued help and co-operation extended by them to your Company. Your

directors also gratefully acknowledge all stakeholders of the Company viz. members, customers, dealers, vendors, financial institutions, banks and other business partners for the excellent support received from them during the year.

Your directors place on record their sincere appreciation to all employees of the Company for their unstinted commitment and continued contribution to the Company.

By order of the Board
For Vijaya Diagnostic Centre Limited

Dr. Sura Surendranath Reddy
Executive Chairman
DIN: 00108599

Place: Hyderabad
Date: May 29, 2023

Annexure - I

FORM AOC - 1

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

Statement containing salient features of the financial statements of subsidiaries as on March 31, 2023

(₹ in lakhs)

Particulars	Subsidiary Company		Step down Subsidiary Company / LLP		
	Medinova Diagnostic Services Limited	Doctorslab Medical Services Private Limited	VDC Diagnostics (Karnataka) LLP	Namrata Diagnostic Centre Private Limited	Medinova Millennium MRI Services LLP
Reporting period for the subsidiary concerned, if different from the holding company's reporting period	31-03-2023	31-03-2023	31-03-2023	31-03-2023	31-03-2023
Reporting currency and Exchange rate as on the last date of the relevant Financial year in the case of foreign subsidiaries	Not Applicable	Not Applicable	Not Applicable	Not Applicable	Not Applicable
Share capital / Contribution	995.68	1.00	1950.00	1.00	230.27
Other Equity	(1278.77)	124.37	(1,514.37)	(126.16)	(163.94)
Total Assets	633.33	128.43	436.22	0.66	113.38
Total Liabilities	916.42	3.06	0.59	125.83	47.05
Investments	296.82	1.00	-	-	-
Turnover	775.83	-	-	-	226.47
Profit before Taxation	87.07	11.38	22.53	(0.22)	102.95
Provision for Taxation	24.07	2.90	-	-	(0.57)
Profit after taxation	63.00	8.48	22.53	(0.22)	103.53
Proposed Dividend	-	-	-	-	-
Extent of Shareholding (%)	62.14%	100%	100%	100%	62.14%

- Names of subsidiaries which are yet to commence operations – Nil
- Names of subsidiaries which have been liquidated or sold during the year – Nil

By order of the Board
For Vijaya Diagnostic Centre Limited

Dr. Sura Surendranath Reddy
Executive Chairman
DIN: 00108599

Place: Hyderabad
Date: May 29, 2023

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 No.9 of the Companies
(Appointment and Remuneration of Managerial Personnel) Rules, 2014]

To,
The Members,
Vijaya Diagnostic Centre Limited
CIN: L85195TG2002PLC039075
Hyderabad.

I have conducted the secretarial audit of the compliance of applicable statutory provisions and the adherence to good corporate practices by Vijaya Diagnostic Centre Limited (hereinafter called "the Company").

Secretarial Audit was conducted in a manner that provided me a reasonable basis for evaluating the corporate conducts/ statutory compliances and expressing my opinion thereon.

Based on my verification of the Company's books, papers, minute books, forms and returns filed and other records maintained by the company and also the information provided by the Company, its officers, agents and authorized representatives during the conduct of secretarial audit, I hereby report that in my opinion, the company has, during the audit period covering the financial year ended on 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:

1. I 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:
 - 1.1. The Companies Act, 2013 (the Act) and the rules made there under;
 - 1.2. The Securities Contracts (Regulation) Act, 1956 ('SCRA') and the rules made there under;
 - 1.3. The Depositories Act, 1996 and the Regulations and Bye-laws framed there under;
 - 1.4. Foreign Exchange Management Act, 1999 and the rules and regulations made there under to the extent of Foreign Direct Investment, Overseas Direct Investment and External Commercial Borrowings;
 - 1.5. The following Regulations and Guidelines prescribed under the Securities and Exchange Board of India Act, 1992 ('SEBI Act'): -

- 1.5.1. The Securities and Exchange Board of India (Substantial Acquisition of Shares and Takeovers) Regulations, 2011;
 - 1.5.2. The Securities and Exchange Board of India (Prohibition of Insider Trading) Regulations, 2015;
 - 1.5.3. The Securities and Exchange Board of India (Issue of Capital and Disclosure Requirements) Regulations, 2018
 - 1.5.4. The Securities and Exchange Board of India (Share Based Employee Benefits and Sweat Equity) Regulations, 2021;
 - 1.5.5. The Securities and Exchange Board of India (Issue and Listing of Non-Convertible Securities) Regulations, 2021; **[NOT APPLICABLE AS THERE WAS NO NON-CONVERTIBLE SECURITIES LISTED ON THE STOCK EXCHANGE]**
 - 1.5.6. 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;
 - 1.5.7. The Securities and Exchange Board of India (Delisting of Equity Shares) Regulations, 2021; **[NOT APPLICABLE AS THERE WAS NO DELISTING OF EQUITY SHARES DURING THE YEAR]**and
 - 1.5.8. The Securities and Exchange Board of India (Buyback of Securities) Regulations, 2018; **[NOT APPLICABLE AS THERE WAS NO BUYBACK OF SECURITIES BY THE COMPANY DURING THE YEAR]**
2. I have also examined compliance with the applicable clauses of the following:
 - 2.1. Secretarial Standards issued by The Institute of Company Secretaries of India.
 - 2.2. SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015.
 3. The Company is engaged in the Business of Medical diagnostic services. Accordingly, the following Industry Specific Acts are applicable to the Company, in view of the Management and as per the Guidance Note issued by the ICSI. Based on the explanation given, there are adequate

system and process in the company to monitor and ensure the compliance of following sector specific law, rule, regulation and guidelines:

- 3.01. Pre-Conception and Pre-Natal Diagnostic Techniques Act, 1994 read with the relevant rules and amendments.
 - 3.02. The Clinical Establishments (Registration and Regulations) Act, 2010.
 - 3.03. The Clinical Establishments (Central Government) Rules, 2012 ("CECG Rules").
 - 3.04. Telangana Allopathic Private Medical Care Establishments (Registration and Regulation) Act, 2002 and rules there under, as applicable.
 - 3.05. Andhra Pradesh Allopathic Private Medical Care Establishments (Registration and Regulation) Act, 2002 and rules there under, as applicable.
 - 3.06. Indian Atomic Energy Act 1962 & Atomic Energy (Radiation Protection) Rules 2004.
 - 3.07. Atomic Energy (Safe Disposal of Radioactive Wastes) Rules, 1987 ("Radioactive Waste Rules").
 - 3.08. Radiation Surveillance Procedures for Medical Application of Radiation, 1989 ("Surveillance Procedures").
 - 3.09. Safety Code for Medical Diagnostic X-Ray Equipment and Installations, 2001 (the "X-Ray Safety Code").
 - 3.10. Atomic Energy Regulatory Board- Safety Code on Safe Transport of Radioactive Material AERB/NRF-TS/SC- 1, 2015 ("Transport Code").
 - 3.11. Atomic Energy Regulatory Board - Safety code on Nuclear Medicine Facilities dated November 4, 2010 ("Nuclear Medicine Code").
 - 3.12. Radiation Surveillance Procedure for Medical Applications of Radiation, 1989 ("RSPM Notification").
 - 3.13. The Environment Protection Act, 1986 (the "Environment Protection Act") and The Environment (Protection) Rules, 1986 (the "Environment Protection Rules").
 - 3.14. Bio-Medical Waste Management Rules, 2016 ("BMW Rules").
 - 3.15. National Accreditation Board for Testing and Calibration Laboratories ("NABL").
 - 3.16. Guidelines for Exchange of Human Biological Material for Biomedical Research Purposes, 1997 ("HBM Guidelines").
 - 3.17. Consumer Protection Act, 2019 ("COPRA, 2019").
4. I further report that:
 - 4.01. The Board of Directors of the Company is duly constituted with proper balance of Executive Directors, Non-Executive Directors and Independent Directors. The changes in the composition of the Board of Directors that took place during the period under review were carried out in compliance with the provisions of the Act.
 - 4.02. Adequate notice is given to all directors to schedule the Board Meetings, agenda and detailed notes on agenda were sent at least seven days in advance, 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.
 - 4.03. Majority decision is carried through while the dissenting members' views, if any, are captured and recorded as part of the minutes.
 - 4.04. 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.
 5. I further report that during the audit period there were following specific events / actions having a major bearing on the company's affairs in pursuance of the above referred laws, rules, regulations, guidelines, standards:
 - 5.01. The Company has allotted 64,832 shares on 06th June, 2022, against the options exercised under VDCL Employee Stock Option Plan 2018.
 - 5.02. The Company has allotted 13,989 shares on 25th July, 2022, against the options exercised under VDCL Employee Stock Option Plan 2018.
 - 5.03. The Company has allotted 19,049 shares on 17th September, 2022, against the options exercised under VDCL Employee Stock Option Plan 2018.
 - 5.04. The Company has allotted 5,466 shares on 07th November, 2022, against the options exercised under VDCL Employee Stock Option Plan 2018.
 - 5.05. The company has shifted its registered office from "3-6-16 & 17, Street No. 19, Himayat Nagar, Hyderabad, Telangana - 500029" to "6-3-883/F, FPA Building, Near Topaz Building, Punjagutta, Hyderabad, Telangana - 500082" with effect from 10th November, 2022.
 - 5.06. Ms. Anusha Kanumuru has resigned from the position of Company Secretary and Compliance Officer of the Company w.e.f. 03rd December, 2022.

5.07. Mr. Hansraj Singh Rajput, a qualified Company Secretary has been appointed as the Compliance Officer of the Company w.e.f. 22nd December, 2022 and as the Company Secretary of the Company w.e.f. 13th February, 2023.

5.08. The Company has allotted 1,913 shares on 13th February, 2023, against the options exercised under VDCL Employee Stock Option Plan 2018.

UDIN: F008168E000408986

Date: 29.05.2023
Place: Hyderabad.

Balaramakrishna Desina
Company Secretary in Practice
M. No.: FCS 8168
C.P No.: 22414
Peer Reviewed UIN. 12019TL1988700

Note: This letter is to be read with our letter of even date, which is annexed, and form an integral part of this report.

ANNEXURE

To,
The Members,
Vijaya Diagnostic Centre Limited,
CIN: L85195TG2002PLC039075
Hyderabad.

Subject: My 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. My responsibility is to express an opinion on these secretarial records based on my audit.
2. I have followed the audit practices and processes as were appropriate to obtain reasonable assurance about the correctness of the contents of the secretarial records. The verification was done to ensure that correct facts are reflected in secretarial records. I believe that the processes and practices followed, provide a reasonable basis for my opinion.
3. I have not verified the correctness and appropriateness of financial records and Books of Accounts of the Company.
4. Wherever required, I have obtained the Management representation about the compliance of laws, rules and regulations and happening of events etc.
5. The compliance of the provisions of Corporate and other applicable laws, rules, regulations, standards is the responsibility of the Management. My examination was limited to the verification of procedures.
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.

UDIN: F008168E000408986

Date: 29.05.2023
Place: Hyderabad.

Balaramakrishna Desina
Company Secretary in Practice
M. No.: FCS 8168
C.P No.: 22414
Peer Reviewed UIN. 12019TL1988700

Annexure –III

The details regarding Energy Conservation, Technology Absorption, Foreign Exchange Earnings and Outgo as required by section 134(3)(m) of the Companies Act, 2013 read with the Companies (Accounts) Rules, 2014 are given as below.

A) CONSERVATION OF ENERGY

i. Steps taken for conservation of energy

The Company evaluates the possibilities and various alternatives to reduce energy consumption and use of low energy consuming LED lightings is being encouraged. The Company recognizes the importance of energy conservation in decreasing the adverse effects of global warming and climate change.

Further the Company carries on its activities such as using electric vehicles, optimization of paper usage and shifting towards digitization of information etc., in an environmental friendly and energy efficient manner.

ii. The steps taken by the company for utilizing alternate sources of energy

Company being in service sector, didn't made any significant steps towards utilizing alternative sources of energy.

iii. The capital investment on energy conservation equipment's

No significant capital investments were made on energy conservation equipment during the year. However, the company primarily focuses on procuring high-end equipment for the quality reporting, which results in consuming low energy.

other cutting edge radiology equipment such as 'PET CT' and 'Gamma Camera'.

- The company has also successfully built and launched a robust, easy-to-use mobile app that is available for all test types in radiology and pathology for its customers.

- The Company has, at all its major centres, latest and advanced equipment technology such as CT, MRI, nuclear medicine, PET and fusion imaging. Have installed 128 Slice CT Scan, 32 Slice CT Scan, DR System, 5CS MRI equipment and Epiq Elite Color Doppler System, Digital mammography etc.

ii. Benefits derived like product improvement, cost reduction, product development or import substitution

Less exposure of radiation to the patients, better quality images, efficiency, better and accurate services to customers etc.

iii. In case of imported technology (imported during the last three years reckoned from the beginning of the financial year)

The company has not imported any technology during the last three years.

iv. The expenditure incurred on Research and Development

Nil

B) TECHNOLOGY ABSORPTION

i. Efforts made towards technology absorption

- We provide global quality standards in preventive care and diagnostic testing services with speed & accuracy at affordable prices with a quick turnaround time throughout our centres.

- The company has successfully inaugurated advanced and fully equipped facility in Tirupati, Andhra Pradesh, which is of more than 10,000 sq. ft. and also we have inaugurated another 10,000 sq. ft. state-of-the-art facility in Rajahmundry during the year under review. Both these hubs are equipped to offer a wide range of integrated diagnostic services in the state of Andhra Pradesh.

- The company has also successfully commenced its operations at Punjagutta, Hyderabad, Telangana, which is spread across a mammoth size of 16,000 sq. ft. This Hub Centre is one-of-a-kind in the whole of South India and has advanced technologies like 'walk-in / walk-out Dual source CT' and 'BioMatrix 3T', besides

C) FOREIGN EXCHANGE EARNINGS AND OUTGO

Activities relating to exports, initiatives taken to increase exports, development of new export market for products and services and export plans:

(in ₹)			
Sl. No.	Description	FY 2022-23	FY 2021-22
1	Earnings	-	-
2	Outgo	19,02,814	3,72,17,164

By order of the Board
For Vijaya Diagnostic Centre Limited

Dr. Sura Surendranath Reddy

Executive Chairman
DIN: 00108599

Place: Hyderabad
Date: May 29, 2023

Annexure –IV

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

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

Median remuneration of employees of the Company as at the end of the year under review was ₹ 2,63,676/- and increased by 7.68% over the previous year.

2. The ratio of the remuneration of each Director to the median remuneration of employees for the Financial Year 2022-23; and the percentage increase in remuneration of each Director, Chief Financial Officer, Chief Executive Officer, Company Secretary or Manager, during the Financial Year 2022-23:

Sl. No.	Name of the Director(s)/ KMP(s)	Designation	Percentage increase/ (decrease) in remuneration in the financial Year 2022-23 (%)	Ratio to median remuneration (in times)
1.	Dr. Surendranath Reddy	Promoter & Executive Chairman	Nil	75.85
2.	Mrs. Sura Geeta Reddy	Non-Executive Director	Nil	Nil
3.	Mr. Sunil Chandra Kondapally	Executive Director	Nil	37.93
4.	Dr. D. Nageshwar Reddy	Independent Director	Nil	4.55
5.	Mr. C. Satyanarayana Murthy	Independent Director	Nil	4.55
6.	Mr. Shekhar Prasad Singh	Independent Director	Nil	4.55
7.	Dr. Manjula Anagani	Independent Director	Nil	4.55
8.	Ms. S. Suprita Reddy	Chief Executive Officer	Nil	NA
9.	Mr. Narasimha Raju KA	Chief Financial Officer	10%	NA
10.	Ms. Anusha Kanumuru*	Company Secretary	15%	NA
11.	Mr. Hansraj Singh*	Company Secretary	NA	NA

*Ms. Anusha Kanumuru resigned and relieved w.e.f. December 03, 2022 and Mr. Hansraj Singh was appointed w.e.f. February 13, 2023.

- 3. The number of permanent employees on rolls of the Company as on March 31, 2023: 1996**
- 4. Average percentile increase already made in salaries of employees other than the managerial personnel in the last financial year and its comparison with the percentile increase in the managerial remuneration and justification thereof and point out if there are any exceptional circumstances for increase in the managerial remuneration.**

The average percentage increase in the salaries paid to employees other than the managerial personnel in the last financial year is 9.8%. Further, there was no increase in the salary of Managerial Personnel during the FY 2022-23.

Annual increments to employees is based on their individual performance, potential and contribution to the Company while remuneration to managerial personnel is based on the relevant approvals of the Nomination and Remuneration committee, Board and Shareholders considering the market competitiveness, industry standards and their contribution to the growth of the Company. The increase in the managerial remuneration is also primarily governed by their terms of appointment, company's policy and as per the remuneration policy of the company.

- 5. Affirmation that the remuneration is as per the Remuneration Policy of the Company.**

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

By order of the Board
For Vijaya Diagnostic Centre Limited

Dr. Sura Surendranath Reddy
Executive Chairman
DIN: 00108599

Place: Hyderabad
Date: May 29, 2023

Annexure -V

ANNUAL REPORT ON CORPORATE SOCIAL RESPONSIBILITY (CSR) ACTIVITIES FOR THE FINANCIAL YEAR 2022-23

1. Brief outline on CSR Policy of the Company:

The CSR initiatives of the Company are either undertaken as projects or programs or activities and in line with the CSR Policy. During the year ended March 31, 2023, the Company discharged its CSR obligations through projects and activities. In alignment with the vision of the Company, the Company, through its CSR initiatives is committed to continue to enhance value creation in the society and in the community in which it operates, through its services, conduct and initiatives, so as to promote sustained growth for the society and community, in fulfillment of its role as a socially responsible corporate. The CSR Policy of the Company is hosted at the website of the Company.

2. Composition of CSR Committee:

Sl. No.	Name of Director	Designation / Nature of Directorship	Number of meetings of CSR Committee held during the year	Number of meetings of CSR Committee attended during the year
1.	Mr. Shekhar Prasad Singh (Chairperson)	Non-Executive Independent Director	1	1
2.	Dr. D. Nageshwar Reddy	Non-Executive Independent Director	1	1
3.	Mrs. Sura Geeta Reddy	Non-Executive Non-Independent Director	1	1
4.	Mr. K. Sunil Chandra	Executive Director	1	--

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

CSR Committee: <https://images.vijayadiagnostic.com/investor/corporategovernance/Constitution-of-Board-Committee-Members.pdf>

CSR Policy: <https://images.vijayadiagnostic.com/website/CSR-POLICY.pdf>

CSR Activity: <https://images.vijayadiagnostic.com/website/CSR-Activities-FY23.pdf>

4. Provide the details of Impact assessment of CSR projects carried out in pursuance of sub-rule (3) of rule 8 of the Companies (Corporate Social Responsibility Policy) Rules, 2014, if applicable (attach the report):

Impact assessment report was not applicable for the year under review for the CSR projects undertaken by the Company.

5.

		(₹ in lakhs)
(a)	Average net profit of the company as per sub-section (5) of section 135	11,257.12
(b)	Two percent of average net profit of the company as per sub-section (5) of section 135	225.14
(c)	Surplus arising out of the CSR Projects or programmes or activities of the previous financial years	Nil
(d)	Amount required to be set-off for the financial year, if any.	Nil
(e)	Total CSR obligation for the financial year [(b) + (c) - (d)].	225.14

6.

(a) CSR amount spent or unspent for the financial year:

(₹ in lakhs)					
Total Amount Spent for the Financial Year	Total Amount transferred to Unspent CSR Account as per section 135(6).		Amount transferred to any fund specified under Schedule VII as per second proviso to section 135(5).		
	Amount	Date of Transfer	Name of the Fund	Amount	Date of Transfer
225.14 lakhs			Nil		

(b) Details of CSR amount spent against ongoing projects for the financial year: Not Applicable

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

Sl. No.	Name of the project	Item from the list of activities in schedule VII to the Act.	Local area (Yes / No).	Location of the project		Amount spent for the project (in ₹)	Mode of implementation -Direct (Yes/No)	Mode of implementation- Through implementing agency
				State	District			
1.	Purchase & supply of furniture for a Govt. School at Nampally, Hyderabad	Promoting education	Yes	Telangana	Hyderabad	19,312/-	Yes	Not applicable
2.	Purchase & supply of Digital interactive smart board (Senses Intelligent 65" panel- Windows 10 professional) to ZP High School, Padillapalli village, Khammam district	Promoting education	Yes	Telangana	Khammam	1,41,600/-	Yes	Not applicable
3.	Construction of kitchen and dining hall for students at Mandal Parishad Primary School (MPPS), a Govt. School at Raghunathapuram Village, Yadadri District	Promoting education	Yes	Telangana	Yadadri	25,00,000/-	Yes	Not applicable

Sl. No.	Name of the project	Item from the list of activities in schedule VII to the Act.	Local area (Yes / No).	Location of the project		Amount spent for the project (in ₹)	Mode of implementation -Direct (Yes/No)	Mode of implementation- Through implementing agency
				State	District			
4.	Construction of school at Patancheruvu, Sangareddy District	Promoting education	Yes	Telangana	Sangareddy	11,73,545/-	Yes	Not applicable
5.	Supply of CTG Machine for Govt. Hospital, SR Nagar, Hyderabad	Promoting health care including preventive health care	Yes	Telangana	Hyderabad	55,000/-	Yes	Not applicable
6.	Skill Training – To Trainees under National Apprenticeship Promotion Scheme (NAPs)	Promoting Vocational skills	Yes	Telangana	Hyderabad	1,86,24,783/-	Yes	Not applicable

(d) Amount spent in Administrative Overheads: Nil

(e) Amount spent on Impact Assessment, if applicable: Nil

(f) Total amount spent for the financial year [a + b + c]: ₹ 225.14 lakhs

(g) Excess amount for set-off if any:

		(₹ in lakhs)
Sl. No.	Particulars	Amount
i.	Two percent of average net profit of the company as per section 135(5)	225.14
ii.	Total amount spent for the financial year	225.14
iii.	Excess amount spent for the financial year [(ii) – (i)]	Nil
iv.	Surplus arising out of the CSR projects or programmes or activities of the previous financial years, if any	Nil
v.	Amount available for set off in succeeding financial years [(iii) – (iv)]	Nil

7.

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

(₹ in lakhs)

Sl. No.	Preceding Financial Year	Amount transferred to Unspent CSR Account under section 135(6)	Amount spent in the reporting Financial Year	Amount transferred to any fund specified under Schedule VII as per section 135(6), if any			Amount remaining to be spent in succeeding financial years
				Name of the fund	Amount	Date of transfer	
Not applicable							

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

(₹ in lakhs)

Sl. No.	Project ID	Name of the Project	Financial Year in which the project was commenced	Project duration	Amount spent on the project in the reporting Financial Year	Cumulative amount spent at the end of reporting Financial Year	Status of the Project – Completed / on-going
Not applicable							

8. In case of creation or acquisition of capital asset, furnish the details relating to the asset so created or acquired through CSR spent in the financial year:

Not applicable

9. Specify the reason(s), if the company has failed to spend two per cent of the average net profit as per section 135(5):

Not applicable

Dr. Sura Surendranath Reddy
Executive Chairman

Mr. Shekhar Prasad Singh
Chairman of CSR Committee

Ms. Sura Suprita Reddy
Chief Executive Officer

Annexure –VI

EMPLOYEE STOCK OPTION PLAN

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

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

The ESOP Plan 2018 and Schemes framed thereunder is in compliance with the provisions of the Companies Act, 2013 and the Securities and Exchange Board of India (Share Based Employee Benefit and Sweat Equity) Regulations, 2021 ("SEBI ESOP Regulations").

- A. Relevant disclosures in terms of the accounting standards prescribed by the Central Government in terms of section 133 of the Companies Act, 2013 (18 of 2013) including the 'Guidance note on accounting for employee share-based payments' issued in that regard from time to time.

The disclosures are provided in the Note No. 29 to the Standalone Financial Statements of the Company for the year ended March 31, 2023.

- B. Diluted EPS on issue of shares pursuant to all the schemes covered under the regulations shall be disclosed in accordance with 'Accounting Standard 20 - Earnings Per Share' issued by Central Government or any other relevant accounting standards as issued from time to time: ₹ 8.12

- C. Details related to ESOS:

- 1) A description of each ESOS that existed at any time during the year, including the general terms and conditions of each ESOS, including

Particulars	Year ended March 31, 2023	
Date of shareholders' approval	Institution/Amendment Date	Date of EGM
	03-05-2018	03-05-20218
	25-03-2021	25-03-2021
	16-08-2021	16-08-2021
	11-01-2022*	11-01-2022*
	*Ratification of Pre-IPO ESOP Plan pursuant to Reg. 12 of SEBI ESOP Regulations vide Postal Ballot.	
Total number of options approved under ESOS	16,25,000	
Vesting Requirements	The time and performance based options under Scheme 1 become eligible on an annual basis at 30%, 30%, 20% and 20% over a period of four years and vesting starts from second year. The time and performance based options under Scheme 2 become eligible on an annual basis at 25%, 25%, 25% and 25% over a period of four years and vesting starts from third year. The time based options under Scheme 3 become eligible on an annual basis at 25%, 25%, 25% and 25% over a period of four years and vesting starts from third year. The time based options under Scheme 4 become eligible on annual basis at 100% and vest on second year from the grant date. The time based options under Scheme 5 become eligible and vest on an annual basis at 25%, 25%, and 50% over a period of three years. The time based options under Scheme 6 become eligible on an annual basis at 0%, 25%, 50% and 25% over a period of four years and the performance based options under the Scheme become eligible on an annual basis at 25%, 25%, 25% and 25% over a period of four years.	
Exercise price or pricing formula	The Exercise Price is the fair value of the equity share as on the date of the grant or as decided by the Nomination and remuneration committee.	

Particulars	Year ended March 31, 2023
Maximum term of options granted	Four (4) years
Source of shares (primary, secondary or combination)	Primary
Variation in terms of options	There was no variation in terms of options outstanding during 2022-2023.

- 2) Method used to account for ESOS – Fair value
- 3) Where the company opts for expensing of the options using the intrinsic value of the options, the difference between the employee compensation cost so computed and the employee compensation cost that shall have been recognized if it had used the fair value of the options shall be disclosed. The impact of this difference on profits and on EPS of the company shall also be disclosed - Not applicable.
- 4) Option movement during the year (For each ESOS):

Particulars	Details
Number of options outstanding at the beginning of the period	7,59,956
Number of options granted during the year	0
Number of options forfeited/lapsed during the year	47,194
Number of options vested during the year	3,01,694
Number of options exercised during the year	1,05,249
Number of shares arising as a result of exercise of options	1,05,249
Money realized by exercise of options (INR), if scheme is implemented directly by the company.	₹1,16,95,268.88
Loan repaid by the Trust during the year from exercise price received	Not Applicable
Number of options outstanding at the end of the year	6,07,513
Number of options exercisable at the end of the year	3,01,694

- 5) Weighted-average exercise prices and weighted-average fair values of options shall be disclosed separately for options whose exercise price either equals or exceeds or is less than the market price of the stock.

Grant	Grant Date	Number of options granted	Number of options Outstanding	Exercise Price (In ₹)	Fair Value at grant date (In ₹)
1 st Grant	10-May-18	4,63,750	-	220.00	220.10
2 nd Grant	31-Oct-18	9,000	-	233.90	233.90
3 rd Grant	1-Apr-19	75,780	-	236.90	236.90
4 th Grant*	25-Mar-21	8,66,853	6,07,513	111.12	111.12

*The options are post subdivision of equity shares and after impact of bonus issue

- 6) Employee wise details (name of employee, designation, number of options granted during the year, exercise price) of options granted to –

Senior managerial personnel as defined under Regulation 16(d) of the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015	Nil
any other employee who receives a grant in any one year of option amounting to 5% or more of option granted during that year	Nil
identified employees who were granted option, during any one year, equal to or exceeding 1% of the issued capital (excluding outstanding warrants and conversions) of the company at the time of grant	Nil

- 7) A description of the method and significant assumptions used during the year to estimate the fair value of options including the following information:

The weighted-average values of share price, exercise price, expected volatility, expected option life, expected dividends, the risk-free interest rate and any other inputs to the model:

The method used and the assumptions made to incorporate the effects of expected early exercise:

How expected volatility was determined, including an explanation of the extent to which expected volatility was based on historical volatility:

Whether and how any other features of the options granted were incorporated into the measurement of fair value, such as a market condition:

The disclosures are provided in the Note No. 29 to the Standalone Financial Statements of the Company for the year ended March 31, 2023.

Disclosures in respect of grants made in three years prior to IPO under each ESOS

All the disclosures provided above pertains to the options granted in the three years prior to the IPO

By order of the Board
For Vijaya Diagnostic Centre Limited

Dr. Sura Surendranath Reddy
Executive Chairman
DIN: 00108599

Place: Hyderabad
Date: May 29, 2023

MANAGEMENT DISCUSSION AND ANALYSIS

Global economy

On the surface, the global economy appears to be recovering gradually from the adverse impact of the pandemic and the Russia-Ukraine conflict. Following the reopening of its economy, China is witnessing a strong resurgence. Supply-chain constraints are easing and the war's repercussions on energy and food markets are receding. Simultaneously, central banks' synchronised tightening of monetary policy is expected to curb stubborn inflation. According to the IMF, global growth will peak at 2.8% this year before gradually climbing to 3.0% in 2024. Global inflation will decline, but considerably slower than anticipated, from 8.7% in 2022 to 7.0% this year and 4.9% in 2024.

The emerging markets and developing economies (EMDEs) have demonstrated remarkable resilience amid global economic turmoil, clocking a growth rate (fourth quarter over fourth quarter) of 4.5% this year. The slowdown is concentrated in advanced economies, especially the euro area and the UK,

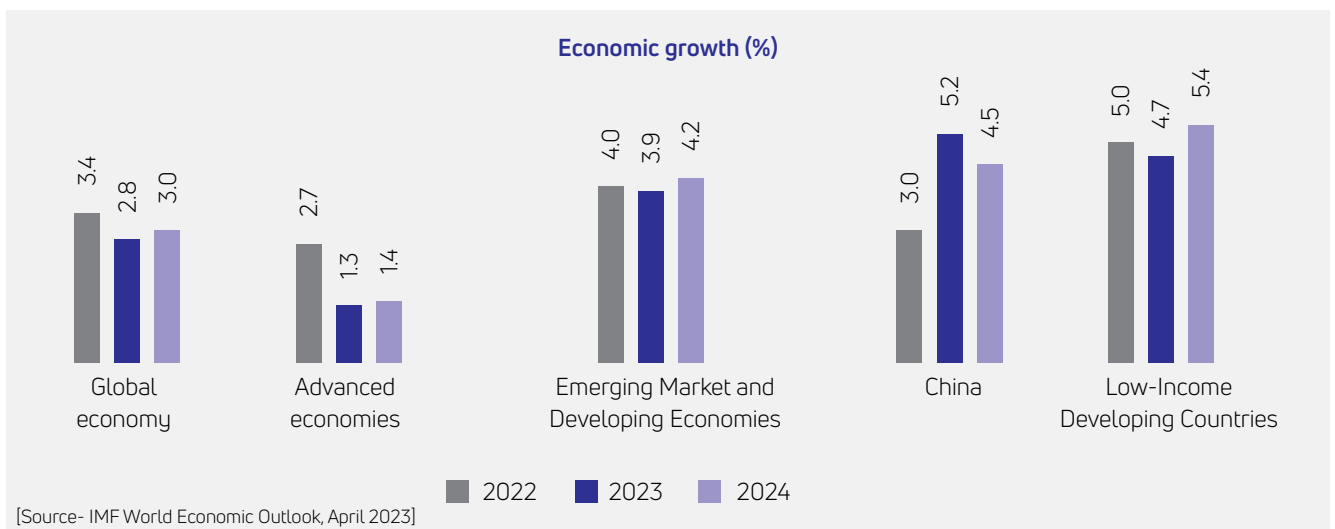
where growth (also fourth quarter over fourth quarter) is expected to drop to 0.7% and -0.4%, respectively, this year before reaching 1.8% and 2.0% in 2024.

[Source- IMF World Economic Outlook, April 2023]

Outlook

Central banks across the world are endeavouring to strike a balance between aspirational growth and inflationary pressures. Despite multiple rate hikes and other safeguards to tighten liquidity, inflation remains a core concern. With most of the major economies sliding into recessionary lows, Asia is positioned as the primary engine for growth during 2022.

With proper regulation of the monetary policies, seizing of the geopolitical conflicts, mitigation of supply-chain disruptions and efficient management of the lingering impact of COVID, the health of the economy is set to improve.



Indian economy

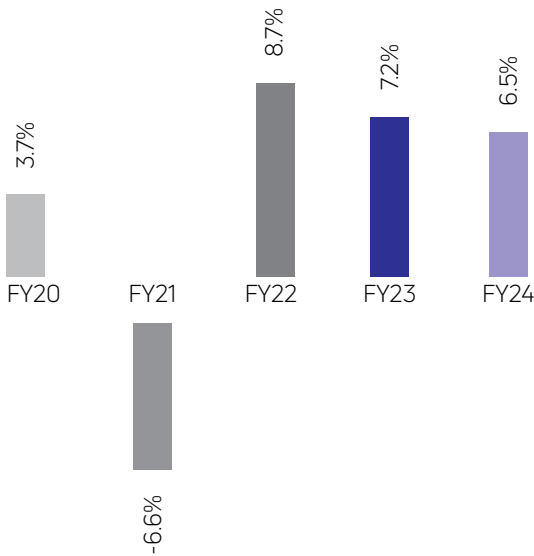
Despite an uncertain global economic outlook, India has experienced macroeconomic and financial stability. The country has recorded an uptrend in its growth momentum by clocking a growth of 7.2% in FY23 (Source- the National Statistical Organisation). This indicates a sound macroeconomic policy environment as well as the economy's inherent resilience, which shielded it against global shocks. India has been one of the world's fastest-growing major economies, contributing more than 12% to global growth on average during the last five years (Source- the Reserve Bank of India).

The Union Budget for 2023 provides a positive outlook for the Consumer Products and Retail sector¹. Consumer spending has picked up post-COVID, leading to an increase in imports which is expected to reach USD 70 billion by the end of FY23. Greater focus on financial inclusion, measures to boost rural demand, the 'Make in India' initiative and start-ups are expected to spur employment opportunities, increase disposable incomes and fuel consumer demand.

April 2023 GST revenue collection reaches record high of Rs 1.87 lakh crore.

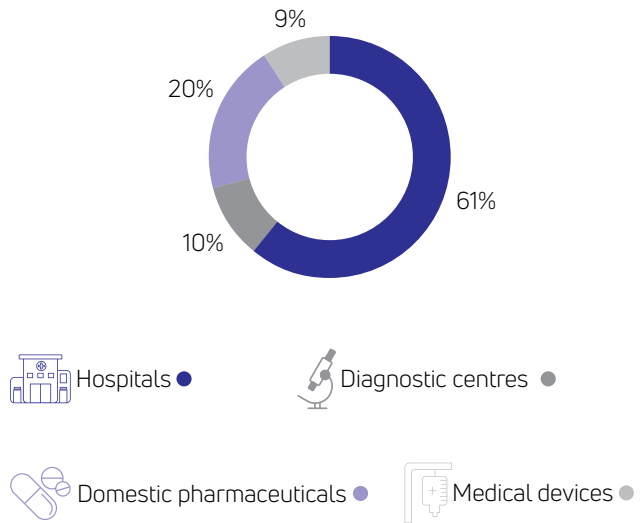
¹https://www.ey.com/en_in/alerts-hub/2023/02/budget-2023-consumer-products-and-retail-sector

GDP growth (%)



(Source- the Reserve Bank of India)

Market share of India's healthcare industry



(Source- CRISIL Research)

Outlook

Strong credit growth, stable financial markets and the Government's focus on infrastructure and capex are likely to pitch in substantial investments. Notwithstanding the grim global outlook, the fact that the Government of India and RBI have been able to safeguard the Indian economy from an impending global recession underscores India's strong economic fundamentals. India shows signs of recovery and pent-up credit demand over the last two years offers hope for new growth opportunities in the domestic market.

Industry overview

India's healthcare sector

The healthcare delivery market in India is poised to record strong growth in the medium term. According to CRISIL Research, the industry is projected to surpass pre-Covid levels in FY22 and achieve a compound annual growth rate (CAGR) of 10-12% between FY22 and FY27. This growth can be attributed to long-term structural factors, robust fundamentals and improving affordability. The expansion of the Ayushman Bharat scheme for the sector is also expected to drive growth. Additionally, the resurgence of high-revenue medical tourism may lead to positive prospects due to the relaxation of international travel restrictions.

India's growing demand for an innovated healthcare

When compared to other sectors, the healthcare sector in India has been lagging primarily due to a lack of innovation. The pandemic has revealed the significance of remote medical services, backed by digitisation and automation. As a densely populated nation, India needs technologically advanced, high-quality medical services available at affordable price points across the country.

The fundamental growth drivers of India's healthcare market include rapid urbanisation, an ageing population and increasing incidences of chronic diseases. The healthcare sector, comprising hospitals, diagnostic centres, pharmaceutical companies and health insurance organisations, is growing at a swift pace owing to a higher number of health complications affecting people of all age groups.

Successful vaccination drive

Following the COVID vaccine rollout, the healthcare industry wholly participated and partnered with the Government for its successful execution. One of the notable accomplishments in the history of Indian healthcare has been the administration of more than 2 billion vaccine doses to the country's citizens.²

²<https://timesofindia.indiatimes.com/blogs/voices/indian-healthcare-2022-looking-ahead-to-2023/>

Improved life expectancy and shifting demographic profiles

With the steady increase in life expectancy, the demographic composition of the nation is undergoing a significant transformation. According to the 2011 data, approximately 8% of the Indian populace consisted of individuals aged 60 years or older, and it is projected to rise to 12.5% by 2026. Unfortunately, there is a lack of comprehensive documentation regarding the healthcare requirements of the elderly population. Nonetheless, it is widely acknowledged that this age group is more susceptible to health-related concerns due to their heightened vulnerability.

Government policies and initiatives



India's healthcare sector is poised for robust growth with advanced pharma, improved health-tech, medical tourism and government-aided infrastructure initiatives.

In the Union Budget for the fiscal year 2023-24, the Ministry of Health and Family Welfare received an allocation of INR 89,155 crore. This amount marks a growth of approximately 3.4% when compared to the allocation of INR 86,200 crore in the previous fiscal year, 2022-23. The increase in allocation is primarily aimed at bolstering expenditure to further develop and maintain a robust healthcare infrastructure. Additionally, the allocation intends to enhance the readiness of the healthcare system to effectively address the nation's escalating healthcare requirements.

- The National Health Mission (NHM) has received an allocation of INR 29,085 crore for the centrally sponsored component in the FY24. This amount represents a reduction of 21% in comparison to the allocation of INR 37,000 crore in the previous FY23. As for the Central Sector component of NHM, an amount of INR 341 crore has been allocated specifically for the National Digital Health Mission.
- As a part of budget allocation department of Health Research, Rs. 2,360 Crs was allocated to the Indian Council of Medical Research (ICMR) for the encouragement of collaborative research and innovation.
- Announced a mission to eliminate sickle cell anaemia by 2047, entailing universal screening of 7 Crs people, aged between 0-40 years in affected tribal areas.
- In line with the objective of achieving universal health coverage, the Ayushman Bharat-Pradhan Mantri Jan Arogya Yojana (AB-PMJAY) has been allocated INR 7,200 crore in FY24. This allocation is a 12% increase from the previous year, where INR 6,412 crore was allocated for the

programme in FY 2022-23. The enhanced funding aims to support the sustained implementation and expansion of AB-PMJAY, thereby ensuring improved access to healthcare services for the beneficiaries of the scheme.

- An allocation of INR 33 crore has been made for the development of nursing services in the current fiscal year. This marks a substantial increase of 67% compared to the budget allocation of INR 20 crore in FY23. The augmented funding is especially intended to fortify and enhance the nursing sector in alignment with the establishment of 157 new nursing colleges across the country. The aim is to strengthen the nursing workforce and enhance the quality of nursing education and services.
- The National Tele Mental Health Programme has been allocated INR 134 crore with the objective of ensuring universal access to high-quality mental healthcare services. This allocation aims to support the implementation of 24x7 tele-counselling services, enabling individuals across the nation to avail mental health support remotely. The vision behind this initiative is to bridge the gap in mental healthcare accessibility and provide timely assistance to those in need, thereby promoting mental well-being on a broader scale.
- Announced the plan to allow select facilities under the Indian Council of Medical Research (ICMR) to be used for research by medical college faculty members and private sector R&D teams, in order to encourage collaborative research and innovation.
- The allocation for Family Welfare Schemes witnessed a 6.7% spike, rising from INR 484 crore in FY22 to INR 517 crore in FY23.

India's diagnostic sector

One of India's fastest growing service categories is diagnostics. The sector is witnessing an increasing demand as early detection of diseases can help save lives. The diagnostic segment bears high responsibility towards people and the rising number of chronic diseases and lifestyle-related diseases, along with a high geriatric population of the country are leading to an increasing demand in this segment.

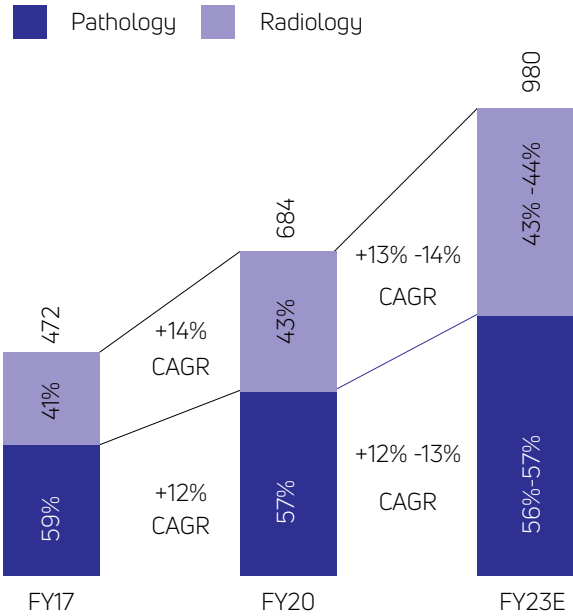
As of FY 2022, Indian diagnostic lab market registered a revenue of USD 14796.21 million and it is further predicted to grow at a CAGR of 11.65% from 2023 to 2027, to reach USD 25667.21 million by 2027.³ Moreover, diagnostic industry in India has a growth projection of about 14%, reaching USD 20 billion by 2026 from USD 10 billion in 2021.

Diagnostic industry can be broadly bifurcated into two sub-segments, pathology and radiology. Pathology which accounts for 57% of the diagnostic market in India, is a scientific process which involves removal of body fluids, organs and tissues, for

³<https://www.techsciresearch.com/report/india-diagnostic-labs-market/7649.html#:~:text=India%20diagnostic%20labs%20market%20stood,is%20susceptible%20to%20various%20diseases.>

the diagnosis of diseases through examination. Radiology is the process of diagnosis, which uses radiations such as X-ray, MRI, CT scan, ultrasonography and many more. The segment of radiology constitutes 43% of the market in the domestic diagnostic sector.⁴

Segment-wise breakup of Indian diagnostic market



(Source- CRISIL Research)

Rising demand for diagnostic chains and wellness testing packages

Although stand-alone centres and hospital-based centres make up 83% of the total market share, there is promising growth of national and regional diagnostic chains as patients demand high-quality services and are willing to pay for them. Moreover, with the technological advancements, diagnostic centres need best-in-class medical equipment and devices for conducting tests, which require higher amounts of investment. This is often difficult for the stand-alone centres.

Most of the leading diagnostic chains are offering wellness packages in their test catalogues, offering multiple related tests at a discounted rate. This helps identify any disease at an early stage before it becomes chronic.

Rising trend of AI integration in medical imaging

There is wider acceptance for point-of-care (POC) diagnostic tools that combine AI, data analytics and other smart features to provide quicker and more accurate diagnostic results. Improved accessibility to these tools also suggests that preventive screening is preferred. POC devices can prove to be the game changers for early detection of chronic disorders such as diabetes, heart diseases and cancer. One of the crucial points, is that the smart digital solutions often act as the first line of

diagnostic services, particularly in rural areas, where there is a lack of adequate healthcare facilities.

Opportunities

The diagnostic market has a huge scope of becoming a profitable business with plethora of growth opportunities. With advancements in technology and increased demand for personalised treatment, there is a growing need for innovative diagnostic solutions that can accurately and efficiently detect diseases.

As the diagnostic market continues to evolve, companies that can adapt to changing trends and provide valuable solutions will be well-positioned to capitalise on these opportunities. Due to the increased reliance of medical experts and professionals on the diagnostics segment to validate, accurately diagnose the illnesses, and provide the necessary treatment protocols, as well as the shift in consumer psyche and preference who are now extra cautious about their health and well-being, have also helped the diagnostic industry solidify its position as a key component of the healthcare segment.

Threats

Intense Competition and Impact on Pricing: With new competitors entering the diagnostic market, such as health tech companies, large conglomerates, and start-ups, there has been a significant level of disruption in both the B2C and B2B market segments. These competitors tried to increase their revenue share in the diagnostic industry by using 'price' as a crucial differentiator.

Decline in Covid-19-related Tests: After the third wave of the Covid-19 pandemic, diagnostic companies are experiencing a decline in demand for Covid-19 tests – one of the top-selling tests that drove up their revenues during the last two fiscal years.

Rising trend towards self-monitoring and diagnosis: The development of self-monitoring tools, including glucometers, oximeters and other such medical devices, creates the possibility of lowering the frequency of regularly needed tests.

Venturing into new geographies: India being a diverse country in terms of its demography, disease profile and healthcare system creates a challenge for the large diagnostic players to establish their footprint across the country. Local players have a strong market presence due to their familiarity with market dynamics.

Huge capital investment: With ongoing advancements in technology, medical devices and analysers are prone to upgrade and change. To stay relevant in the diagnostic market, companies need to incur huge capital investments and high maintenance costs.

(Source: <https://bwhealthcareworld.businessworld.in/article/Diagnostic-Industry-Getting-Ready-To-Overcome-Challenges-To-Outshine-In-The-Indian-Healthcare-Space/29-01-2022-419157/>)

⁴<https://www.fortuneindia.com/enterprise/indian-diagnostics-market-set-to-double-to-20-billion-by-fy26/108938>

Outlook

With a strategic regulation to provide standardised quality of service at affordable price for the majority of Indian citizens, the diagnostic market in India is expected to witness steady growth. This will create opportunities for local players and new businesses planning to enter the market. Additionally, greater focus on preventive healthcare and rising prevalence of chronic diseases will further drive the demand for diagnostic services in the country.



40+

Years of experience



20

Cities across India

Company overview

Vijaya Diagnostic Centre, one of the largest integrated diagnostic chain in South India, has a legacy spanning over four decades. The Company's objective is to provide fast and transparent, pathology and radiology services to its patients at an affordable price range. The Company has a broad network, spread across 20 cities in India with over 121 centres. These centres are equipped with cutting-edge equipment and are operated by skilled technologists, radiologists, pathologists, microbiologists, and doctors. It has onboarded over 200 doctors in the field of radiology, pathology and microbiology. With more than 3.2 million footfalls, Vijaya Diagnostic Centre has conducted 10.1 million+ tests during the FY 2022-23.

In addition to walk-in testing, the Company has always placed a strong emphasis on point-of-contact testing and home collection services. It has also expanded its test catalogue to include speciality tests, disease-specific profiles, and personalised packages. By meeting their needs, the Company also aims to expand its corporate clientele. The development of new wellness and chronic disease management initiatives is yet another focus area of the Company.



~3.2Mn

Footfalls



200+

Radiologists,
pathologists and
microbiologists



121

Centres



~10.1Mn

Tests

Performance review

Operational Highlights

- The Company's B2C revenue accounts for 95% of the total revenue.
- The Company has recorded a footfall of 3.2 million.
- The Company has conducted a total of 10.1 million tests.

Financial Performance

(₹ in Lakhs)

Particulars	Standalone		Consolidated	
	2022-23	2021-22	2022-23	2021-22
Revenue from Operations	44,957.93	45,087.93	45,922.27	46,236.99
Earnings Before Depreciation, Interest, Tax and Exceptional Items	17,897.01	19,985.58	18,202.73	20,369.01
Finance Cost	2,087.61	1,625.56	2,094.79	1,645.03
Depreciation	6,139.43	5,213.65	6,172.01	5,268.61
Profit before Tax	11,127.30	14,438.08	11,351.00	14,738.43
Provision for Tax	2,803.91	3,627.61	2,830.30	3,671.67
Profit after Tax	8,323.39	10,810.47	8,520.70	11,066.76

(₹ in Lakhs)

Particulars	Standalone		Consolidated	
	2022-23	2021-22	2022-23	2021-22
Other Comprehensive Income	19.39	19.10	20.16	20.66
Total Comprehensive Income for the Period	8,342.78	10,829.57	8,540.86	11,087.42
Basic EPS (₹)	8.16	10.60	8.29	10.76
Diluted EPS (₹)	8.12	10.54	8.26	10.69

Key Financial Ratios

Ratios	FY 2022-23	FY 2021-22
Debtors Turnover (in times)	2.67	2.86
Inventory Turnover (in times)	18.62	20.66
Interest Coverage Ratio (in times)	Nil	Nil
Current Ratio (in times)	4.17	4.08
Debt Equity Ratio (in times)	Nil	Nil
Operating Profit Margin (in %)	40	44
Net Profit Margin (in %)	19	24
Return on Net Worth (in %)	15.54	23.43

Notes:

- Return on Net Worth** – There is a decrease in return on net worth in the current year on account of decrease in profit for the year.

Human Resource

Personnel at Vijaya Diagnostic Centre are exposed to advanced and high-end laboratory and diagnostic centres which enable them to work with cutting-edge technology. To attract and retain the employees the Company also grants ESOP as rewards which help foster a high-performance culture. The Company also has a grievance cell to understand employee concerns and to ensure fair and transparent communication. The Company offers regular training and development programmes to its people, led by top level and expert consultant for enhancing their skills. As of March 31, 2023, the total no. of staff are over 2400.



2400+

Staff

Risks and concerns

Pricing Risk-The Company is subject to government restrictions in terms of price ceilings on the services provided. This may adversely impact its revenue and profitability.

Mitigation-The Company broadly focuses on providing the best quality diagnostic services by leveraging high-end technology to become the first choice of patients.

Penetration Risk- Due to several government regulations and huge concentration of local diagnostic centres across various regions, it is challenging to penetrate in new geographies.

Mitigation-The Company is striving hard to foray into areas which are underserved through a well-integrated hub-and-spoke model, especially in Eastern India.

Technological Risk - The Company operates in a highly technology-driven market. Technological advancements in the field may result in a decline in demand for the Company's products and services.

Mitigation - To mitigate this risk, the Company focuses on offering tests, which are more accurate and economical, as compared to those available in the market. Additionally, the Company leverages its thorough analysis to help the patient and the doctor comprehend the criteria in a detailed and more transparent manner.

Regulatory Risk- There is a constant threat of changing market scenario and government policies related to the country's economy as well as the healthcare sector in particular.

Mitigation- To stay abreast of the recent developments or changes in regulations, the Company monitors government policies regularly and takes necessary actions whenever required.

Competition Risk- With healthcare industry being among the fastest growing sectors in India, and a low barrier for entry, many large to medium level players are entering the market, creating intense competition.

Mitigation-The Company has established a strong footprint across South India along with building a robust brand recall. It has become a go-to brand for a majority of its clients by providing advanced radiological and pathological services, gaining an edge over its competitors.

Human resource risk- With consistent technological advancements, the personnel need to constantly update their skills and knowledge to keep up with the changing demands of the job market. This poses a risk as the Company needs to ensure that its workforce remains competent and adaptable to new technologies.

Mitigation- The Company grants ESOP to its employees along with providing regular training and development programme which helps them gather requisite skills to excel in their respective roles.

Outlook

Despite the macroeconomic headwinds, the Company is hopeful about realising its strategic objectives for the year. The management remains optimistic about its growth potential and is closely monitoring market trends and making adjustments to its operations to mitigate any potential risks. The Company's informed strategy of digital transformation, market research backed approach for new market expansion and concentration on enhancement of its existing network of centres will ensure sustainable year-on-year growth. It plans on adopting the highest standards of quality and to deliver a holistic customer experience while employing the advanced technology.

Through optimum workforce management, strategic moves to address intense-competition and foraying into underserved locations in Tier II and Tier III cities, the Company is making sincere efforts to achieve robust growth.

Internal control systems and their adequacy

The Company has an efficient internal control system in place. The policies and procedures, covering financial and operating functions, are also documented. The system controls are designed to provide reasonable assurance for maintaining proper accounting records. This reinforces reliability of financial reporting, monitoring of operations, protection of assets from unauthorized use or losses and compliance of regulations.

The scope and coverage of audits include:

- Reviewing and reporting of key process risks
- Adhering to operating guidelines and statutory compliances
- Recommending improvements for monitoring and enhancing efficiency of operations
- Ensuring reliability of financial and operational information

The Audit Committee periodically monitors and reviews the significant internal audit observations. It also reviews compliance with accounting standards, risk management and control systems.

Cautionary statement

Statements in this report on Management Discussion and Analysis, describing the Company's objectives, projections, estimates, expectations or predictions may be 'forward-looking statements' within the meaning of applicable laws and regulations. Such statements represent the intention of the Management and the efforts being put into place by them to achieve certain goals. These assertions are predicated on a number of assumptions and future activities. Since the Company's operations are impacted by several internal and external factors outside of its control, actual results could significantly differ from those stated or inferred. Any forward-looking statement published here only speaks as of the date it was made and only reflects the Company's current intentions, beliefs, or assumptions. The Company disclaims any obligation to update or modify any forward-looking statements, whether as a result of new data, unexpected developments, or other factors. Readers are urged to use their best judgement when determining the risks connected to the Company.

CORPORATE GOVERNANCE REPORT

The Corporate Governance Report of Vijaya Diagnostic Centre Limited ('the Company'/'VDCL') has been prepared in compliance to the requirements of Regulations 17 to 27, read with Schedule V and Clauses (b) to (i) and (t) of Regulation 46(2) of the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015, as amended ('SEBI Listing Regulations/Listing Regulations'), as applicable, with regard to corporate governance.

1. COMPANY'S PHILOSOPHY ON CODE OF GOVERNANCE:

Corporate Governance reflects the efficient conduct of affairs of the Company in a transparent manner, which helps in maximizing the stakeholder's value. At VDCL, we strive to conduct our business and strengthen our relationships in a manner that is dignified, distinctive and responsible. We adhere to ethical standards to ensure integrity, transparency, independence and accountability in dealing with all stakeholders.

The Company will continue to strive to be a wealth creator to meet stakeholder's expectations. In the achievement of its goals, the Company utilizes its resources with accountability and professionalism to meet the needs of customers and deliver on their expectations; meet the commitments with vendors, partners, employees, governments and the community.

2. BOARD OF DIRECTORS:

- i. Your Company has an optimum combination of Executive and Non-Executive Directors including a Woman Director. As at the end of March 31, 2023, the Board of Directors of the Company comprised of 7 (Seven) Directors out of which 2 (Two) are Executive Directors, 1 (One) Non-Executive Non-Independent Director and 4 (four) Non-Executive Independent Directors, including 1 (One) Woman Independent Director. The composition of the Board is in conformity with Regulation 17 of Listing Regulations read with Section 149 and 152 of the Companies Act 2013 ("the act"). The Composition of the Board as of March 31, 2023, is given below:

Category of Directors	Name of Directors	No. of Directors	%
Executive Directors	1. Dr. S. Surendranath Reddy (Chairman) 2. Mr. Sunil Chandra Kondapally	2	28.60%
Non-Independent Non-Executive Directors	1. Mrs. S. Geeta Reddy	1	14.30%
Independent Directors	1. Mr. C. Satyanarayana Murthy 2. Mr. Shekhar Prasad Singh 3. Dr. D. Nageshwar Reddy 4. Dr. Manjula Anagani	4	57.10%

ii. Board Meetings:

The Board meets at regular intervals to discuss and decide on various business matters, business policies and strategies of the Company. The Board/Committee Meetings are timely scheduled and informed to all Directors well in advance to facilitate them to plan their schedule and to ensure meaningful participation in the meetings.

During the financial year 2022-23, Five (5) meetings of the Board were held. The said meetings were held on May 05, 2022, May 26, 2022, August 09, 2022, November 10, 2022 and February 13, 2023. The gap between two Board

meetings was within the limit prescribed under Section 173(1) of the Act and Regulation 17(2) of the SEBI Listing Regulations.

iii. Details of the attendance of Directors and other Directorship/Committee positions, etc.:

- (a) The names and categories of the Directors on the Board, their attendance at the Board meetings held during the year and at the last Annual General meeting ("AGM") held through Video-Conferencing/Other Audio-Visual Means and the number of Directorships and Committee Chairmanships/Memberships held by them in other public limited companies as on March 31, 2023 are given below:

Name of Directors	Date of Board Meetings					Attendance at the last AGM held on September 28, 2022
	05-05-2022	26-05-2022	09-08-2022	10-11-2022	13-02-2023	
Dr. S. Surendranath Reddy (DIN: 00108599)	Yes	Yes	Yes	Yes	Yes	Yes
Mr. Sunil Chandra Kondapally (DIN: 01409332)	No	No	Yes	Yes	Yes	Yes
Mrs. S. Geeta Reddy (DIN: 01073233)	Yes	Yes	Yes	Yes	Yes	Yes
Mr. C. Satyanarayana Murthy (DIN: 00142138)	Yes	Yes	Yes	Yes	Yes	No
Mr. Shekhar Prasad Singh (DIN: 00969209)	Yes	Yes	Yes	Yes	Yes	Yes
Dr. D. Nageshwar Reddy (DIN: 00324725)	Yes	Yes	Yes	No	No	No
Dr. Manjula Anagani (DIN: 03501757)	Yes	Yes	Yes	No	No	No

(b) The composition and category of Directors, the number of Directorships and Committee Chairpersonships / Memberships held by them and Directorships held by them in other listed entities as on March 31, 2023:

Name of Directors	Directorships in other Public Companies [^] (excluding VDCL)	Number Of Committee Positions held in other Public Companies# (excluding VDCL)		Directorship in other listed Companies* (category of Directorships) as on March 31, 2023		No. of shares of Re.1/- each held in the Company@
		Member	Chairman	Name of Listed Entity	Category of Directorship	
Dr. S. Surendranath Reddy	1	2	–	Medinova Diagnostic Services Limited	Non-Executive Director	3,37,22,899
Mr. Sunil Chandra Kondapally	1	–	–	Medinova Diagnostic Services Limited	Managing Director	91,06,933
Mrs. S. Geeta Reddy	–	–	–	–	–	40,58,638
Mr. C. Satyanarayana Murthy	2	3	2	Gland Pharma Limited Balaji Amines Limited	Non-Executive Independent Non-Executive Independent	–
Mr. Shekhar Prasad Singh	–	–	–	–	–	–
Dr. D. Nageshwar Reddy	–	–	–	–	–	–
Dr. Manjula Anagani	–	–	–	–	–	–

[^]For the purpose of reckoning Directorship /Committees position on which a Director serve, all public limited companies, whether listed or not, have been included and all other companies including private limited companies, foreign companies, high value Debt listed entities and companies under Section 8 of the Companies Act, 2013 or Section 25 of the Companies Act, 1956, have been excluded.

#Only Audit Committee and Stakeholders' Relationship Committee are considered for reckoning committee positions as per Regulation 26(1)(b) of the SEBI Listing Regulations.

*Regulation 17A of the Listing Regulations provides for the inclusion of only equity listed entities reckoning the directorship in the listed entity.

@Company has not issued any convertible instruments.

iv. Disclosure of relationships between directors inter-se:

None of the Director(s) is related to each other except Mr. Sunil Chandra Kondapally, Dr. S. Surendranath Reddy and Mrs. S. Geeta Reddy. Dr. S. Surendranath Reddy and Mrs. S. Geeta Reddy are husband and wife and Mr. Sunil Chandra Kondapally is the son of Dr. S. Surendranath Reddy and Mrs. S. Geeta Reddy.

v. Familiarisation program for Independent Directors:

The Company has put in place a system to familiarize its Independent Directors with the Company's business model, their roles, rights & responsibilities in the Company, nature of the industry in which the Company operates, business dynamics and amendment(s) in any law/rules/regulations as relevant to the Company and/or to Independent Directors, etc.

The details of the familiarization programmes imparted to Independent Directors is hosted on the website of the Company and can be accessed through the following web link at <https://www.vijayadiagnostic.com/investors/governance-policies>

vi. Skills/expertise/competencies identified by the Board of Directors:

At VDCL, we strongly believe that it is the collective effectiveness of the Board that influences the Company's performance and therefore members of the Board should have a balance of skills, experience and diversity. Given the Company's size, scale and nature of business, the Board has identified skills/ expertise/ competencies in the area of leadership/ operations, strategic planning, industry experience, technical, research and development, innovation, global business, finance, legal, corporate governance and risk management etc. as those necessary for its members.

The Board has identified the following core skills/expertise/competencies as required in the context of its business(es) and sector(s) for it to function effectively and those actually available with the Board.

Core Skill/Expertise	Dr. S Surendranath Reddy	Mr. Sunil Chandra Kondapally	Mrs. S. Geeta Reddy	Mr. C. Satyanarayana Murthy	Mr. Shekhar Prasad Singh	Dr. D. Nageshwar Reddy	Dr. Manjula Anagani
Exposure and understanding of corporate governance, systems and control	✓	✓	✓	✓	✓	✓	✓
Proven business capability, people of integrity and reputation	✓	✓	✓	✓	✓	✓	✓
Experience in healthcare industry	✓	✓	✓	✓	✓	✓	✓
Experience in handling senior level responsibility	✓	✓	✓	✓	✓	✓	✓
Background in finance, risk management and control	✓	✓	✓	✓	✓	✓	-
Business Development	✓	✓	✓	✓	✓	✓	-
Experience in understanding the dynamics of the legal and regulatory aspects	✓	✓	✓	✓	✓	✓	✓

vii. Independent Directors:

The Independent Directors of the Company have been appointed in terms of the requirements of the Act, the Listing Regulations and the Governance Guidelines for Board Effectiveness adopted by the Company. Formal letters of appointment have been issued to the Independent Directors and the terms and conditions of their appointment are disclosed on the Company's website at the web link: <https://www.vijayadiagnostic.com/investors/terms-appointment>

The Company has received declaration from the Independent Directors confirming that they meet the criteria of independence as prescribed under Section 149(6) of the Act read with Regulation 16(1)(b) of the Listing Regulations. In terms of Regulation 25(8) of the Listing Regulations, the Independent Directors have confirmed that they are not aware of any circumstances or situations which exist or may be reasonably anticipated that could impair or impact their ability to discharge their duties.

The Board is of the opinion that the Independent Directors fulfil the conditions specified in the Act and the Listing Regulations and that they are independent of the management. No Independent Director had resigned during the Financial Year 2022-23.

A separate meeting of Independent Directors of the Company without the presence of the Executive Directors & Management Representatives was held on February 13, 2023 as required under Schedule IV to the Act (Code for Independent Directors) and Regulation 25(3) of the Listing Regulations. At the said meeting, the Independent Directors:

- (a) reviewed the performance of Non-Independent Directors and the Board of Directors as a whole,

- (b) reviewed the performance of the Chairman of the Company
- (c) assessed the quality, quantity and timeliness of flow of information between the Management of the Company and the Board of Directors that is necessary for the Board of Directors to effectively and reasonably perform their duties

The Independent Directors expressed their satisfaction to the desired level on the governance of the Board.

3. COMMITTEES OF THE BOARD OF DIRECTORS:

The Board of Directors of your Company has formed various Committees, as per the provisions of the Companies Act, 2013 and SEBI Listing Regulations. The various committees of the Board are as provided hereunder:

- A. Audit Committee
- B. Nomination and Remuneration Committee
- C. Stakeholders Relationship Committee
- D. Risk Management Committee
- E. Corporate Social Responsibility Committee

A. AUDIT COMMITTEE:

The Audit Committee of the Company has been duly constituted by the Board in compliance with the requirements of Section 177 of the Act and Regulation 18 of the SEBI Listing Regulations. As on March 31, 2023, the Committee comprised of 3 (Three) Independent Directors as its members. The Chairperson of the Committee is an Independent Director.

During the year ended March 31, 2023, the Committee met 5 (Five) times on May 05, 2022, May 26, 2022, August 09, 2022, November 10, 2022 and February 13, 2023. The composition and attendance of the members in the meetings are as follows:

Name of Member	Designation	Category	No. of Committee meeting during the year	
			Held	Attended
Mr. C. Satyanarayana Murthy	Chairperson	Independent Director	5	5
Mr. Shekhar Prasad Singh	Member	Independent Director	5	5
Dr. D. Nageshwar Reddy	Member	Independent Director	5	2

The Company Secretary acts as the Secretary of the Committee. Head of Finance & Accounts Department, Statutory Auditors and Internal Auditors were invited to attend the meetings of the Audit Committee. The Committee deals with the various aspects of financial statements including quarterly, half yearly and annual financial results, adequacy of internal controls & internal audit functions, compliance with accounting standards and Company's financial & risk management policies, etc.

It reports to the Board of Directors about its findings & recommendations pertaining to above matters.

The brief terms of reference of Audit Committee are as under:

- Oversight of our Company's financial reporting process and the disclosure of its financial information to ensure that the financial statement is correct, sufficient and credible;

- Recommendation for appointment, replacement, reappointment, remuneration and terms of appointment of auditors of our Company;
- Approval of payment to statutory auditors for any other services rendered by the statutory auditors;
- Reviewing, with the management, the annual financial statements and auditor's report thereon before submission to the board for approval, with particular reference to:
 - (a) Matters required to be included in the director's responsibility statement to be included in the Board's report, in terms of the Companies Act, 2013;
 - (b) Changes, if any, in accounting policies and practices and reasons for the same;
 - (c) Major accounting entries involving estimates based on the exercise of judgment by management;
 - (d) Significant adjustments made in the financial statements arising out of audit findings;
 - (e) Compliance with listing and other legal requirements relating to financial statements;
 - (f) Disclosure of any related party transactions; and
 - (g) Qualifications and modified opinion(s) in the draft audit report.
- Reviewing, with the management, the quarterly financial statements before submission to the board for approval;
- Examination of the financial statement and auditor's report thereon;
- Monitoring the end use of funds raised through public offers and related matters;
- 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 issue document/ prospectus/notice and making appropriate recommendations to the Board to take up steps in this matter;
- Reviewing and monitoring the auditor's independence and performance, and effectiveness of audit process;
- Approval or any subsequent modification of transactions of the Company with related parties;
- Scrutiny of inter-corporate loans and investments;
- Valuation of undertakings or assets of the Company, wherever it is necessary;
- Evaluation of internal financial controls and risk management systems;
- Reviewing, with the management, performance of statutory and internal auditors, adequacy of the internal control systems;
- Reviewing the adequacy of internal audit function, if any, including the structure of the internal audit department, staffing and seniority of the official heading the department, reporting structure coverage and frequency of internal audit;
- Discussion with internal auditors of any significant findings and follow up there on;
- Reviewing the findings of any internal investigations by the internal auditors into matters where there is suspected fraud or irregularity or a failure of internal control systems of a material nature and reporting the matter to the Board;
- Discussion with statutory auditors, internal auditors, secretarial auditors and cost auditors before the audit commences, about the nature and scope of audit as well as post-audit discussion to ascertain any area of concern;
- To formulate, review and make recommendations to the Board to amend the Audit Committee charter from time to time;
- To look into the reasons for substantial defaults in the payment to the depositors, debenture holders, shareholders (in case of non-payment of declared dividends) and creditors;
- To review the functioning of the whistleblower mechanism;
- Approval of appointment of Chief Financial Officer after assessing the qualifications, experience and background, etc. of the candidate;
- Carrying out any other function as may be required / mandated as per the provisions of the Companies Act, 2013, Listing Agreements and/or any other applicable laws;
- Reviewing the utilization of loan and/or advances from investment by the holding company in the subsidiary exceeding ₹100 crore or 10% of the asset size of the subsidiary, whichever is lower including existing loans / advances / investments;
- Considering and commenting on rationale, cost benefits and impact of schemes involving merger, demerger, amalgamation etc., on the Company and its shareholders.

B. NOMINATION AND REMUNERATION COMMITTEE:

The Nomination and Remuneration Committee has been duly constituted as per Regulation 19 of the SEBI Listing Regulations and Section 178 of the Companies Act, 2013.

During the year ended March 31, 2023, the Committee met 2 (Two) times on May 26, 2022 and February 13, 2023. The composition and attendance of the members of the Committee are as follows:

Name of Member	Designation	Category	No. of Committee meeting during the year	
			Held	Attended
Mr. C. Satyanarayana Murthy	Chairperson	Independent Director	2	2
Mr. Shekhar Prasad Singh	Member	Independent Director	2	2
Mrs. S. Geeta Reddy	Member	Non-Executive Non Independent Director	2	2

The brief terms of reference of Nomination and Remuneration Committee are as under:

- Formulating the criteria for determining qualifications, positive attributes and independence of a director and recommend to the board of directors a policy relating to, the remuneration of the directors, key managerial personnel and other employees;
- The Nomination and Remuneration Committee, while formulating the above policy, should ensure that: —
- (a) the level and composition of remuneration be reasonable and sufficient to attract, retain and motivate directors of the quality required to run our Company successfully;
 - (b) relationship of remuneration to performance is clear and meets appropriate performance benchmarks; and
 - (c) remuneration to directors, key managerial personnel and senior management involves a balance between fixed and incentive pay reflecting short and long-term performance objectives appropriate to the working of the Company and its goals;
- Formulating criteria for evaluation of performance of independent directors and the Board of Directors;
 - Devising a policy on diversity of board of directors;
 - Identifying persons who are qualified to become directors and who may be appointed in senior management in accordance with the criteria laid down, and recommend to the Board of directors their appointment and removal;

- Extending or continuing the term of appointment of the independent director, on the basis of the report of performance evaluation of independent directors;
- Recommending to the board, all remuneration, in whatever form, payable to senior management;
- Administering, monitoring and formulating detailed terms and conditions of the ESOP Plan 2018 and ESOP Schemes 2018 including any amendments made thereto, and any other employee stock option plan that the Company adopts in the future;
- Carrying out any other function as is mandated by the Board from time to time and / or enforced/ mandated by any statutory notification, amendment or modification, as may be applicable;
- Performing such other functions as may be necessary or appropriate for the performance of its duties as prescribed under applicable laws;
- Framing suitable policies, procedures and systems to ensure that there is no violation of securities laws, as amended from time to time, including:
 - (a) the Securities and Exchange Board of India (Prohibition of Insider Trading) Regulations, 2015, as amended; and
 - (b) the Securities and Exchange Board of India (Prohibition of Fraudulent and Unfair Trade Practices relating to the Securities Market) Regulations, 2003, as amended, by the Company and its employees, as applicable

Performance evaluation criteria:

Pursuant to the provisions of the Companies Act and the SEBI Listing Regulations, the Board has carried out the annual performance evaluation of the Directors including Independent Directors, Board as a whole, Chairperson and Committees of the Board.

Questionnaire(s) for the purpose of evaluation have been framed on various parameters for each of the categories. These include quantitative questions along with an option to provide feedback for overall performance. Evaluation has been carried out by way of assigning the relevant rating in the range of 1-5 in the questionnaire(s).

Evaluation of Board's performance was based on criteria such as Board Composition & Quality, Board Meetings and Procedures, Board Development, Board Strategy and Risk Management, Board and Management Relations and Stakeholder value and responsibility. Evaluation of Committees was based on criteria such as Function and Duties, Management Relations, Committee Meetings and Procedures. Evaluation of Directors including Independent Directors was based on criteria such as Participation at Board/ Committee Meetings, Managing Relationship,

During the year ended March 31, 2023, the Committee met once on February 13, 2023. The composition and attendance of the members of the Committee are as follows:

Name of Member	Designation	Category	No. of Committee meeting during the year	
			Held	Attended
Dr. D. Nageshwar Reddy	Chairperson	Independent Director	1	0
Mr. C. Satyanarayana Murthy	Member	Independent Director	1	1
Mr. Sunil Chandra Kondapally	Member	Executive Director	1	1

The brief terms of reference of Stakeholders' Relationship Committee are as under:

- 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;
- To review of measures taken for effective exercise of voting rights by shareholders;
- To review of adherence to the service standards adopted by the Company in respect of various services being rendered by the Registrar & Share Transfer Agent;
- Giving effect to all transfer/transmission of shares and debentures, dematerialisation of shares and re-materialisation of shares, split and issue of duplicate/consolidated share certificates, compliance with all the requirements related to shares, debentures and other securities from time to time;
- To review of 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
- Carrying out such other functions as may be specified by the Board from time to time or specified/provided under the Companies Act or the SEBI Listing Regulations or by any other regulatory authority.

Knowledge and Skill, Leadership, Strategy Formulation, Strategy Execution, Financial Planning/performance, Relationships with the Board, External Relations, Human resources Management/Relations, Product/Service knowledge, Personal Attributes.

The Individual Directors response to the questionnaire on the performance of the Board, Committee(s), Directors and Chairman, were analysed. The Directors were satisfied with the evaluation process and have expressed their satisfaction with the evaluation process.

Further Independent directors had separately met to evaluate the performance of Non-Independent Directors, Board as a whole, Chairperson and to assess the quality, quantity and timeliness of flow of information between the Company management and the Board.

C. STAKEHOLDERS' RELATIONSHIP COMMITTEE:

The Stakeholders' Relationship Committee has been constituted by the Board in compliance with the requirements of Section 178 (5) of the Act and Regulation 20 of the Listing Regulations. Dr. D. Nageshwar Reddy, Independent Director is the Chairman of this Committee.

Name and designation of Compliance Officer:

Mr. Hansraj Singh, Company Secretary and Compliance Officer

Contact No.: +91 40 23420411

Email ID for investor grievances: ir@vijayadiagnostic.in

Investor Complaints:

During the financial year ended March 31, 2023, the Company has received and resolved 2 complaints from investors. Number of complaints not resolved to the satisfaction of shareholders is nil and there were no pending complaints at the year end.

D. RISK MANAGEMENT COMMITTEE:

The Risk Management Committee of the Company is constituted in line with the provisions of Regulation 21 of the SEBI Listing Regulations. As on March 31, 2023, the Risk Management Committee comprised of 1 (One) Independent Director, 1 (One) Executive Director and 1 (One) senior level employee.

During the year ended March 31, 2023, the Committee met 2 (Two) times on September 03, 2022 and March 02, 2023. The composition and attendance of the members of the Committee are as follows:

Name of Member	Designation	Category	No. of Committee meeting during the year	
			Held	Attended
Mr. Sunil Chandra Kondapally	Chairperson	Executive Director	2	2
Dr. D. Nageshwar Reddy	Member	Independent Director	2	0
Ms. S. Suprita Reddy	Member	Senior level employee (CEO)	2	2

The brief terms of reference of Risk Management Committee are as under:

- To formulate a detailed risk management policy this shall include:
 - (a) A framework for identification of internal and external risks specifically faced by the listed entity, in particular including financial, operational, sectoral, sustainability (particularly, ESG related risks), information, cyber security risks or any other risk as may be determined by the Committee.
 - (b) Measures for risk mitigation including systems and processes for internal control of identified risks.
 - (c) Business continuity plan
- To ensure that appropriate methodology, processes and systems are in place to monitor and evaluate risks associated with the business of the Company;

- To monitor and oversee implementation of the risk management policy, including evaluating the adequacy of risk management systems;
- To periodically review the risk management policy, at least once in two years, including by considering the changing industry dynamics and evolving complexity;
- To keep the board of directors informed about the nature and content of its discussions, recommendations and actions to be taken;
- The appointment, removal and terms of remuneration of the Chief Risk Officer (if any) shall be subject to review by the Risk Management Committee;

The Risk Management Committee shall coordinate its activities with other committees, in instances where there is any overlap with activities of such committees, as per the framework laid down by the board of directors.

E. CORPORATE SOCIAL RESPONSIBILITY COMMITTEE:

The Corporate Social Responsibility (CSR) Committee has been constituted by the Board in compliance with the requirements of Section 135 of the Act.

During the year ended March 31, 2023, the Committee met once on May 26, 2022. The composition and attendance of the members of the Committee are as follows:

Name of Member	Designation	Category	No. of Committee meeting during the year	
			Held	Attended
Mr. Shekhar Prasad Singh	Chairperson	Independent Director	1	1
Dr. D. Nageshwar Reddy	Member	Independent Director	1	1
Ms. S. Geeta Reddy	Member	Non-Executive Non-Independent Director	1	1
Mr. Sunil Chandra Kondapally	Member	Executive Director	1	0

The brief terms of reference of Corporate Social Responsibility Committee are as under:

- Formulation of a corporate social responsibility policy to the Board, indicating the activities to be undertaken by the Company in areas or subject 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 there under;
- 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;
- Instituting a transparent monitoring mechanism for implementation of the corporate social responsibility projects or programs or activities undertaken by the Company;
- 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;
- Identifying corporate social responsibility policy partners and corporate social responsibility policy programmes;
- Identifying and appointing the corporate social responsibility team of the Company including corporate social responsibility manager, wherever required; and
- 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.

The detailed CSR Policy is available on the website of the Company and can be accessed through the following web link: <https://images.vijayadiagnostic.com/website/CSR-POLICY.pdf>

4. REMUNERATION OF DIRECTORS:

(a) Disclosures with respect to remuneration:

The details of remuneration paid to Directors for the Financial Year ended March 31, 2023 is given below:

Executive Directors:

Name of the Directors	Remuneration (in ₹)
Dr. S. Surendranath Reddy	2,00,00,000/-
Mr. Sunil Chandra Kondapally	1,00,00,000/-

Non-Executive Independent Directors:

Name of the Directors	Consolidated Remuneration by way of Commission (in ₹)
Mr. C. Satyanarayana Murthy	12,00,000/-
Mr. Shekhar Prasad Singh	12,00,000/-
Dr. D. Nageshwar Reddy	12,00,000/-
Dr. Manjula Anagani	12,00,000/-

- The details of fixed component and performance linked incentives, along with the performance criteria: The shareholders of the Company have approved the payment of fixed remuneration to Executive Directors. There have been no performance linked incentive payable to them.
- Service contracts, notice period, severance fees: Company doesn't have any service contracts with any of the Directors. There is no separate provision for payment of severance fee to Directors. The notice period for their employments will be governed by the rules of the company.

- Stock option details, if any and whether issued at a discount as well as the period over which accrued and over which exercisable: None of the Directors have been allotted any stock options under the ESOP Plan of the Company.

(b) During the year under review, there was no pecuniary relationship or transaction between the Company and any of its Non-Executive Independent Directors apart from payment of consolidated remuneration by way of commission. Mrs. Sura Geeta Reddy, Non-Executive Non-Independent Director of the Company has given certain premise(s) on lease to the Company, for operating diagnostic centres in earlier years. The Company has paid her lease rentals for the aforesaid leased premises at regular intervals. The details of the same are provided in notes to financial statements.

(c) Criteria for making payments to Non-Executive Directors:

Non-Executive Independent Directors of the Company are being paid consolidated remuneration by way of Commission at the rate of 0.5% of consolidated net profits of the Company subject to maximum of ₹12,00,000/- p.a. Currently Company have one Non- Executive Non-Independent Director and no amount is being paid to the said Director.

The Nomination and Remuneration Policy of the Company, inter alia, disclosing detailed criteria of making payments to Non-Executive Directors of the Company is placed on Company's website under the web link: <https://images.vijayadiagnostic.com/investor/corporategovernance/NOMINATION-REMUNERATION-POLICY.pdf>

5. GENERAL BODY MEETINGS:

(a) Details of the last three Annual General Meetings are as under:

Particulars	F.Y. 2019-20	F.Y. 2020-21	F.Y. 2021-22
Date	September 28, 2020	August 04, 2021	September 28, 2022
Time	03:30 p.m.	03:30 p.m.	03:00 p.m.
Venue	Corporate office, 6-3-883/F, FPA Building, Near Topaz Building, Punjagutta, Hyderabad-500082, Telangana, India.	Corporate office, 6-3-883/F, FPA Building, Near Topaz Building, Punjagutta, Hyderabad-500082, Telangana, India.	Held through Video Conferencing (VC)/ Other Audio-Visual Means (OAVM).
Special Resolutions	Nil	Nil	Extension of loan to Medinova Diagnostic Services Limited, Subsidiary Company

(b) Postal Ballot:

During the Financial Year 2022-23, pursuant to the provisions of Section 110 and other applicable provisions, if any, of the Companies Act read together with Rule 20 & 22 of the Companies (Management and Administration) Rules, 2014 ("Rules") and Listing Regulations, no special resolutions were passed by the company through postal ballot.

Currently, there are no forseen businesses that may be transacted through Postal Ballot. Special resolutions, if any, required to be passed in future through Postal ballot would be decided at the relevant time and would be accordingly communicated to the shareholders.

Regulations. The financial results are displayed on BSE and NSE websites. The Financial Results are also published in 'Financial Express' (English) and 'Nava Telangana' (Telugu) newspapers and posted on the Company's website at www.vijayadiagnostic.com. In terms of the Listing Regulations, the Company has a designated email ID for dealing with Investors' complaints viz., ir@vijayadiagnostic.in

The results along with presentations made by the Company to Analysts/Investors are also intimated to the Stock Exchanges and hosted on the website of the Company viz. <https://www.vijayadiagnostic.com/investors/financial-results>

The Company organizes quarterly investor earnings call(s) to discuss the financial results and investor queries were answered by the Senior Management of the Company during such call. The audio recording and transcripts of the said earnings calls were disclosed to the Stock Exchanges and hosted on our website viz. <https://www.vijayadiagnostic.com/investors/financial-results> All the official news releases will be displayed at website of the Company.

6. MEANS OF COMMUNICATION:

The quarterly, half yearly and annual financial results of the Company are uploaded on NSE Electronic Application Processing System (NEAPS) and BSE Listing Centre in accordance with the requirements of SEBI Listing

7. GENERAL SHAREHOLDER INFORMATION:

(a) Annual General Meeting (AGM):

Day & Date: Wednesday, 20th September, 2023

Time: 03:00 P.M. (IST)

Venue: through Video Conferencing (VC)/ Other Audio-Visual Means (OAVM)

(b) Financial Year (01st April 2023 to 31st March, 2024)

- First Quarterly Results : on or before August 14, 2023
- Second Quarterly Results: on or before November 14, 2023
- Third Quarterly Results: on or before February 14, 2024
- Audited Yearly Results for the year ending March 31, 2024: on or before May 30, 2024

- Annual General Meeting for the year March 31, 2024: on or before September 30, 2024

(c) The Dividend, if declared at the AGM, will be paid on or before 30 (thirty) days from the date of the AGM.

(d) Stock Exchanges where company's share are listed and Scrip code:

National Stock Exchange of India Limited – Exchange Plaza, C-1, Block G, Bandra-Kurla Complex, Bandra (East), Mumbai - 400 051, Trading Symbol – VIJAYA

BSE Limited - Phiroze Jeejeebhoy Towers, Dalal Street, Mumbai - 400 001 Scrip Code: 543350

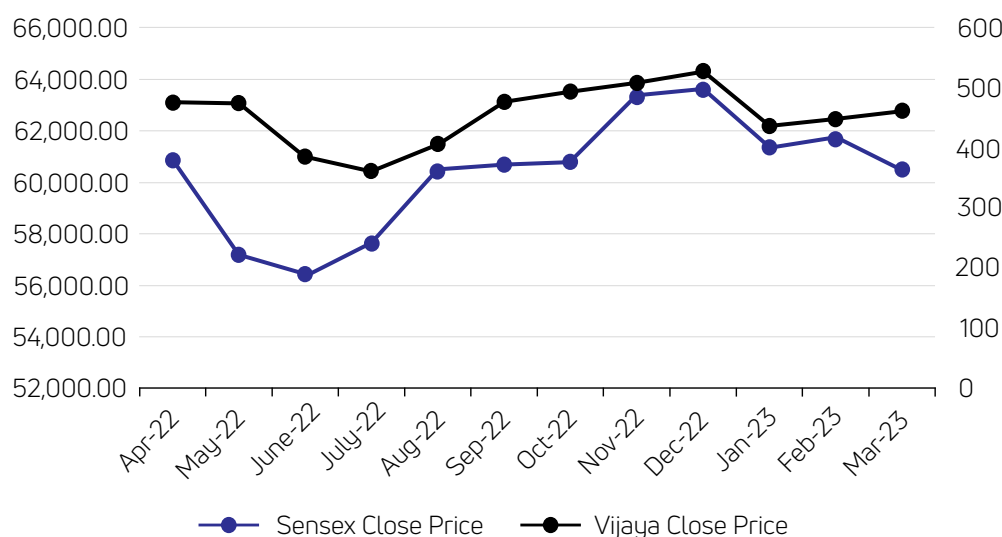
The Company has paid the Annual Listing fees for the financial year 2023-24 to each of the Stock exchanges, where the equity shares of the Company are listed.

(e) Market price of the Company's equity shares (closing share price) in comparison to BSE SENSEX and NSE NIFTY during each month in the FY 2022-23:

BSE Limited:

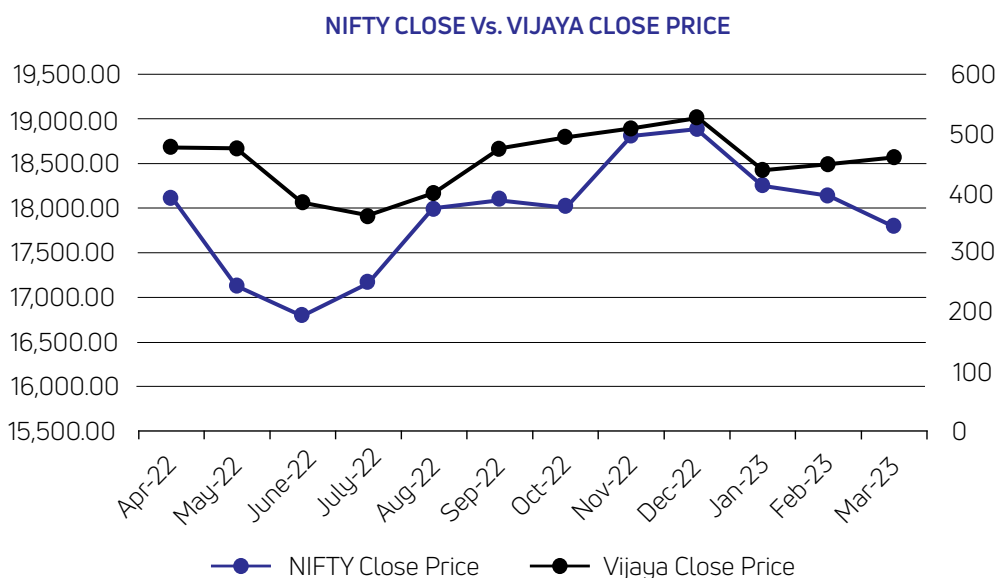
Month	SENSEX		VIJAYA	
	High	Low	High	Low
Apr-22	60,845.10	56,009.07	475.75	415.00
May-22	57,184.21	52,632.48	474.50	359.15
Jun-22	56,432.65	50,921.22	384.75	292.00
Jul-22	57,619.27	52,094.25	360.85	301.00
Aug-22	60,411.20	57,367.47	406.30	330.00
Sep-22	60,676.12	56,147.23	476.70	343.00
Oct-22	60,786.70	56,683.40	493.45	418.15
Nov-22	63,303.01	60,425.47	507.95	432.55
Dec-22	63,583.07	59,754.10	527.45	423.80
Jan-23	61,343.96	58,699.20	437.15	385.50
Feb-23	61,682.25	58,795.97	448.00	351.15
Mar-23	60,498.48	57,084.91	462.00	375.45

SENSEX CLOSE Vs. VIJAYA CLOSE PRICE



National Stock Exchange of India Limited:

Month	NIFTY		VIJAYA	
	High	Low	High	Low
Apr-22	18,114.65	16,824.70	477.90	395.90
May-22	17,132.85	15,735.75	475.25	358.20
Jun-22	16,793.85	15,183.40	384.45	295.00
Jul-22	17,172.80	15,511.05	361.00	302.00
Aug-22	17,992.20	17,154.80	399.90	344.95
Sep-22	18,096.15	16,747.70	475.00	342.85
Oct-22	18,022.80	16,855.55	493.90	418.30
Nov-22	18,816.05	17,959.20	508.45	434.05
Dec-22	18,887.60	17,774.25	528.00	424.00
Jan-23	18,251.95	17,405.55	439.00	385.10
Feb-23	18,134.75	17,255.20	448.70	351.35
Mar-23	17,799.95	16,828.35	461.00	375.10



(f) Suspension of shares of the Company from trading:

The shares of the Company are not suspended from trading during the financial year under review.

(g) Registrar and Share Transfer Agent:

KFin Technologies Limited

Selenium Tower B, Plot Nos. 31 & 32, Financial District Nanakramguda, Serilingampally, Hyderabad – 500032, Telangana, India. Toll: 1800-3454-001

E-mail: einward.ris@kfintech.com

Website: <https://www.kfintech.com/>

(h) Share Transfer System, Dematerialisation of shares and liquidity:

The equity shares of the Company are compulsorily traded in dematerialised form. In terms of Regulation 40(1) of Listing Regulations, as amended from time to time, request for effecting transfer of securities shall be processed only if the shares are in dematerialised form in depository. Further transmission or transposition of securities held in physical or dematerialised form shall be effected only in dematerialised form. As on date of this report, all the shares of the Company have been dematerialised form and no shares are held in physical form. The equity shares of the Company are actively traded at NSE & BSE.

(i) Distribution of shareholding:

Distribution of shareholding as on March 31, 2023 is as given below:

Sl. No.	Category (Amount)	Cases	% of Cases	Total Shares	Amount	% of Amount
1.	1-5000	76,851	99.77	51,42,221	51,42,221	5.04
2.	5001- 10000	71	0.09	5,06,660	5,06,660	0.50
3.	10001- 20000	28	0.04	3,85,916	3,85,916	0.38
4.	20001- 30000	6	0.01	1,56,795	1,56,795	0.15
5.	30001- 40000	6	0.01	2,05,213	2,05,213	0.20
6.	40001- 50000	4	0.01	1,82,968	1,82,968	0.18
7.	50001- 100000	14	0.02	10,13,961	10,13,961	0.99
8.	100001 & Above	48	0.06	9,44,77,441	9,44,77,441	92.56

(j) Categories of Shareholders as on March 31, 2023:

Sl. No.	Descriptions	No. of Cases	Total Shares	% Equity
1.	Promoter Individuals	1	3,37,22,899	33.04
2.	Promoter Group	12	2,24,26,053	21.97
3.	Mutual Funds	10	1,35,41,045	13.27
4.	Alternative Investment Fund	1	6,45,574	0.63
5.	NBFC	1	5,600	0.01
6.	Foreign Portfolio - Corp	70	2,58,03,713	25.28
7.	Resident Individuals	74,172	52,21,237	5.12
8.	Employees	27	17,632	0.02
9.	Non Resident Indian Non Repatriable	345	1,18,388	0.12
10.	Non Resident Indians	555	1,22,127	0.12
11.	Bodies Corporates	120	3,09,492	0.30
12.	H U F	1,173	1,09,093	0.11
13.	Trusts	1	2	0.00
14.	Clearing Members	44	28,320	0.03
Total		76,532	10,20,71,175	100.00

(k) Outstanding GDR/ADR/warrants or any convertible instruments, conversion date and likely impact on equity:

The Company has not issued any GDR/ADR and there are no outstanding warrants or any convertible Instruments.

(l) Commodity price risk or foreign risk and hedging activities:

The Company does not have commodity price risk nor does the Company engage in hedging activities.

(m) Plant Locations:

The Company does not have any manufacturing or processing plants. The Company is into providing diagnostic service and has diagnostic centres at various locations in the states of Telangana, Andhra Pradesh, West Bengal and NCR.

(n) Address for correspondence:
Registered Office:

6-3-883/F, FPA Building, Near Topaz building, Punjagutta, Hyderabad 500082, Telangana. (changed w.e.f. November 10, 2022)

(o) Credit Ratings:

The Company hasn't issued any debt instruments and didn't require obtaining any credit ratings for such debt instruments.

8. Other Disclosures:
(a) Disclosures on materially significant related party transactions that may have potential conflict with the interests of the company

All related Party Transactions that were entered into during the year under review, were in the ordinary course of business and on at Arm's Length basis. During the year

under review, Company didn't not enter into any materially significant related party transactions that may have potential conflict with the interests of the Company.

(b) Details of non-compliance by the company, penalties, strictures imposed on the company by stock exchange(s) or the board or any statutory authority, on any matter related to capital markets, during the last three years

No penalties / fines were imposed on the Company by the Stock Exchanges or SEBI or any Statutory Authority on any matter related to Capital Markets during last three years.

(c) Disclosure of vigil mechanism/ whistle blower policy and access to the Audit committee

The Company has adopted a Whistle Blower Policy and has established the necessary vigil mechanism as defined under Regulation 22 of the SEBI Listing Regulations to provide a formal mechanism to the Directors and employees to report their concerns about unethical behaviour, actual or suspected fraud or violation of the Company's Code of Ethics. Company affirm that no personnel has been denied access to the Audit committee.

(d) Details of compliance with mandatory requirements on Corporate Governance under the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015

The Company has complied with the mandatory requirements on Corporate Governance under the SEBI Listing Regulations and in process of implementing the non-mandatory requirements.

(e) Policy for determining material subsidiaries

The Company does not have any material un-listed Indian Subsidiary as defined under Regulation 24 of the SEBI Listing Regulations.

The Company has formulated a policy for determining material subsidiaries in terms of the Listing Regulations. This Policy has been hosted on the website of the Company at the web link: <https://images.vijayadiagnostic.com/investor/corporategovernance/MATERIAL-SUBSIDIARY-POLICY.pdf>

(f) Policy on dealing with related party transactions

In compliance with the requirements of the Companies Act and SEBI Listing Regulations, the Board has formulated and adopted a Related Party Transactions Policy ("RPT Policy") for the purpose of identification, approval, monitoring and reporting of related party transactions. The RPT Policy as approved by the Board is available on the Company's website at: <https://images.vijayadiagnostic.com/investor/corporategovernance/Related-Party-Transaction-Policy.pdf>

(g) Proceeds of preferential issues and qualified institutional placement

The Company has not raised any fund through public, rights, Preferential Allotment or Qualified Institutions Placement, during the financial year under review.

(h) Certificate from a Company Secretary in Practice

A certificate from Mr. D. Balarama Krishna, Company Secretary in Practice have been obtained certifying 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 Securities and Exchange Board of India/Ministry of Corporate Affairs or any such statutory authority and the same is annexed herewith as **Annexure A** to this Report.

(i) Recommendations of the Committees

There were no instances during the financial year under review, wherein the Board had not accepted any recommendations made by any Committee of the Board.

(j) Statutory Auditor Fee

The total fee paid by the Company, on a consolidated basis, to the statutory auditor and all entities in the network firm / network entity of which Statutory Auditor is a part, for all the services during the Financial Year 2022-23 is ₹ 87.32 lakhs.

(k) Disclosure in relation to Sexual Harassment of Women at workplace (Prevention, Prohibition and Redressal) Act, 2013

Number of complaints filed during the financial year	0
Number of complaints disposed of during the financial year	0
Number of complaints pending as on end of the financial year	0

(l) Disclosure of Loans and advances in the nature of loans to firms/companies in which directors are interested.

As on March 31, 2023, Company has given a loan of ₹ 5.75 crore to Medinova Diagnostic Services Limited, Subsidiary Company, in which directors are deemed to be interested.

9. Adoption of discretionary requirements specified in Part E of Schedule II of Listing Regulations

Internal auditors submit their report directly to Audit Committee.

There were no qualifications in the Standalone and the Consolidated Financial Statements of the Company for the financial year ended March 31, 2023.

10. The Company has complied with the requirement of corporate governance report as specified in sub paras (2) to (10) of clause C of Schedule V of SEBI Listing Regulations.

11. The Company is in compliance with the applicable corporate governance requirements specified in Regulations 17 to 27 and clause (b) to (i) of Regulation 46(2) of SEBI Listing Regulations as on date of this report.

12. Disclosures with respect to unclaimed Suspense Account:

i. Aggregate number of shareholders and the outstanding shares in the suspense account lying at the beginning of the year	0
ii. Number of shareholders who approached listed entity for transfer of shares from suspense account during the year	0
iii. Number of shareholders to whom shares were transferred from suspense account during the year	0
iv. Aggregate number of shareholders and the outstanding shares in the suspense account lying at the end of the year	0
v. That the voting rights on these shares shall remain frozen till the rightful owner of such shares claims the shares	0

13. Code of Conduct:

The Board of Directors has laid down a 'Code of Conduct' (the Code) for all the Board members and the senior management personnel of the Company and this Code is

hosted on the website of the Company. All Board Members and Senior Management Executives have affirmed compliance with the Code of Conduct for the Financial Year 2022-23.

An annual declaration signed by the Chief Executive Officer of the Company affirming compliance to the Code by the Board of Directors and the Senior Management is annexed to this Report as **Annexure - B**.

14. Certificate on Corporate Governance:

As required by Schedule V of the SEBI Listing Regulations, the Certificate on Corporate Governance issued by Practicing Company Secretary is annexed to the Board's report as **Annexure C**.

15. CEO/CFO Certification:

The Chief Executive Officer & Chief Financial Officer (CEO & CFO) of the Company have certified to the Board with regard to the compliance made by them in terms of Regulation 17(8) read with Part B of schedule II of SEBI Listing Regulations and the said certificate is annexed to this Report as **Annexure-D**.

By order of the Board
For Vijaya Diagnostic Centre Limited

Dr. Sura Surendranath Reddy
Executive Chairman
DIN: 00108599

Place: Hyderabad
Date: May 29, 2023

CERTIFICATE PURSUANT TO THE PROVISIONS OF REGULATION 34(3) READ WITH SCHEDULE V PARA C CLAUSE (10)(I) OF THE SEBI (LISTING OBLIGATIONS AND DISCLOSURE REQUIREMENTS) REGULATIONS, 2015

To
The Members of
Vijaya Diagnostic Centre Limited
CIN: L85195TG2002PLC039075
Hyderabad.

I have examined the relevant registers, records, forms, returns and disclosures received from the Directors of Vijaya Diagnostic Centre Limited having CIN: L85195TG2002PLC039075 and having registered office at No. 6-3-883/F, FPA Building, Near Topaz building, Punjagutta, Hyderabad, Telangana – 500082 (hereinafter referred to as 'the Company'), produced before me by the Company for the purpose of issuing this Certificate, in accordance with Regulation 34(3) read with Schedule V Para-C Sub clause 10(i) of the Securities Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015.

In my opinion and to the best of my 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 me by the Company & its officers, I hereby certify 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 companies by the Securities and Exchange Board of India, Ministry of Corporate Affairs, or any such other Statutory Authority.

Sr. No.	Name of the Director	DIN	*Date of appointment as Director in the Company
01.	Dr. Sura Surendranath Reddy	00108599	05/06/2002
02.	Mr. Satyanarayana Murthy Chavali	00142138	26/05/2021
03.	Dr. Nageshwar Reddy Duvvur	00324725	26/05/2021
04.	Mr. Shekhar Prasad Singh	00969209	26/05/2021
05.	Ms. Sura Geeta Reddy	01073233	21/11/2019
06.	Mr. Sunil Kondapally Chandra	01409332	05/06/2002
07.	Dr. Manjula Anagani	03501757	22/08/2021

*The date of appointment is as per MCA portal.

Ensuring the eligibility for the appointment / continuity of every Director on the Board is the responsibility of the management of the Company. My 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.

UDIN: F008168E000409131

Date: 29.05.2023
Place: Hyderabad

Balaramakrishna Desina
Company Secretary in Practice
M. No.: FCS 8168
C.P No.: 22414
Peer Reviewed UIN. 12019TL1988700

Annexure B

DECLARATION

I, S. Suprita Reddy, Chief Executive Officer of the company, hereby declare that as provided under the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, the Board Members and the senior management personnel have confirmed compliance with the Code of Conduct and Ethics for the year ended March 31, 2023.

For Vijaya Diagnostic Centre Limited

Place: Hyderabad
Date: May 29, 2023

S Suprita Reddy
Chief Executive Officer

CORPORATE GOVERNANCE COMPLIANCE CERTIFICATE

Under Regulation 34(3) - Schedule V - (E) of SEBI (LODR) Regulations, 2015

To
The Members of
Vijaya Diagnostic Centre Limited
CIN: L85195TG2002PLC039075
Hyderabad.

I have examined the compliance of the conditions of Corporate Governance by Vijaya Diagnostic Centre Limited ('the Company') for the year ended on March 31, 2023, as stipulated under Regulations 17 to 27, clauses (b) to (i) of sub-regulation (2) of Regulation 46 and para-C, D and E of Schedule V of the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 ("SEBI Listing Regulations").

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

In my opinion and to the best of my information and according to the explanations given to me, I certify that the Company has complied with the conditions of Corporate Governance as stipulated in the SEBI Listing Regulations for the financial year ended on March 31, 2023.

I further state that such compliance 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.

UDIN: F008168E000409131

Date: 29.05.2023
Place: Hyderabad

Balaramakrishna Desina
Company Secretary in Practice
M. No.: FCS 8168
C.P No.: 22414
Peer Reviewed UIN. 12019TL1988700

Annexure D

COMPLIANCE CERTIFICATE

To
The Board of Directors
Vijaya Diagnostic Centre Limited

We hereby certify that:

- A. We have reviewed audited financial statements (Standalone and Consolidated) of the Company, for the financial year ended March 31, 2023 and that 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 listed entity's affairs and are in compliance with existing accounting standards, applicable laws and regulations.
- B. To the best of our knowledge and belief, there are no transactions entered into by the Company during the financial year ended March 31, 2023 which are fraudulent, illegal or violative 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 they have taken or propose to take to rectify these deficiencies.
- D. We have indicated to the auditors and the Audit committee, wherever applicable;
- 1) There haven't been any significant changes in internal control over financial reporting during the financial year ended March 31, 2023.
 - 2) There haven't been any significant changes in accounting policies during the financial year ended March 31, 2023, except for the change in the accounting estimate as mentioned below and that the same have been disclosed in the notes to the annual financial statements, wherever applicable.

"With effect from 01 January 2023, the Company has changed its method of depreciation on all Property, Plant and Equipment from Written Down Value ("WDV") method to Straight Line Method ("SLM"), based upon the technical assessment of expected pattern of consumption of the future economic benefits embodied in the assets. Consequently, the depreciation on such assets has been charged as per WDV method from 01 April 2022 to 31 December 2022. However, with effect from 01 January 2023, the carrying value of the assets as on 31 December 2022 has been depreciated as per SLM over the remaining useful lives of the assets."
 - 3) There haven't been any Instances of significant fraud of which they have become aware and the involvement therein, if any, of the management or an employee having a significant role in the listed entity's internal control system over financial reporting.

For Vijaya Diagnostic Centre Limited

S Suprita Reddy
Chief Executive Officer

Narasimha Raju KA
Chief Financial Officer

Place: Hyderabad
Date: May 29, 2023

BUSINESS RESPONSIBILITY & SUSTAINABILITY REPORT

SECTION A: GENERAL DISCLOSURES

1) DETAILS OF THE LISTED ENTITY:

Sl. No.	Particulars	Response
1.	Corporate identity Number (CIN) of the Entity	L85195TG2002PLC039075
2.	Name of the Entity	Vijaya Diagnostic Centre Limited
3.	Year of incorporation	2002
4.	Registered & Corporate office address	6-3-883/F, Ground Floor, FPA Building, Near Topaz Building, Punjagutta, Hyderabad 500082, Telangana.
5.	E-mail	ir@vijayadiagnostic.in
6.	Telephone	040 – 2342 0411/12
7.	Website	www.vijayadiagnostic.com
8.	Financial year for which reporting is being done	FY 2022-23
9.	Name of the Stock Exchange(s) where shares are listed	1. National Stock Exchange of India Limited (NSE) and 2. BSE Limited (BSE)
10.	Paid-up Capital	₹ 10,20,71,175 divided into 10,20,71,175 Equity shares of ₹ 1/- each
11.	Name and contact details (telephone, email address) of the person who may be contacted in case of any queries on the BRSR report	Mr. Hansraj Singh Company Secretary & Compliance Officer Telephone No. 040 – 2342 0411 Email Id: ir@vijayadiagnostic.in
12.	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)	Standalone basis

2) PRODUCTS/SERVICES

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

Sl. No.	Description of Main Activity	Description of Business Activity	% of Turnover of the entity
1.	Other Human Health Activities	Activities of Independent Diagnostics/Pathological Laboratories	100

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

Sl. No.	Product/Service	NIC Code	% of total Turnover contributed
1.	Comprehensive diagnostic services, spanning pathological investigations, basic and high-end radiology/imaging services including, nuclear medicine.	869	100

3) OPERATIONS

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

Location	Number of plants	Number of offices/Labs	Total
National	Not applicable as the Company provides	121*	121
International	Diagnostic Services in the area of Pathology and Radiology.	Nil	Nil

*Includes one (1) Centre operated by Subsidiary Company.

16. Markets served by the entity:

a) Number of locations:

Location	Number
National (No. of States)	Telangana, Andhra Pradesh, West Bengal, and NCR
International (No. of Countries)	As of now, the Company doesn't serve in any of the International Locations

b) Contribution of exports:

What is the contribution of exports as a percentage of the total turnover of the entity?	Nil
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c) Type of Customers:

A brief on types of customer	The Company provides services to customers including individual patients, hospitals, corporate clients, and other healthcare providers
-------------------------------------	--

4) EMPLOYEES

17. Details at the end of the year of Financial year:

a) Employees and workers (including differently abled):

Sl. No.	Particulars	Total (A)	Male		Female	
			No. (B)	% (B / A)	No. (C)	% (C / A)
Employees						
1.	Permanent (D)	1996	1183	59%	813	41%
2.	Other than Permanent (E)*	648	231	36%	417	64%
3.	Total employees (D + E)	2644	1414	53%	1230	47%
Workers						
4.	Permanent (F)	--	--	--	--	--
5.	Other than Permanent (G)	--	--	--	--	--
6.	Total workers (F + G)	--	--	--	--	--

*Includes Trainees and Consultant Doctors

b) Differently abled Employees and workers:

Sl. No.	Particulars	Total (A)	Male		Female	
			No. (B)	% (B / A)	No. (C)	% (C / A)
Differently Abled Employees						
1.	Permanent (D)	1	1	100	--	--
2.	Other than Permanent (E)	--	--	--	--	--
3.	Total employees (D + E)	1	1	100	--	--
Differently Abled Workers						
4.	Permanent (F)	--	--	--	--	--
5.	Other than Permanent (G)	--	--	--	--	--
6.	Total workers (F + G)	--	--	--	--	--

18. Participation/Inclusion/Representation of women:

Category	Total (A)	No. and percentage of Females	
		No. (B)	% (B / A)
Board of Directors	7	2	29
Key Management Personnel*	5	1	20

*Includes: 2 Whole-time Director, Chief Executive Officer, Company Secretary, and Chief Financial Officer

19. Turnover rate for permanent employees and workers:

(Disclose trends for the past 3 years)

Category	FY 2022-23 (Turnover rate in current FY)			FY 2021-22 (Turnover rate in previous FY)			FY 2020-21 (Turnover rate in the year prior to the previous FY)		
	Male	Female	Total	Male	Female	Total	Male	Female	Total
Permanent Employees	34.56%	23.67%	30.87%	30.05%	25.76%	33.25%	34.32%	22.34%	31.34%
Permanent Workers	--	--	--	--	--	--	--	--	--

5) HOLDING, SUBSIDIARY AND ASSOCIATE COMPANIES (INCLUDING JOINT VENTURES)

20. Names of holding/subsidiary/associate companies/joint ventures:

Sl. No.	Name of the holding/subsidiary/associate companies/joint ventures (A)	Indicate whether holding/ Subsidiary/ Associate/ Joint Venture	% of shares held by the listed entity	Does the entity indicated in column A, participate in the Business Responsibility initiatives of the listed entity? (Yes/No)
1.	Medinova Diagnostic Services Limited	Subsidiary	62.14	No
2.	Doctorslab Medical Services Private Limited	Subsidiary	100	No
3.	VDC Diagnostic (Karnataka) LLP	Subsidiary	100	No
4.	Namrata Diagnostic Centre Private Limited	Subsidiary	100	No
5.	Medinova Millennium MRI Services LLP	Subsidiary	62.14	No

6) CORPORATE SOCIAL RESPONSIBILITY (CSR) DETAILS

Sl. No.	Requirement	Response
1.	Whether CSR is applicable as per section 135 of Companies Act, 2013: (Yes/No)	Yes
4.	Turnover (₹ in Million)	4,495.79
5.	Net worth (₹ in Million)	5,450.88

7) TRANSPARENCY AND DISCLOSURES COMPLIANCES

22. 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 Current Financial Year			FY 2021-22 Previous Financial Year		
		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 https://images.vijayadiagnostic.com/investor/corporategovernance/WHISTLE-BLOWER-POLICY.pdf			There were not any complaints/grievances received from any specific community.			

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 Current Financial Year			FY 2021-22 Previous Financial Year		
		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
Investors (other than shareholders)	Yes https://www.vijayadiagnostic.com/investors/contact-details	There were no complaints that were received.					
Shareholders	Yes https://www.vijayadiagnostic.com/investors/contact-details	2	Nil	Nil	1	Nil	Nil
Employees and workers	Yes https://images.vijayadiagnostic.com/investor/corporategovernance/WHISTLE-BLOWER-POLICY.pdf	Nil	Nil	Nil	Nil	Nil	Nil
Customers	Yes The company has a dedicated helpline number (040-2100 0000 / 040-6910 0100) and email id info@vijayadiagnostic.com which address and resolves all customer Grievances. In addition, the Company responds to customer concerns that it receives through its official social media handles.	5,854	54	All the unresolved complaints as on March 31, 2023 have been subsequently resolved	4,259	32	All the unresolved complaints as on March 31, 2022 have been subsequently resolved
Value Chain Partners	Yes https://images.vijayadiagnostic.com/investor/corporategovernance/WHISTLE-BLOWER-POLICY.pdf	There were no complaints/grievances received from the value chain partners except some outstanding dues related clarifications, which were properly addressed and resolved.					
Other (please specify)	--	--	--	--	--	--	--

23. 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, and approach to adapt or mitigate the risk along with its financial implications, as per the following format:

Sl. 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.	Workplace Safety	Risk/ Opportunity	<p>Risk: Insufficient implementation of proper safety measures can result in work-related safety incidents, leading to adverse consequences such as increased absenteeism and a higher Lost Time Rate (LTR)</p> <p>Opportunity: By prioritizing workplace safety, the Company can optimise employee performance and achieve higher levels of productivity</p>	<p>The organization has implemented a comprehensive safety manual that outlines guidelines applicable to all labs within the company. Regular health check-ups are conducted, particularly for individuals in technical or sample handling roles, to proactively monitor their well-being.</p> <ul style="list-style-type: none"> - Necessary safety equipment are provided to staff, including items such as eye wash stations, gloves, lab coats, goggles, fire sprinklers, and fire extinguishers. - Periodic fire drills are conducted to ensure that employees are familiar with evacuation procedures and understand their roles in emergency situations. - Adheres to the BMW (Biomedical Waste management rules established by the Central Pollution Control Board (CPCB) guidelines. - Rigorous disinfection protocols are implemented within the laboratories, ensuring a clean and hygienic working environment. 	Risk - Lost Time, resulting from workplace accidents or injuries, can lead to additional challenges for a laboratory, including the need to pay overtime to compensate for work completion.

Sl. 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.	Occupational hazard affecting health of employees	Risk	Sample collection from infectious disease patients	The Company has taken initiatives to ensure the well-being of its staff members. Periodic vaccination is conducted according to the guidelines. Medical insurance is provided to mitigate health and financial risks for staff members. The company offers financial support to the relatives of staff who have lost their lives while treating patients. The company also deploys rotating staff involved in sample collection. All the collection outlets follow safety norms as prescribed by the ICMR and MoHFW.	Negative The company may face the challenge of revenue loss, as well as difficulties in filling positions due to a shortage of available manpower, which can negatively impact the quality of clinical care provided to patients and increase recruitment costs.
3.	Risk Management	Risk/ Opportunity	<p>Risk: Businesses face the risk of experiencing adverse effects across multiple operational areas if they lack robust controls within their risk management system.</p> <p>Opportunity: Integrating risk management into a Company's overall strategy offers several opportunities for businesses. It helps protect against potential disruptions and ensures that the Company is better positioned to respond and adapt to a rapidly changing business landscape. This approach offers businesses the opportunity to enhance their resilience, ensuring continued success in the face of challenges.</p>	<p>The Company engages with key stakeholders in the risk management process to ensure that all relevant parties are aware of potential risks and invested in developing strategies to mitigate them. By involving stakeholders in this process, the Company fosters a culture of risk awareness and accountability, ultimately leading to more successful outcomes in risk management.</p>	Positive The Company can establish a more resilient and sustainable approach to growth by proactively linking material topics with risk mitigation strategies. This approach is grounded in a deep understanding of the risks and opportunities associated with the Company's operations, allowing them to effectively manage risks and capitalise on opportunities. By adopting this approach, the Company can improve their overall performance and position themselves for long-term success.

Sl. 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)
4.	Waste Management	Risk	Generation of Biomedical Waste due to nature of business	Disposal is done through a Government authorized partner and the waste is segregated into different color bags with barcodes. It is weighed before being handed over to an authorized vendor. All safety norms are followed from generation until handover to Authority.	If not disposed of properly, it could lead to the spread of diseases and affect the social license to operate.

The Company provides diagnostics services wherein sustainability issues pertaining to the environment are negligible. Being conscious of environmental concerns, we are always committed to reducing the impact on the environment while we deliver our services to customers, without compromising on the quality of our deliverables. As part of such measures, we do buy advanced radiology and/or laboratory equipment, which emits lesser radiation & co2 and reduces the exposure of patient to the radiation while undergoing medical diagnostic procedures.

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.

Sl. Disclosure Questions No.	P1	P2	P3	P4	P5	P6	P7	P8	P9
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.vijayadiagnostic.com/investors/governance-policies								
2. Whether the entity has translated the policy into procedures. (Yes / No)	Yes								
3. Do the enlisted policies extend to your value chain partners? (Yes/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.	The Company has put in place a comprehensive set of norms and standards to guarantee compliance with best practices in environmental, social, and corporate governance. These include Ministry of Environment and Forest guidelines, which set out clear criteria for reducing environmental impact and promoting sustainability. The Company has implemented quality healthcare guidelines issued by NABH, which promote patient safety and quality of care. The Company has also adopted environment and social standards issued by the International Finance Corporation (IFC), which provide a framework for managing environmental and social risks associated with business operations. The NVG guidelines issued by the Ministry of Corporate Affairs, GOI, ensure that the Company adheres to good corporate governance practices and promotes transparency and accountability. It also follows Section 135 of the Companies Act, 2013. The Company adheres to the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, which require listed companies to disclose information on various aspects of their business, including corporate governance and sustainability practices. The Company's commitment to these guidelines and standards demonstrates its dedication to responsible and sustainable business practices.								
5. Specific commitments, goals and targets set by the entity with defined timelines, if any.	The Company is determined to follow the path envisioned under the 9 principles laid down in the National Voluntary Guidelines on Social, Environmental & Economic Responsibilities of Business issued by the Ministry of Corporate Affairs.								
6. Performance of the entity against the specific commitments, goals and targets along-with reasons in case the same are not met	The Company continuously monitors its performance against the said indicators periodically, take corrective action as needed and institutionalise preventive steps to strengthen its performance on the said parameter.								

Sl. No.	Disclosure Questions	P1	P2	P3	P4	P5	P6	P7	P8	P9
Governance, leadership and oversight										
7.	Statement by director responsible for the business responsibility report, highlighting ESG related challenges, targets and achievements <i>(listed entity has flexibility regarding the placement of this disclosure)</i>	<p>Given the industry in which the Company operates, the ESG paradigm assumes higher importance; the Company has consistently been helming multiple initiatives to thrive within and yet be fully responsible for its immediate environment.</p> <p>Commitment to sustainability is at the heart of every corporate endeavour and initiative towards growth, prudently nurturing its human quotient, building social capital, while being responsible towards consumption of resources. Over the years, the Company has enhanced the salience to ESG best practices and has made meaningful and noticeable strides forward in several spheres.</p> <p>Core teams have been entrusted with ensuring the sustainability of approach across key corporate functions; in instances addressing key issues like proper disposal and treatment of bio-medical waste, replacing plastic bags with biodegradable bags, water conservation through water saving reducers, integrating e-billing to curb usage of paper, solar panel usage and rainwater harvesting among others.</p> <p>The Company remains mindful of its moral responsibilities as a corporate citizen and acts in an ethical manner. Being an undisputed leader in the branded diagnostics space, the Company has a long history of transparency in governance practices, and it keenly reviews this to make a positive impact on society and its stakeholders.</p> <p>At Vijaya Diagnostic Centre Limited, our ethos of providing affordable diagnostic tests with easy accessibility endures, with best-in-class service offerings and accurate diagnoses. While doing so, we will continue our focus of scaling our ESG performance parameters with global best practices.</p>								
8.	Details of the highest authority responsible for implementation and oversight of the Business Responsibility policy(ies).	Board of Directors								
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	The CSR Committee of the Board is responsible for taking decisions on sustainability related issues.								

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)								
	P1	P2	P3	P4	P5	P6	P7	P8	P9	P1	P2	P3	P4	P5	P6	P7	P8	P9
	Performance against above policies and follow up action	Policies wherever stated have been approved by the Board / Committees of Board / Senior Management of the Company. Policies are reviewed at periodic intervals in all aspects including statutory requirements depending on the frequency stated in respective policies or on a need basis whichever is earlier and necessary updates are made to the policies.																
Compliance with statutory requirements of relevance to the principles, and, rectification of any non-compliances	The Company has necessary procedures in place to ensure the compliance with all relevant regulations.																	

11. Independent assessment/ evaluation of the working of its policies by an external agency:

	P1	P2	P3	P4	P5	P6	P7	P8	P9
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.	No, however all policies and processes are subject to audits / reviews done internally in the Company from time to time.								

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

Questions	P1	P2	P3	P4	P5	P6	P7	P8	P9
The entity does not consider the Principles material to its business (Yes/No)	-	-	-	-	-	-	-	-	-
The entity is not at a stage where it is in a position to formulate and implement the policies on specified principles (Yes/No)	-	-	-	-	-	-	-	-	-
The entity does not have the financial or/human and technical resources available for the task (Yes/No)	-	-	-	-	-	-	-	-	-
It is planned to be done in the next financial year (Yes/No)	-	-	-	-	-	-	-	-	-
Any other reason (please specify)	-	-	-	-	-	-	-	-	-

SECTION C: PRINCIPLE WISE PERFORMANCE DISCLOSURE

This section is aimed at helping entities demonstrate their performance in integrating the Principles and Core Elements with key processes and decisions. The information sought is categorized as “Essential” and “Leadership”. While the essential indicators are expected to be disclosed by every entity that is mandated to file this report, the leadership indicators may be voluntarily disclosed by entities which aspire to progress to a higher level in their quest to be socially, environmentally and ethically responsible.

PRINCIPLE 1: BUSINESSES SHOULD CONDUCT AND GOVERN THEMSELVES WITH INTEGRITY, AND IN A MANNER THAT IS ETHICAL, TRANSPARENT AND ACCOUNTABLE

Essential Indicators

- 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		Please refer Note (1) below	
Key Managerial Personnel			
Employees other than BOD and KMPs		Please refer Note (2) below	
Workers			

Note:

- During FY2023, various updates were made at the Board and Committee meetings. Independent Directors in their capacity as members of various Committees of the Board were informed on developments relating to diverse topics such as regulatory, economic and operating environmental changes, new business initiatives, Corporate Governance, Information Technology and various risk indicators. Strategic presentations were made to the Directors, regularly on Company strategy, performance and growth plans. These presentations covered the entire range of business activities including macro-economic and market review, equity performance, earnings outlook, operational efficiencies, service and product offerings, update on sales performance, digitisation initiatives, customer engagement strategies, risk management framework, fraud prevention, cyber security, CSR initiatives, business sustenance and employee practices.

Further, updates on performance review, strategy and key regulatory developments are presented at the quarterly board meetings and annual Board strategy meeting. Independent Directors who are members of various Committees are presented with the necessary information to enable them to review and grant approvals as per the terms of reference of the respective Committees.

The Board and Audit Committee is updated on key compliance, risk and audit observations, impact arising out of the issues along with management action plans.

Considering all of the above, approximately fourteen (14) hours have been spent during FY2023 by the Board of Directors on various familiarisation programmes during Board/Committee meetings including four one-on-one/group sessions.

- The Company’s DNA articulates ‘Compliance with Conscience’ as a key threshold behaviour. Every employee of the Company is expected to work with ‘Compliance with Conscience’ in their work and their interactions with customers and stakeholders. The Company has zero tolerance towards any violation or misconduct on grounds on non-compliance. Our employee value proposition – PLEDGE also emphasises on creating an environment which protects against any kind of biases and facilitates professionalism in all engagements. The Company has a Code of Conduct (Code) which defines the professional and ethical standards that employees and Directors need to adhere to in compliance with all applicable statutory laws, regulations and internal policies. The Code is published on the Company’s website, <https://www.vijayadiagnostic.com/investors/code-conduct> and Intranet. Employees forming part of the senior management including Whole-time Directors are required to annually confirm that they have read and understood the Code. All new employees are also required to confirm that they have read and understood the Code at the time of their induction. In addition, the Company has instituted several policies to ensure adherence to existing statutory laws and regulations such as The Whistle Blower (WB) policy, The Prevention of Sexual Harassment (POSH) at the Workplace policy, Framework for managing Conflict of Interest etc. The Company regularly conducts awareness campaigns to familiarise employees with the various policies to ensure adherence to the highest standards of ethical behaviour. Regular communications via Intranet, SMS campaigns, mails, etc. are sent to sensitise employees around governance and ethical practices.

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:

(Note: the Company shall make disclosures based on materiality as specified in Regulation 30 of SEBI (Listing Obligations and Disclosure Obligations) Regulations, 2015 and as disclosed on the Company's website):

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

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

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
	Nil

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 Company places a strong emphasis on conducting business in a transparent and ethical manner. To ensure compliance with ethical standards, the Company strictly follows all relevant laws, treaties, and regulations that prohibit bribery and other corrupt activities. The Whistle blower and Code of Conduct Policies, which address ethics, bribery, and corruption, apply to all Vijaya Group, subsidiaries, and entities. The same can be accessed at: <https://www.vijayadiagnostic.com/investors/governance-policies>

The Company complies with all applicable statutory obligations and fully supports the law of the land. It has internal policies and procedures in place for ensuring compliance in letter and spirit.

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

Case Details	FY 2022-23 (Current Financial Year)		FY 2021-22 (Previous Financial Year)	
Directors	Nil		Nil	
KMPs	Nil		Nil	
Employees	Nil		Nil	
Workers	Nil		Nil	

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

Case Details	FY 2022-23 (Current Financial Year)		FY 2021-22 (Previous Financial Year)	
	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: Nil.

PRINCIPLE 2: BUSINESSES SHOULD PROVIDE GOODS AND SERVICES IN A MANNER THAT IS SUSTAINABLE AND SAFE

Essential Indicators

- 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:

	2022-23 Current Financial Year	2021-22 Previous Financial Year	Details of improvements in environmental and social impacts
R&D	Nil	Nil	The Company incurred no expenditure on Research and Development during the period under review.
Capex (Investment in high-technology radiology equipments)	54.87%	24.49%	The company's major capex investment is towards buying of the advanced radiology and/or laboratory equipments, which emits lesser radiation & co2 and reduces the exposure of patient to the radiation while undergoing medical diagnostic procedures. The company also purchased some E-bikes for its usage on experimental basis.

- Sustainable sourcing:

- Does the entity have procedures in place for sustainable sourcing? (Yes/No)
- If yes, what percentage of inputs were sourced sustainably?

The Company works towards sustainable sourcing and ensure that its social and environmental performance extends to its supply chain by sharing its expectations with the vendors from time to time. The Company also promotes localization of business by giving preferences to local vendors.

The Company is committed to do business with environmentally responsible vendors with an objective to minimize the adverse effects on the community, the environment and natural resources while safeguarding health and safety of the public.

The Company is currently evaluating projects/designing a program for implementation in FY24 which will emphasize Company's initiatives towards sustainable sourcing.

- 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.

The Company is a provider of Diagnostic Services and hence reusing, recycling of wastes is not applicable to the industry in which it operates. However, as a responsible corporate citizen, the Company has entered into agreements with authorized vendors for disposal of bio-medical wastes generated during sample collection and testing of samples and for RO water recycling.

- 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:

The Extended Producer Responsibility is not applicable since the Company does not qualify to be a Producer under the Plastic Waste Management Rules, 2016.

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	1183	1183	100%	Nil	Nil	Nil	Nil	1183	100%	Nil	Nil
Female	813	813	100%	Nil	Nil	813	100%	Nil	Nil	Nil	Nil
Total	1996	1996	100%	Nil	Nil	813	40.73%	1183	59.27%	Nil	Nil
Other than Permanent Employees**											
Male	Nil	Nil	Nil	Nil	Nil	Nil	Nil	Nil	Nil	Nil	Nil
Female	Nil	Nil	Nil	Nil	Nil	Nil	Nil	Nil	Nil	Nil	Nil
Total	Nil	Nil	Nil	Nil	Nil	Nil	Nil	Nil	Nil	Nil	Nil

*includes ESI coverage for applicable staff

**Includes trainees and consultant doctors, who are given benefits as per the company's policy.

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

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 workers											
Male											
Female											Not Applicable
Total											
Other than Permanent workers											
Male											
Female											Not Applicable
Total											

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

Category	FY 2022-23 (Current Financial Year)			FY 2021-22 (Previous Financial Year)		
	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%	NA	Y	100%	NA	Y
Gratuity	100%	NA	N.A.	100%	NA	N.A.
ESI	47%	NA	Y	48%	NA	Y
Others – please specify	NA	NA	NA	NA	NA	NA

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 are committed to build an accessible inclusive workplace and welcome the skills and talent of differently abled people. Over the year, we have identified appropriate roles to on-board more differently abled team members through our inclusive hiring practices. We are working progressively to increase their participation in the organization.
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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, the Company is committed to maintaining a policy of non-discrimination and enforcing a strong stance against any behaviours that contravene its ethics and Code of Conduct. These standards are clearly outlined in the Business Responsibility Policy, demonstrating the Company's dedication to promoting a culture of fairness, respect and accountability. The same can be accessed at: <https://images.vijayadiagnostic.com/investor/corporategovernance/Business-Responsibility-Policy.pdf>

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	100%	94.60%		
Female	82.32%	79.56%	Not Applicable	
Total	91.34%	90.45%		

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	Not Applicable
Other than Permanent Workers	Not Applicable
Permanent Employees	<p>The Company has a culture where employees can freely raise and discuss issues concerning themselves with their Superiors, Business Leaders or Human Resource (HR) Managers. The Company has created several channels through which employees can discuss, have an engagement and seek clarification on their issues. The employees can provide their feedback or complaints to their respective HR managers or register the same on grievance@vijayadiagnostic.in</p> <p>For grievances pertaining to sexual harassment, employees may also write to Poshcommittee@vijayadiagnostic.in</p> <p>Any cases falling under the purview of the Whistle Blower Policy or Senior Management Escalations are handled as per the Whistle Blower Policy, which enables employees to freely communicate their concerns on illegal or unethical practices by writing to whistleblower@vijayadiagnostic.in</p>
Other than Permanent Employees	

The Company has a Grievance Redressal policy, which address all kinds of issues an employee may face while at work. The grievance may include:

- Wage Payments
- Working Conditions
- Medical Facilities
- Recoveries of Dues
- Leave
- Seniority
- Transfers
- Promotions
- Any other similar issues relating to the employees' working conditions

Employees need to report to all/any grievance in the prescribed format to the grievance Redressal committee at the email id: grievance@vijayadiagnostic.in for the grievance Redressal process to get activated.

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

Category	FY 2022-23 (Current Financial Year)			FY 2021-22 (Previous Financial Year)		
	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	1996	0	0%	1859	0	0%
Male	1183	0	0%	1144	0	0%
Female	813	0	0%	715	0	0%
Total Permanent Workers						
Male						Not Applicable
Female						

8. Details of training given to employees and workers:

Category	FY 2022-23 (Current Financial Year)					FY 2021-22 (Previous Financial Year)				
	Total (A)	On Health and safety		On Skill Upgradations		Total (D)	On Health and safety measures		On Skill Upgradations	
		Number (B)	% (B/A)	Number (C)	% (C/A)		Number (E)	% (E/D)	Number (F)	% (F/D)
Employees										
Male	1183	1183	100%	1183	100%	1144	1144	100%	1144	100%
Female	813	813	100%	813	100%	715	715	100%	715	100%
Total	1996	1996	100%	1996	100%	1859	1859	100%	1859	100%
Workers										
Male										
Female										Not Applicable
Total										

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

Category	FY 2022-23 (Current Financial Year)			FY 2021-22 (Previous Financial Year)		
	Total (A)	No. (B)	% (B / A)	Total (C)	No. (D)	% (D / C)
Employees						
Male	1183	1183	100%	1144	1144	100%
Female	813	813	100%	715	715	100%
Total	1996	1996	100%	1859	1859	100%
Workers						
Male						
Female						Not Applicable
Total						

10. Health and safety management system:

Sl. No.	Particulars	Response
a)	Whether an occupational health and safety management system has been implemented by the entity? (Yes/ No). If yes, the coverage such system?	Yes. The safety manual has guidelines that are applicable to all units/centres.

Sl. No.	Particulars	Response
b)	What are the processes used to identify work-related hazards and assess risks on a routine and non-routine basis by the entity?	<p>Appropriate policies/guidelines have been formulated to address various types of hazards and related risk assessment & mitigation.</p> <ul style="list-style-type: none"> • All work related hazards are identified basis the recommended guidelines. • Their associated risk assessment procedures are part of the Safety manual • Regular audits are conducted by the Quality dept. to monitor the compliance.
c)	Whether you have processes for workers to report the work related hazards and to remove themselves from such risks. (Y/N)	<ul style="list-style-type: none"> • The Lab safety program prescribes the procedures to be followed by the users in the event of any adverse safety incident. • Safety incident reporting tool has been developed that records each of such incident / occurrence at the work units.
d)	Do the employees/ worker of the entity have access to non-occupational medical and healthcare services? (Yes/ No)	<ul style="list-style-type: none"> • Medclaim coverage is extended to all employees other than those under the ambit of the ESIC act. • Those under ESI ambit get all applicable medical benefits under ESIC. • Additionally, all employees are eligible for discounted diagnostic investigations.

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

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

12. Describe the measures taken by the entity to ensure a safe and healthy work place:

General guidelines have been formulated pertaining to personal protection, safety equipment, emergency procedures, fires, chemical hygiene, electrical safety, waste disposal, laboratory equipment's.

- Safety gears are provided to staff - e.g. Eye Wash, Gloves, Lab Coat, and Goggles.
- Fire Sprinklers and Fire extinguishers are installed at the work place.
- Fire drills are conducted on periodic basis and there are designated safety supervisors.
- Disinfection protocols are implemented in labs.
- Ergonomic lab furniture is provided to all staff.
- Health check-ups are conducted and Immunization for all those in technical / sample handling roles.

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

	FY (2022-23) Current Financial Year			FY (2021-22) Previous Financial Year		
	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	Nil	Nil	--	Nil	Nil	--
Health & Safety	Nil	Nil	--	Nil	Nil	--

14. Assessments for the year:

Particulars	% of your plants and offices that were assessed (by entity or statutory authorities or third parties)
Health and safety practices	1. Periodic internal audits are conducted by the Quality team of health and safety practices
Working Conditions	2. Before all the new labs are made operational, the project and lab operations teams conduct a safety audit of the setups. There are safety trainings conducted regularly.
	3. Fire drills are undertaken to make all employees aware of the safety requirements and what needs to be done in case of non-compliance.
	4. Accrediting bodies like NABL, NABH, ISO audit our various labs and evaluate the health & safety practices / policies and the overall working conditions every year.

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:

- The Lab safety manual serves as a guiding document for all safety related issues.
- In case of any safety incident, specific corrective protocols are defined which are being followed
- Training of all staff is being done on a periodic basis.
- Risk management guide has been defined for all labs.

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:

Our approach towards responsible and sustainable business practices involves regular engagement with internal and external stakeholders. This practice helps the Company measure its performance based on the value it brings to its stakeholders and to prioritize key sustainability issues in terms of relevance to its business and stakeholders.

Such stakeholder engagement helps not only in identifying opportunities but also in assessing emerging risks which may increase in magnitude at a later stage in future.

The Company's process to identify key stakeholders stems from:

- Its Mission and Vision Statement/policy.
- Key Decision Makers.
- Individual stakeholders' and their power and influence on the decision-making process.

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
Employees	No	Emails	Monthly / Weekly	Regular Company updates / Training Needs

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
Customers	No	SMS, Newspaper, Pamphlets, Website/ Helpline Desk	Annual/Half Yearly/ Quarterly/Monthly	Promotion Schemes / New Tests etc
Investors & Shareholders	No	Newspapers / Website/ Meetings	Annual/Half Yearly/ Quarterly	Financial Results / other Corporate Announcements
Govt./ Regulatory Authorities	No	Emails / Community Meetings	Quarterly / Half Yearly	Representations / Perspective on change in regulations / upcoming laws
Communities	No	Community Meetings	Annual/Half Yearly / Quarterly	Developmental / Educational needs as part of the Company's CSR obligation
Vendors	No	Digital Meetings / In person meetings	Quarterly with Strategic vendors & with other vendors once in a year / need basis	Regular business updates, Performance feedback, Updation about change in regulation pertaining to supplies/services

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 (Current Financial Year)			FY 2021-22 (Previous Financial Year)		
	Total (A)	No. of employees / workers covered (B)	% (B / A)	Total (C)	No. of employees / workers covered (D)	% (D / C)
Employees						
Permanent	1996	1996	100%	1859	1859	100%
Other than permanent	648	648	100%	652	652	100%
Total Employees	2644	2644	100%	2511	2511	100%
Workers						
Permanent						
Other than permanent						Not Applicable
Total Workers						

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

Category	FY 2022-23 (Current Financial Year)					FY 2021-22 (Previous Financial Year)				
	Total (A)	Equal to Minimum Wage		More than Minimum Wage		Total (D)	Equal to Minimum Wage		More than Minimum Wage	
		Number (B)	% (B/A)	Number (C)	% (C/A)		Number (E)	% (E/D)	Number (F)	% (F/D)
Employees										
Permanent	1996	553	28%	1443	72%	1859	150	8%	1709	92%
Male	1183	256	22%	927	78%	1144	78	7%	1066	93%
Female	813	297	37%	516	63%	715	72	10%	643	90%
Other than Permanent	The Company engages trainees and consultants who are governed by their respective contracts									
Male	--	--	--	--	--	--	--	--	--	--
Female	--	--	--	--	--	--	--	--	--	--

Category	FY 2022-23 (Current Financial Year)					FY 2021-22 (Previous Financial Year)				
	Total (A)	Equal to Minimum Wage		More than Minimum Wage		Total (D)	Equal to Minimum Wage		More than Minimum Wage	
		Number (B)	% (B/A)	Number (C)	% (C/A)		Number (E)	% (E/D)	Number (F)	% (F/D)
Workers										
Permanent										
Male										
Female										
Other than Permanent	Not Applicable									
Male										
Female										

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

	Male		Female	
	Number	Median *remuneration/ salary/ wages of respective category (in ₹)	Number	Median *remuneration/ salary/ wages of respective category (in ₹)
Board of Directors (BoD)	5	12,00,000	2	6,00,000
Key Managerial Personnel**	4	85,75,000	1	2,75,00,000
Employees other than BoD and KMP	1181	3,02,508	813	2,28,000
Workers	--	--	--	--

*Remuneration means and includes the Cost to the Company (CTC).

**Comprising Chairman, Whole-time Director, Chief Executive Officer, Chief Financial Officer and Company Secretary.

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, the Company is committed to honesty, fairness, and transparency, and it strives to maintain the highest standards of ethical behaviour and practise. It actively encourages professionalism and ethical behaviour among its employees and has put in place strong measures to foster and support this culture. To guarantee a safe and ethical working environment for all, the Company's management takes quick action to investigate and address the issue in accordance with its policy.

5. Describe the internal mechanisms in place to redress grievances related to human rights issues:

The Company is firmly committed to internationally accepted human rights principles and standards. To ensure compliance with this commitment, the Company has established rigorous procedures and processes to prevent any human rights violations across all its operations. Additionally, the Company has implemented a whistle-blower policy to encourage and facilitate the reporting grievances or complaints by its employees. The Company ensures that all received grievances are thoroughly investigated and appropriate measures are taken to address the issue or complaint.

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

	FY 2022-23 (Current Financial Year)			FY 2021-22 (Previous Financial Year)		
	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	Nil	Nil	--	2	1	The pending resolution for the complaint was subsequently closed.
Discrimination at workplace	Nil	Nil	--	Nil	Nil	--

	FY 2022-23 (Current Financial Year)			FY 2021-22 (Previous Financial Year)		
	Filed during the year	Pending resolution at the end of year	Remarks	Filed during the year	Pending resolution at the end of year	Remarks
Child Labour	Nil	Nil	--	Nil	Nil	--
Forced Labour/ Involuntary Labour	Nil	Nil	--	Nil	Nil	--
Wages	Nil	Nil	--	Nil	Nil	--
Other human rights related issues	Nil	Nil	--	Nil	Nil	--

7. Mechanisms to prevent adverse consequences to the complainant in discrimination and harassment cases:

The Company has implemented a Code of Conduct, gender-neutral prevention of sexual harassment, and BRR policies to encourage and facilitate the reporting of any grievances or complaints by its employees. In case of any human right issue the Company's management will take strict action to investigate and address the issue in accordance with its policy, to ensure a safe and ethical working environment for all.

All our policies ensure that employees who raise concerns/violations are protected from any form of retaliation or threat to employment. The Company is committed to protect employees upholding the principles by notifying violations from any form of retaliation or adverse action due to their disclosure.

8. Do human rights requirements form part of your business agreements and contracts? (Yes/No):

Yes, the requisite clauses are part of all relevant business agreements/contracts.

9. Assessments for the year:

Particulars	% of your plants and offices that were assessed (by entity or statutory authorities or third parties)
Child labour	No case reported for the period. The Company's systems have inbuilt checks to validate any hiring of employee who is less than 14 years of age. The system will give an alert to the team.
Forced/involuntary labour	No case reported for the period. Any such incidence raised shall be addressed by the redressal mechanism.
Sexual harassment	All cases of POSH are handled by the respective committees and the reports are submitted to the management. The annual report has the details on the cases received and their closures.
Discrimination at workplace	No case reported for the period. Any such incidence raised shall be addressed by the redressal mechanism.
Wages	No case reported for the period. Additionally, compliance to minimum wage requirement is audited by the Statutory and the Internal auditors.
Others – please specify	-

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, since there were no cases which were received for principle mentioned under Question 9 above.

PRINCIPLE 6: BUSINESSES SHOULD RESPECT AND MAKE EFFORTS TO PROTECT AND RESTORE THE ENVIRONMENT
Essential Indicators

1. Details of total energy consumption (in Joules or multiples) and energy intensity, in the following format:

Parameter	FY 2022-23 (Current Financial Year)	FY 2021-22 (Previous Financial Year)
Total electricity consumption (A) (in Giga Joules)	38,840	35,363
Total Fuel consumption (B) (in Giga Joules)	2,519	2,057
Energy consumption through other sources (C)	Nil	Nil
Total energy consumption (A+B+C)	41,359	37,420
Energy intensity per rupee of turnover (Total energy consumption/ turnover in rupees)	0.0000092	0.0000083
Energy intensity (optional) – the relevant metric may be selected by the entity	Nil	Nil

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: No

3. Provide details of the following disclosures related to water, in the following format:

Parameter	FY 2022-23 (Current Financial Year)	FY 2021-22 (Previous Financial Year)
Water withdrawal by source (in kilolitres)		
(i) Surface water	Nil	Nil
(ii) Groundwater	Nil	Nil
(iii) Third party water	2,121	1,929
(iv) Seawater / desalinated water	Nil	Nil
(v) Others	Nil	Nil
Total volume of water withdrawal (in kilolitres) (i + ii + iii + iv + v)	2,121	1,929
Total volume of water consumption (in kilolitres)*	2,121	1,929
Water intensity per rupee of turnover (Water consumed / turnover)	0.00000047	0.00000043
Water intensity (optional) – the relevant metric may be selected by the entity	Nil	Nil

*Total volume of water withdrawal and water consumption has been assumed the same.

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 Company implemented a mechanism for Zero Liquid Discharge? If yes, provide details of its coverage and implementation. – Nil
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 (Current Financial Year)	FY 2021-22 (Previous Financial Year)
NOx	--	--	--
SOx	--	--	--
Particulate matter (PM)	--	--	--
Persistent organic pollutants (POP)	--	--	--
Volatile organic compounds (VOC)	--	--	--
Hazardous air pollutants (HAP)	--	--	--
Others – please specify	--	--	--

Note: Being in the service industry, the Company's only source of air emissions is the use of diesel generators at its centres and office units. All of these generators are regularly maintained and operate within permissible emission limits.

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:

The Company is not into manufacturing and therefore the possibility of releasing GHG emissions into the atmosphere is negligible/not applicable.

Parameter	Please specify unit	FY 2022-23 (Current Financial Year)	FY 2021-22 (Previous Financial Year)
Total Scope 1 emissions (Break-up of the GHG into CO ₂ , CH ₄ , N ₂ O, HFCs, PFCs, SF ₆ , NF ₃ , if available)	Metric tonnes of CO ₂ equivalent	--	--
Total Scope 2 emissions (Break-up of the GHG into CO ₂ , CH ₄ , N ₂ O, HFCs, PFCs, SF ₆ , NF ₃ , if available)	Metric tonnes of CO ₂ equivalent	--	--
Total Scope 1 and Scope 2 emissions per rupee of turnover	--	--	--
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: No

8. Provide details related to waste management by the entity, in the following format:

Parameter	FY 2022-23 (Current Financial Year)	FY 2021-22 (Previous Financial Year)
Total Waste generated (in metric tonnes)		
Plastic waste (A) (Plastic Waste is included in the Bio Medical Waste)	--	--
E-waste (B)	--	--
Bio-medical waste (C)	101.56	86.32
Construction and demolition waste (D)	--	--
Battery waste (E)	--	--
Radioactive waste (F)	--	--
Other Hazardous waste. Please Specify (G)	--	--
Other Non-hazardous waste generated (H). Please specify, if any. (Break-up by composition i.e. by materials relevant to the sector)	--	--
Total (A + B + C + D + E + F + G + H)	101.56	86.32
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	-	-
(ii) Re-used	-	-
(iii) Other recovery operations	-	-
Total	-	-
Bio Medical generated by the Company in the course of its operations cannot be recovered through recycling or reusing by the Company		
For each category of waste generated, total waste disposed by nature of disposal method (in metric tonnes)		
Category of waste		
(i) Incineration	-	-
(ii) Landfilling	-	-
(iii) Other disposal operations – i.e., handing over of bio medical waste to authorised service provider for further processing	101.56	86.32
Total	101.56	86.32

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 CPCB BMW rules of 2016 policy for the disposal of Biomedical waste (BMW). PCB authorised collectors are employed for segregation and disposal. Under the provisions and guidelines issued by MoEF, the Company has adopted an e-waste policy that covers all electronic and electrical goods. The e-waste and waste oil are disposed of through authorised vendors. General waste, which includes papers, cardboard boxes, day-to-day plastic waste, tins, and general scrap, is disposed of on a need basis. Additionally periodic visits by the Company officials are made to ensure that the vendor is following all due compliances.

We have also implemented strong measures for digitising processes to reduce the need for paper. Further minimising the usage of paper across offices is an on-going activity.

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:

Sl. 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.
--	--	--	--

The Company has no operations around ecologically sensitive areas.

11. Details of environmental impact assessments of projects undertaken by the entity based on applicable laws, in the current financial year:

The Company has not undertaken any EIA project during the 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
--	--	--	--	--	--

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, and Environment protection act and rules thereunder (Y/N). If not, provide details of all such non-compliances, in the following format:

Based on the nature of its business, the Company complies with applicable environmental norms.

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: The Company was a member of one (1) trade and industry chambers/ associations during FY2023.
- 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:

Sl. No.	Name of the trade and industry chambers/ associations	Reach of trade and industry chambers/ associations (State/National)
1.	Confederation of Indian Industry ('CII')	National

2. Provide details of corrective action taken or underway on any issues related to anticompetitive conduct by the entity, based on adverse orders from regulatory authorities:

Name of authority	Brief of the case	Corrective action taken
The Company has not engaged in any anti-competitive conduct.		

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
Not Applicable as there were no projects that required SIA to be undertaken under Law.					

2. Provide information on project(s) for which on-going 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 on-going	State	District	No. of Project Affected Families (PAFs)	% of PAFs covered by R&R	Amounts paid to PAFs in the FY (In INR)
Not Applicable as there were no projects that required Rehabilitation and Resettlement (R&R)						

3. Describe the mechanisms to receive and redress grievances of the community:

The Company strives to create and maintain an inclusive environment where all stakeholders feel heard and respected. The Company has a whistle blower channel to receive and redress grievances of the community.

4. Percentage of input material (inputs to total inputs by value) sourced from suppliers:

Category	FY 2022-23 (Current Financial Year)	FY 2021-22 (Previous Financial Year)
Directly sourced from MSMEs/ small producers	4.40%	6.40%
Sourced directly from within the district and neighbouring districts	Nil	Nil

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:

We receive client queries and complaints through 2 channels i.e. Call / Email. Calls are handled at our Customer Care Department and emails are in-house. The First Call Resolution (FCR) is provided wherever possible and in case the call / email is not FCR, the request is been raised and tagged internally to ensure close tracking of complaints and queries. If the client is not satisfied with the resolution provided then the complaint is thereafter discussed with the concerned internal stakeholders for effective closure to the satisfaction of the consumer. The average span of closure is within 48 hours.

2. Turnover of products and/ services as a percentage of turnover from all products/service that carry information about:

Category	As a percentage to total turnover
Environmental and social parameters relevant to the product	
Safe and responsible usage	Not applicable to our products and services
Recycling and/or safe disposal	

3. Number of consumer complaints in respect of the following:

Category	FY 2022-23 (Current Financial Year)			FY 2021-22 (Previous Financial Year)		
	Received during the year	Pending resolution at end of year	Remarks	Received during the year	Pending resolution at end of year	Remarks
Data privacy	-	-	-	-	-	-
Advertising	-	-	-	-	-	-
Cyber-security	-	-	-	-	-	-
Delivery of essential services	Please refer to Q-23 of Section A for complaints/queries received for delivery/non-delivery of essential services.					
Restrictive Trade Practices	-	-	-	-	-	-
Unfair Trade Practices	-	-	-	-	-	-
Other	-	-	-	-	-	-

4. Details of instances of product recalls on account of safety issues:

Particulars	Number	Reasons for recall
Voluntary recalls	-	Not Applicable
Forced recalls	-	Not Applicable

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 Company is committed to respecting the privacy of every person who shares information or data with the Company. The web link for the privacy policy can be accessed on Company's website at <https://www.vijayadiagnostic.com/privacy-policy>

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:

There weren't any material issues arising relating to advertising, delivery of essential services; cyber security and data privacy of customers which required corrective action to be taken. Also there was no penalty imposed / action taken by any regulatory authority during the period under review.

Financial

Statements

INDEPENDENT AUDITORS' REPORT

To the Members of
Vijaya Diagnostic Centre Limited

Report on the Audit of the Standalone Financial Statements

Opinion

We have audited the standalone financial statements of Vijaya Diagnostic Centre Limited (the "Company") which comprise the standalone balance sheet as at 31 March 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 31 March 2023, and its profit and other comprehensive income, changes in equity and its cash flows for the year ended on that date.

Revenue Recognition

Refer note 3A of the summary of significant accounting policies and note 14 to the standalone financial statements

The key audit matter

Revenue from diagnostics services is recognised at a point in time when the tests are conducted and samples are processed.

The Company's revenue relates to sales through large number of diagnostic centres with high volume of sales that are made primarily on cash and carry basis which increases the risk of revenue being recognised inappropriately and which highlights the criticality of sound internal processes of summarising and recording sales revenue to mitigate error and fraud risk.

There is also risk of unapproved sales price being charged to patients, on account of high volume of transactions which may result into misstatement in revenue recognition.

In view of the above, we identified revenue recognition as a key audit matter.

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 Matters

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. These matters were addressed in the context of our audit of the standalone financial statements as a whole, and in forming our opinion thereon, and we do not provide a separate opinion on these matters.

How the matter was addressed in our audit

In view of the significance of the matter we applied the following audit procedures in this area, among others to obtain sufficient and appropriate audit evidence:

1. We obtained an understanding of the systems, processes and controls implemented by the Company. We evaluated the design and implementation and the operating effectiveness of key internal financial controls with respect to revenue recognition including those related to the reconciliation of sales to cash / credit card receipts.
2. We tested the reconciliation of revenue generated through cash / credit card and the amount deposited into the bank statements.
3. We performed substantive testing on samples selected using statistical sampling of revenue transactions recorded during the year by testing the underlying documents to assess whether criteria for revenue recognitions are met. Further, we verified the accuracy of the sales price by comparing the rates with the approved price list and discount policy.

The key audit matter	How the matter was addressed in our audit
	<ol style="list-style-type: none"> 4. We tested the periodic reconciliation of revenue as per the billing system to the revenue recorded as per the accounting records. Further, we tested the reconciliation of revenue recognised with statutory filings (Goods and Services Tax returns) 5. We tested sample journal entries affecting revenue recognised during the year selected based on specified risk-based criteria, to identify unusual items. 6. We carried out analytical procedures on revenue recognised during the year to identify unusual variances. 7. We assessed the adequacy of disclosures in respect of revenue in the standalone financial statements.

Property, plant and equipment ('PPE')

Refer note 3D of the summary of significant accounting policies and note 4(a) to the standalone financial statements

The key audit matter	How the matter was addressed in our audit
<p>During the year ended 31 March 2023, the Company has made significant capital expenditure. The Company has incurred Rs. 13,509.79 lakhs towards additions of PPE, including expanding its operations by opening new centres.</p> <p>This has been determined as a key audit matter due to:</p> <ul style="list-style-type: none"> • the significance of the capital expenditure during the year; and • judgement involved in determining the eligibility of costs for capitalisation as per the criteria set out in Ind AS 16 Property, Plant and Equipment. 	<p>In view of the significance of the matter, we applied the following audit procedures in this area:</p> <ol style="list-style-type: none"> 1. We obtained an understanding of the systems, processes and controls implemented by the Company 2. We evaluated the design, implementation and the operating effectiveness of key internal financial controls in relation to PPE process. 3. We performed substantive testing on a sample basis wherein, we: <ol style="list-style-type: none"> a. inspected the approvals for the costs incurred; b. checked direct and indirect costs capitalised with underlying documents to assess the nature of costs; c. analysed the nature of the costs incurred meets the criteria for capitalisation in accordance with the relevant standard; d. evaluated other costs debited to statement of profit and loss eligible for capitalisation; e. assessed the costs capitalised are classified in accordance with the relevant Indian Accounting Standards; 4. Evaluated the adequacy of disclosures made in the standalone financial statements.

Change in method of depreciation

Refer note 3D(ii) of the summary of significant accounting policies and note 4(a)(i) to the standalone financial statements

The key audit matter	How the matter was addressed in our audit
<p>Effective from 01 January 2023, the Company has revised the method of depreciation of property, plant and equipment assets from Written Down Value (WDV) method to Straight Line Method (SLM). Such change is based upon the technical assessment performed by the Company to reflect the future economic benefits arising from these assets.</p> <p>The Company has accounted for the change in method of depreciation prospectively with effect from 01 January 2023. The carrying value of Property, plant and equipment as at 31 December 2022 will be depreciated over the remaining useful life of each such asset.</p> <p>We identified the change in the method of depreciation of property, plant and equipment as a key audit matter because the assessment process involves significant estimates by the Company. It is based on the Company's expectation of the pattern of consumption of the future economic benefits arising from these assets.</p>	<p>In view of the significance of the matter, we applied the following audit procedures in this area:</p> <ol style="list-style-type: none"> 1. Checked the technical assessment performed by the Company and analysed: <ol style="list-style-type: none"> a. past trends of technological obsolescence of property, plant and equipment b. capacity and tests performed by such assets. 2. Challenged the Company's assessment underlying the change in expected pattern of consumption of the future economic benefits arising from property, plant and equipment. 3. Inquired about the Company's discussions with the vendors of the property, plant and equipment in this regard. 4. Compared the method of depreciation applied by the Company with other companies in the same industry; 5. Examined the accounting treatment and underlying computation in accordance with the relevant guidance under the Indian Accounting Standards. 6. Verified the correctness of the computation of depreciation expense for the period post change in the method of depreciation. 7. Evaluated the disclosures made in the standalone financial statements in relation to such change in method of depreciation in accordance with the relevant Indian Accounting Standards.

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 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 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 and take actions as applicable under the applicable laws and regulations.

Management's and Board of Directors' 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. This responsibility also includes maintenance of adequate accounting records in accordance with the provisions of the Act for safeguarding of the assets of the Company 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 Management and Board of Directors are responsible for assessing the Company's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless the Board of Directors either intends to liquidate the Company or to cease operations, or has no realistic alternative but to do so.

The Board of Directors is also responsible for overseeing the Company's financial reporting process.

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.

- 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 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.

- 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 as on 01 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 22 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 has represented that, to the best of its knowledge and belief, as disclosed in the Note 34 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 has represented that, to the best of its knowledge and belief, as disclosed in the Note 34 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 final dividend paid by the Company during the year, in respect of the same declared for the previous year, is in accordance with Section 123 of the Act to the extent it applies to payment of dividend.
- As stated in Note 37 to the standalone financial statements, the Board of Directors of the Company have proposed final dividend for the year which is subject to the approval of the members at the ensuing Annual General Meeting. The dividend declared is in accordance with Section 123 of the Act to the extent it applies to declaration of dividend.
- 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 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

Amit Kumar Bajaj

Partner

Membership No.: 218685

ICAI UDIN:23218685BGXHIR5462

Place: Hyderabad

Date: 29 May 2023

ANNEXURE A

to the Independent Auditor's Report on the Standalone Financial Statements of Vijaya Diagnostic Centre 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 three 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 material discrepancies were 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.
- (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 inventories have 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 granted any loans or advances in the nature of loans, secured or unsecured, to companies, firms or limited liability partnership or any other parties during the year. The Company has not made any investments in companies, firms, limited liability partnership. The Company has made investments in any other parties during the year.
- (a) Based on the audit procedures carried on by us and as per the information and explanations given to us the Company has not provided any loans or advances in the nature of loans, secured or unsecured, or stood guarantee, or provided security during the year. Accordingly the provisions of clauses 3(iii)(a) are not applicable to the Company.
- (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 are, prima facie, not prejudicial to the interest of the Company.
- (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, where applicable, has been stipulated and the repayments or receipts have been regular. The principal amount of loan is not due as at 31 March 2023.
- (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 or advances in the nature of loans given except an amount of Rs. 9.34 lakhs due from wholly owned subsidiary given in earlier years has been written off during the year. In our opinion, reasonable steps have been taken by the Company for recovery of the principal.

- (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, 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.
- (iv) 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 as specified under Section 185 and 186 of the Companies Act, 2013 ("the Act"). In respect of the loans given and investments made by the Company, in our opinion the provisions of Section 185 and 186 of 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) We have broadly reviewed the books of accounts maintained by the Company pursuant to the rules prescribed by the Central Government for maintenance of cost records under Section 148(1) of the Act in respect of the services provided by it and are of the opinion that prima facie, the prescribed accounts and records have been made and maintained. However, we have not carried out a detailed examination of the records with a view to determine whether these are accurate or complete.
- (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, Provident Fund, Employees State Insurance, Income-Tax, Duty of Customs or Cess or other statutory dues have 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, there are no 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 with the appropriate authorities on account of any dispute.
- (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.
- (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. The Company does not hold any investments in any associate or joint ventures (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). The Company does not hold any investments in any associate or joint ventures (as defined under the Act).
- (x) (a) The Company has not raised any moneys by way of initial public offer or further public offer (including debt instruments). Accordingly, clause 3(x)(a) of the Order is not applicable.

- (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, considering the principles of materiality outlined in Standards on Auditing, we report that 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.
- (d) The Company is not part of any group (as per the provisions of the Core Investment Companies (Reserve Bank) Directions, 2016 as amended). Accordingly, the requirements of clause 3(xvi)(d) are not applicable.
- (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) (a) In our opinion and according to the information and explanations given to us, there is no unspent amount under sub-section (5) of Section 135 of the Act pursuant to any project. 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

Amit Kumar Bajaj
Partner

Place: Hyderabad
Date: 29 May 2023

Membership No.: 218685
ICAI UDIN:23218685BGXHIR5462

ANNEXURE B

to the Independent Auditor's Report on the standalone financial statements of Vijaya Diagnostic Centre 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 Vijaya Diagnostic Centre 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 internal control 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 to 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

Amit Kumar Bajaj

Partner

Place: Hyderabad
Date: 29 May 2023

Membership No.: 218685
ICAI UDIN:23218685BGXHIR5462

STANDALONE BALANCE SHEET

as at March 31, 2023

(All amounts in Indian Rupees in lakhs, except for share data or as otherwise stated)

Particulars	Notes	As at March 31, 2023	As at March 31, 2022
ASSETS			
I Non-current assets			
(a) Property, plant and equipment	4 (a)	28,157.05	18,410.71
(b) Capital work-in-progress	4 (b)	2,710.61	3,410.10
(c) Right-of-use assets	4 (c)	22,233.92	16,715.25
(d) Investment property	4 (d)	1,100.83	1,110.57
(e) Other intangible assets	5	219.23	135.03
(f) Intangible assets under development	5	63.06	6.84
(g) Financial assets			
(i) Investments	6 (a)	487.35	487.35
(ii) Loans	6 (c)	575.00	575.00
(iii) Other financial assets	6 (f)	844.48	740.86
(h) Deferred tax assets (net)	7	769.55	826.98
(i) Non-current tax assets (net)	21 (d)	3.73	3.73
(j) Other non-current assets	9	861.51	2,227.81
Total non-current assets		58,026.32	44,650.23
II Current assets			
(a) Inventories	8	192.64	409.99
(b) Financial assets			
(i) Investments	6 (a)	13,899.32	5,423.55
(ii) Trade receivables	6 (b)	885.13	948.67
(iii) Loans	6 (c)	-	104.97
(iv) Cash and cash equivalents	6 (d)	2,328.97	1,039.02
(v) Bank balances other than (iv) above	6 (e)	8,813.59	17,566.48
(vi) Other financial assets	6 (f)	359.66	535.12
(c) Other current assets	9	500.65	405.14
Total current assets		26,979.96	26,432.94
TOTAL ASSETS (I + II)		85,006.28	71,083.17
EQUITY AND LIABILITIES			
I Equity			
(a) Equity share capital	10 (a)	1,020.71	1,019.66
(b) Other equity	10 (b)	53,488.09	45,978.38
Total equity		54,508.80	46,998.04
Liabilities			
II Non-current liabilities			
(a) Financial liabilities			
(i) Lease liabilities	4 (c)	23,303.01	17,025.97
(b) Provisions	12	684.35	712.04
(c) Other non-current liabilities	13	46.07	11.65
Total non-current liabilities		24,033.43	17,749.66
III Current liabilities			
(a) Financial liabilities			
(i) Lease liabilities	4 (c)	1,452.89	1,256.83
(ii) Trade payables	11 (a)		
- Total outstanding dues of micro enterprises and small enterprises; and		51.26	15.59
- Total outstanding dues of creditors other than micro enterprises and small enterprises		2,667.98	2,023.67
(iii) Other financial liabilities	11 (b)	1,369.72	2,451.38
(b) Provisions	12	335.59	154.65
(c) Current tax liabilities (net)	21 (d)	235.21	89.66
(d) Other current liabilities	13	351.50	343.69
Total current liabilities		6,464.05	6,335.47
Total liabilities (II + III)		30,497.48	24,085.13
TOTAL EQUITY AND LIABILITIES (I + II + III)		85,006.28	71,083.17
Corporate information	1		
Basis of preparation and measurement and Significant accounting policies	2 & 3		

The notes referred to above form 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

Amit Kumar Bajaj

Partner

Membership Number: 218685

Place: Hyderabad

Date: May 29, 2023

For and on behalf of the Board of Directors of

Vijaya Diagnostic Centre Limited

CIN:L85195TG2002PLC039075

Dr. S. Surendranath Reddy

Executive Chairman

DIN Number: 00108599

Place: Hyderabad

Date: May 29, 2023

S. Suprita Reddy

Chief Executive Officer

Narasimha Raju K.A.

Chief Financial Officer

K. Sunil Chandra

Executive Director

DIN Number: 01409332

Hansraj Singh Rajput

Company Secretary

Membership No:F11438

STANDALONE STATEMENT OF PROFIT AND LOSS

for the year ended March 31, 2023

(All amounts in Indian Rupees in lakhs, except for share data or as otherwise stated)

Particulars	Notes	For the year ended March 31, 2023	For the year ended March 31, 2022
I Income			
(a) Revenue from operations	14	44,957.93	45,087.93
(b) Other income	15	1,457.33	1,291.71
Total income		46,415.26	46,379.64
II Expenses			
(a) Cost of materials consumed	16	5,758.71	6,895.21
(b) Employee benefits expense	17	7,649.90	6,867.66
(c) Finance costs	19	2,087.61	1,625.56
(d) Depreciation and amortisation expense	18	6,139.43	5,213.65
(e) Other expenses	20	13,652.31	11,339.48
Total expenses		35,287.96	31,941.56
III Profit before tax (I - II)		11,127.30	14,438.08
IV Tax expense	21		
(a) Current tax		2,753.00	3,880.61
(b) Deferred tax		50.91	(253.00)
Tax expense		2,803.91	3,627.61
V Profit for the year (III - IV)		8,323.39	10,810.47
VI Other comprehensive income			
Items that will not be reclassified to profit or loss			
(a) Remeasurement gain on defined benefit liability / asset		25.91	25.53
(b) Income tax relating to items that will not be reclassified to profit or loss	21	(6.52)	(6.43)
Other comprehensive income for the year, net of tax		19.39	19.10
VII Total comprehensive income for the year (V + VI)		8,342.78	10,829.57
VIII Earnings per equity share (face value of Re. 1 each, fully paid)	23		
- Basic (in Rs.)		8.16	10.60
- Diluted (in Rs.)		8.12	10.54
Corporate information	1		
Basis of preparation and measurement and Significant accounting policies	2 & 3		

The notes referred to above form an integral part of the standalone financial statements

As per our report of even date attached

For and on behalf of the Board of Directors of

For B S R & Associates LLP

Chartered Accountants

ICAI Firm registration number: 116231W/ W-100024

Vijaya Diagnostic Centre Limited

CIN:L85195TG2002PLC039075

Amit Kumar Bajaj

Partner

Membership Number: 218685

Dr. S. Surendranath Reddy

Executive Chairman

DIN Number: 00108599

S. Suprita Reddy

Chief Executive Officer

K. Sunil Chandra

Executive Director

DIN Number: 01409332

Place: Hyderabad

Date: May 29, 2023

Place: Hyderabad

Date: May 29, 2023

Narasimha Raju K.A.

Chief Financial Officer

Hansraj Singh Rajput

Company Secretary

Membership No:F11438

STANDALONE STATEMENT OF CASH FLOWS

for the year ended March 31, 2023

(All amounts in Indian Rupees in lakhs, except for share data or as otherwise stated)

Particulars	For the year ended March 31, 2023	For the year ended March 31, 2022
(A) Cash flows from operating activities		
Profit before tax	11,127.30	14,438.08
Adjustments for:		
Depreciation and amortisation expense	6,139.43	5,213.65
Net gain on sale/retirement of property, plant and equipment	(8.60)	(40.42)
Interest income under the effective interest method	(859.70)	(990.24)
Rental income from investment property	(36.00)	(9.00)
Profit on sale of mutual fund investments (net)	(86.49)	(47.62)
Write off of loans given	9.34	-
Provision for doubtful receivables	20.00	-
Provision for doubtful advances	20.00	43.63
Equity-settled share-based payment transactions (ESOP)	71.67	113.56
Fair value gain on investments measured at FVTPL	(385.44)	(136.25)
Finance costs	1,940.03	1,470.56
Liabilities no longer required written back	(66.70)	(21.35)
Working capital adjustments:		
Decrease/(Increase) in trade receivables	63.54	(293.55)
Decrease/(Increase) in inventories	217.35	(160.20)
Decrease/(Increase) in other financial assets	261.93	(288.09)
(Increase) in other assets and deposits	(217.26)	(564.11)
Increase in trade payables	746.67	33.38
Increase in provisions and other liabilities	96.28	181.81
(Decrease)/Increase in other financial liabilities	(182.33)	515.56
Cash generated from operating activities	18,871.02	19,459.40
Income tax paid, net	(2,607.45)	(3,917.26)
Net cash flow generated from operating activities	16,263.57	15,542.14
(B) Cash flows from investing activities		
Acquisition of property, plant and equipment, capital work-in-progress (CWIP), other intangible assets and intangible assets under development (including capital advances and capital creditors)	(12,445.58)	(12,209.93)
Proceeds from sale of property, plant and equipment	25.71	141.39
Investment in liquid mutual funds/bonds, net	(8,003.84)	(2,476.94)
Deposits redeemed having original maturity of more than 3 months, net	8,752.89	1,243.94
(Investment)/redemption of margin money deposits, net	-	(2.01)
Loans given to subsidiaries	-	(725.00)
Loans repaid by subsidiaries	95.63	150.00
Rental income from investment property	36.00	9.00
Interest received	691.48	1,206.78
Net cash used in investing activities	(10,847.71)	(12,662.77)
(C) Cash flows from financing activities		
Payment of lease liabilities	(3,221.17)	(2,471.67)
Proceeds from issue of equity shares under ESOP	115.90	-
Dividend paid	(1,020.64)	-
Net cash used in financing activities	(4,125.91)	(2,471.67)
Net increase in cash and cash equivalents (A + B + C)	1,289.95	407.70
Cash and cash equivalents at the beginning of the year	1,039.02	631.32
Cash and cash equivalents at the end of the year	2,328.97	1,039.02

Note:

- (a) The above Statement of Cash Flows has been prepared under the "Indirect Method" as set out in the Indian Accounting Standard (Ind AS-7) - Statement of Cash Flows.

STANDALONE STATEMENT OF CASH FLOWS

for the year ended March 31, 2023

(All amounts in Indian Rupees in lakhs, except for share data or as otherwise stated)

(b) Cash and cash equivalents as per above comprise of the following:

Particulars	For the year ended March 31, 2023	For the year ended March 31, 2022
Cash on hand	54.50	53.58
Balances with banks		
- in current accounts	1,072.50	985.44
- unpaid dividend accounts	0.47	-
- in deposit accounts with original maturity period of 3 months or less	1,201.50	-
Total cash and cash equivalents (refer note 6(d))	2,328.97	1,039.02

(c) Reconciliation of movements of liabilities to cash flows arising from financing activities:

Particulars	For the year ended March 31, 2023	For the year ended March 31, 2022
Movement in financial liabilities:		
Opening balance		
Lease liabilities	18,282.80	13,657.46
Movement		
Interest and principal payment of lease liabilities	(3,221.17)	(2,471.67)
Interest expense	1,889.66	1,423.76
Other non-cash movements		
- Additions / Disposals to lease liabilities (net)	7,804.61	5,673.25
Closing balance		
Lease liabilities	24,755.90	18,282.80

The notes referred to above form an integral part of the standalone financial statements

As per our report of even date attached

For and on behalf of the Board of Directors of

For B S R & Associates LLP

Chartered Accountants

ICAI Firm registration number: 116231W/ W-100024

Vijaya Diagnostic Centre Limited

CIN:L85195TG2002PLC039075

Amit Kumar Bajaj

Partner

Membership Number: 218685

Dr. S. Surendranath Reddy

Executive Chairman

DIN Number: 00108599

S. Suprita Reddy

Chief Executive Officer

K. Sunil Chandra

Executive Director

DIN Number: 01409332

Place: Hyderabad

Date: May 29, 2023

Place: Hyderabad

Date: May 29, 2023

Narasimha Raju K.A.

Chief Financial Officer

Hansraj Singh Rajput

Company Secretary

Membership No:F11438

STANDALONE STATEMENT OF CHANGES IN EQUITY

for the year ended March 31, 2023

(All amounts in Indian Rupees in lakhs, except for share data or as otherwise stated)

Particulars	Equity share capital	Reserves and surplus				Total
		General reserve	Share based payment reserve	Securities premium	Retained earnings	
As at April 01, 2021	453.19	493.20	82.73	5,156.75	29,869.04	36,054.91
Total comprehensive income for the year ended March 31, 2022						
Profit for the year	-	-	-	-	10,810.47	10,810.47
Other comprehensive income for the year	-	-	-	-	19.10	19.10
Total comprehensive income	-	-	-	-	10,829.57	10,829.57
On account of Share based payments (refer note 29)	-	-	113.56	-	-	113.56
Bonus issue (refer note 10 (a))	566.47	-	-	(566.47)	-	-
As at March 31, 2022	1,019.66	493.20	196.29	4,590.28	40,698.61	46,998.04
Total comprehensive income for the year ended March 31, 2023						
Profit for the year	-	-	-	-	8,323.39	8,323.39
Other comprehensive income for the year	-	-	-	-	19.39	19.39
Total comprehensive income	-	-	-	-	8,342.78	8,342.78
On account of Share based payments (refer note 29)	-	-	71.67	-	-	71.67
Transfer on account of employee share options lapsed/forfeited	-	45.00	(45.00)	-	-	-
Transfer on account of employee share options exercised	-	30.52	(30.52)	-	-	-
Proceeds from issue of shares under ESOP plan	1.05	-	-	115.90	-	116.95
Payment of dividend (refer note 10 (b))	-	-	-	-	(1,020.64)	(1,020.64)
As at March 31, 2023	1,020.71	568.72	192.44	4,706.18	48,020.75	54,508.80

As per our report of even date attached

For B S R & Associates LLP
Chartered Accountants

ICAI Firm registration number: 116231W/ W-100024

Amit Kumar Bajaj
Partner

Membership Number: 218685

Place: Hyderabad

Date: May 29, 2023

For and on behalf of the Board of Directors of

Vijaya Diagnostic Centre Limited

CIN:L85195TG2002PLC039075

Dr. S. Surendranath Reddy
Executive Chairman

DIN Number: 00108599

Place: Hyderabad

Date: May 29, 2023

S. Suprita Reddy
Chief Executive Officer

DIN Number: 01409332

Narasimha Raju K.A.
Chief Financial Officer

Membership No:F11438

K. Sunil Chandra
Executive Director

DIN Number: 01409332

Hansraj Singh Rajput
Company Secretary

Membership No:F11438

NOTES TO THE STANDALONE FINANCIAL STATEMENTS

for the year ended March 31, 2023

(All amounts in Indian Rupees in lakhs, except for share data or as otherwise stated)

1. Corporate information

Vijaya Diagnostic Centre Limited ('the Company') is engaged in the business of providing comprehensive range of diagnostic services, spanning pathological investigations, basic and high end radiology, nuclear medicine and related healthcare services.

The Company is domiciled and incorporated in India on June 05, 2002 and has its registered and corporate office at #6-3-883/F, Ground Floor, Family Planning Association of India, Panjagutta, Hyderabad - 500 082, India.

The Company got listed on Bombay Stock Exchange (BSE) and National Stock Exchange (NSE) on september 14, 2021 through Offer for sale of the Equity shares by certain shareholders of the Company.

2. Basis of preparation and measurement

(i) Statement of compliance

The standalone financial statements have been prepared in accordance with the Indian Accounting Standards (referred to as 'Ind AS') as per Companies (Indian Accounting Standards) Rules, 2015 notified under section 133 of the Companies Act, 2013.

The standalone financial statements were approved by the Board of Directors and authorised for issue on May 29, 2023.

(ii) Change in accounting estimates

The Company has changed depreciation on Property, Plant and Equipment based on Written Down Value ("WDV") method from 01 April 2022 to 31 December 2022. With effect from 01 January 2023, the Company has changed its method of depreciation from WDV to Straight Line Method ("SLM") based on the technical assessment of the expected pattern of consumption of future economic benefits embodied in the assets as per Ind AS 16.

As per Ind AS 8, the effect of change in accounting estimate has to be given prospectively in the financial statements, accordingly, the Company has changed the method of depreciation w.e.f 01 January 2023. Due to this change in accounting estimate, the depreciation expense is lower and the profit before tax is higher by Rs.899.08 lakhs for the year ended 31 March 2023. Refer note 4(a)(i) for change in accounting estimate.

(iii) Functional and presentation currency

These standalone financial statements are presented in Indian Rupees (Rs.), which is also the Company's

functional currency. All amounts have been rounded to the nearest lakhs, unless otherwise indicated.

(iv) Basis of measurement

These standalone financial statements have been prepared under the historical cost basis except for the following items, which are measured on an alternative basis on each reporting date.

Item Basis	Measurement
Certain financial assets and liabilities	Fair Value or Amortised Cost
Equity securities at FVOCI	Fair Value
Net defined benefit (asset)/ liability	Fair value of plan assets less present value of defined benefit obligations (refer note 28)
Equity settled share based payments	Fair Value

(v) Use of estimates and judgements

In preparing these standalone financial statements, management has made judgements and estimates that affect the application of accounting policies and the reported amounts of assets, liabilities, income and expenses. Actual results may differ from these estimates.

Estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to estimates are recognised prospectively.

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 3(i), 20 - lease term; whether the Company is reasonably certain to exercise extended options

Assumptions and estimation uncertainties

Information about assumptions and estimation uncertainties at the reporting date that have a significant risk of resulting in a material adjustment to the carrying amounts of assets and liabilities within the next financial year are included in the following notes:

- Note 28 - measurement of defined benefit obligations: key actuarial assumptions;
- Notes 12 - recognition and measurement of provisions and contingencies: key assumptions

NOTES TO THE STANDALONE FINANCIAL STATEMENTS

for the year ended March 31, 2023

(All amounts in Indian Rupees in lakhs, except for share data or as otherwise stated)

about the likelihood and magnitude of an outflow of resources;

- Note 6 (b) – impairment of financial assets;
- Note 4 and Note 5 - determining an asset's expected useful life and the expected residual value at the end of its life
- Note 29 - Employee share based payments, equity settled

(vi) Measurement of fair values

A number of the accounting policies and disclosures require the measurement of fair values, for both financial and non-financial assets and liabilities.

The Company has an established control framework with respect to the measurement of fair values.

Fair value is the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date. The fair value measurement is based on the presumption that the transaction to sell the asset or transfer the liability takes place either:

- In the principal market for the asset or liability or
- In the absence of a principal market, in the most advantageous market for the asset or liability

The principal or the most advantageous market must be accessible by the Company. The fair value of an asset or a liability is measured using the assumptions that market participants would use when pricing the asset or liability, assuming that market participants act in their economic best interest.

The Company uses valuation techniques that are appropriate in the circumstances and for which sufficient data is available to measure fair value, maximising the use of relevant observable inputs and minimising the use of unobservable inputs.

Significant valuation issues are reported to the Company's audit committee.

Fair values are categorised into different levels in a fair value hierarchy based on the inputs used in the valuation techniques as follows.

Level 1: quoted prices (unadjusted) in active markets for identical assets or liabilities.

Level 2: inputs other than quoted prices included in Level 1 that are observable for the asset or liability,

either directly (i.e. as prices) or indirectly (i.e. derived from prices).

Level 3: inputs for the asset or liability that are not based on observable market data (unobservable inputs).

When measuring the fair value of an asset or a liability, the Company uses observable market data as far as possible. If the inputs used to measure the fair value of an asset or a liability fall into different levels of the fair value hierarchy, then the fair value measurement is categorised in its entirety in the same level of the fair value hierarchy as the lowest level input that is significant to the entire measurement.

The Company recognises transfers between levels of the fair value hierarchy at the end of the reporting period during which the change has occurred.

Further information about the assumptions made in the measuring fair values is included in the following notes:

- Note 4: Investment Property.
- Note 29: Share based payments.
- Note 33: Financial Instruments.

(vii) Current and non-current classification:

The Company classifies an asset as current when:

- it expects to realise the asset, or intends to sell or consume it, in its normal operating cycle;
- it expects to realise the asset within twelve months after the reporting period;
- it holds the asset primarily for the purpose of trading; or
- the asset is cash or cash equivalent unless the asset is 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 classified as a current when-

- it is expected to be settled in the Company's normal operating cycle;
- the liability is due to be settled within twelve months from the reporting period;
- it is held primarily for the purposes of being trading;

NOTES TO THE STANDALONE FINANCIAL STATEMENTS

for the year ended March 31, 2023

(All amounts in Indian Rupees in lakhs, except for share data or as otherwise stated)

- it does not hold an unconditional right to defer settlement of the liability for at least twelve months after the reporting period. Terms of a liability that could, at the option of the counterparty, result in its settlement by the issue of equity instruments do not affect its classification.

All other liabilities are classified as non-current.

The operating cycle is the time between the acquisition of assets for processing and realisation in cash or cash equivalents. The Company's normal operating cycle is twelve months.

3. Significant accounting policies

A. Revenue from contracts with customers

Revenue is measured based on the consideration specified in a contract with a customer. The Company recognises revenue when it transfers control over a good or service to a customer.

i) Diagnostic services

Revenue from diagnostic 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, however for institutional / organizational customers billing is done fortnightly / monthly based on the agreement, which is consistent with market practice.

The Company recognises revenue when the amount of revenue can be reliably measured, it is probable that future economic benefits will flow to the entity and when the underlying tests are conducted, samples are processed for requisitioned diagnostic tests. Each 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. 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 transfer services to the customer, a contract liability is recognised when the payment is made. Contract liabilities are recognised as revenue when the Company performs under the contract.

ii) Sale of Privilege cards

The Company operates a discount scheme where certain 'Privilege cards' are sold to the customers against which specified discounts are given on the future diagnostic services availed by the customer for a specified period. The Company recognises revenue from the sale of such cards over the period for which the card is valid. The difference in sale consideration received and revenue recognised is recognised as deferred revenue.

B. Recognition of dividend income, interest income or expense and rental income

Dividend income

Dividend are recognised in statement of profit and loss on the date on which the Company's right to receive payment is established.

Interest income or expense

Interest income or expense is recognized using the effective interest method.

The 'effective interest rate' is the rate that exactly discounts estimated future cash payments or receipts through the expected life of the financial instrument to:

- the gross carrying amount of the financial asset; or
- the amortised cost of the financial liability.

In calculating interest income and expense, the effective interest rate is applied to the gross carrying amount of the asset (when the asset is not credit-impaired) or to the amortised cost of the liability. However, for financial assets that have become credit-impaired subsequent to initial recognition, interest income is calculated by applying the effective interest rate to the amortised cost of the financial asset. If the asset is no longer credit-impaired, then the calculation of interest income reverts to the gross basis.

Rental income:

Rental income from investment property is recognised as part of Other income in statement profit and loss on the date on which the Company's right to receive payment is established.

NOTES TO THE STANDALONE FINANCIAL STATEMENTS

for the year ended March 31, 2023

(All amounts in Indian Rupees in lakhs, except for share data or as otherwise stated)

C. Financial instruments

A financial instrument is any contract that gives rise to a financial asset of one entity and financial liability or equity instrument of another entity.

i) Initial recognition and measurement

Trade receivables issued are initially recognised when they are originated. All other financial assets or financial liabilities are initially recognised when the Company becomes a party to the contractual provision of the instrument.

A financial asset (unless it is a trade receivable without a significant financing component) or financial liability is initially measured at fair value plus or minus, for an item not at fair value through profit and loss (FVTPL), transaction costs that are directly attributable to its acquisition or issue.

A trade receivable without a significant financing component is initially measured at the transaction price

ii) Classification and subsequent measurement

Financial assets

All financial assets are initially measured at fair value plus, for an item not at fair value through profit and loss (FVTPL), transaction costs that are directly attributable to its acquisition or issue.

On initial recognition, a financial asset is classified as measured at:

- Amortised cost;
- Fair Value through Other Comprehensive Income (FVOCI) – equity investment; or
- Fair Value through Profit or Loss (FVTPL)

Financial assets are not reclassified subsequent to their initial recognition, except if and in the period the Company changes its business model for managing financial assets, in which case all affected financial assets are reclassified on the first day of the first reporting period following the change in the business model.

A financial asset is measured at amortised cost if it meets both of the following conditions and is not designated as at FVTPL:

- It is held within a business model whose objective is to hold assets to collect contractual cash flows; and

- Its contractual terms of the financial asset give rise on specified dates to cash flows that are solely payments of principal and interest on the principal amount outstanding.

On initial recognition of an equity investment that is not held for trading, the Company may irrevocably elect to present subsequent changes in the investment's fair value in OCI (designated as FVOCI – equity investment). This election is made on an investment-by-investment basis.

All financial assets not classified as measured at amortised cost or FVOCI as described above are measured at FVTPL. On initial recognition, the Company may irrevocably designate a financial asset that otherwise meets the requirements to be measured at amortised cost or at FVOCI as at FVTPL if doing so eliminates or significantly reduces an accounting mismatch that would otherwise arise.

Subsequent measurement

Financial assets at FVTPL: These assets are subsequently measured at fair value. Net gains and losses, including any interest or dividend income, are recognised in profit or loss.

Financial assets at amortised cost: These assets are subsequently measured at amortised cost using the effective interest method. The amortised cost is reduced by impairment losses. Interest income, foreign exchange gains and losses and impairment are recognised in profit or loss. Any gain or loss on derecognition is recognised in profit or loss.

Equity investments at FVOCI: These assets are subsequently measured at fair value. Dividends are recognised as income in profit or loss unless the dividend clearly represents a recovery of part of the cost of the investment. Other net gains and losses are recognised in OCI and are not reclassified to profit or loss.

Financial liabilities:

Financial liabilities are classified as measured at amortised cost or FVTPL. A financial liability is classified as at FVTPL if it is classified as held-for-trading, or it is a derivative or it is designated as such on initial recognition. Financial liabilities at FVTPL are measured at fair value and net gains and losses, including any interest expense, are recognised in statement of profit or

NOTES TO THE STANDALONE FINANCIAL STATEMENTS

for the year ended March 31, 2023

(All amounts in Indian Rupees in lakhs, except for share data or as otherwise stated)

loss. Other financial liabilities are subsequently measured at amortised cost using the effective interest method. Interest expense and foreign exchange gains and losses are recognised in statement of profit or loss.

iii) Derecognition

Financial assets

The Company derecognises a financial asset when:

- the contractual rights to the cash flows from the financial asset expire; or
- it transfers the rights to receive the contractual cash flows in a transaction in which either:
 - substantially all of the risks and rewards of ownership of the financial asset are transferred; or
 - the Company neither transfers nor retains substantially all of the risks and rewards of ownership and it does not retain control of the financial asset.

If the Company enters into transactions whereby it transfers assets recognised on its balance sheet, but retains either all or substantially all of the risks and rewards of the transferred assets, the transferred assets are not derecognised.

Financial liabilities

The Company derecognises a financial liability when its contractual obligations are discharged or cancelled, or expired.

The Company also derecognises a financial liability when its terms are modified and the cash flows under the modified terms are substantially different. In this case, a new financial liability based on the modified terms is recognised at fair value. On derecognition of a financial liability, the difference between the carrying amount extinguished and the consideration paid (including any non-cash assets transferred or liabilities assumed) is recognised in profit or loss.

iv) Offsetting

Financial assets and financial liabilities are offset and the net amount presented in the balance sheet when, and only when, the Company currently has a legally enforceable right to set off the amounts and it intends either to settle them

on a net basis or to realise the asset and settle the liability simultaneously.

D. Property, plant and equipment

i) Recognition and measurement

The cost of an item of property, plant and equipment shall be recognised as an asset if, and only if it is probable that future economic benefit associated with the item will flow to the Company and the cost of the item can be measured reliably. Items of property, plant and equipment (including capital-work-in progress) are measured at cost, which includes capitalised borrowing costs, less accumulated depreciation and any accumulated impairment losses. Freehold land is carried at historical cost less any accumulated impairment losses.

Cost of an item of property, plant and equipment comprises its purchase price, including non-refundable purchase taxes, after deducting trade discounts and rebates, any directly attributable cost of bringing the items to its working conditions for its intended use and estimated costs of dismantling and removing the item and restoring the site on which it is located.

The cost of a self-constructed item of property, plant and equipment comprises the cost of materials and direct labour, any other costs directly attributable to bringing the item to working condition for its intended use, and estimated costs of dismantling and removing the item and restoring the site on which it is located.

Any gain or loss on disposal of an item of property, plant and equipment is recognised in profit or loss.

An item of property, plant and equipment is derecognised upon disposal or when no future economic benefits are expected to arise from the continued use of asset

Subsequent expenditure is capitalized 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.

ii) Depreciation

Depreciation is recognised so as to write off the cost of assets (other than freehold land) less their residual values over their useful lives. The Company has charged depreciation on property, plant & equipment (PPE) based on Written Down

NOTES TO THE STANDALONE FINANCIAL STATEMENTS

for the year ended March 31, 2023

(All amounts in Indian Rupees in lakhs, except for share data or as otherwise stated)

Value ("WDV") method upto 31 December 2022. With effect from 01 January 2023, the Company has changed its method of depreciation from WDV to Straight Line Method ("SLM") based upon the technical assessment of expected pattern of consumption of the future economic benefits embodied in the assets.

Depreciation is charged over the useful lives of the assets as estimated by the management based on technical evaluation, which coincide with the useful live prescribed in Schedule II to the Act. Depreciation on additions and deletions are restricted to the period of use.

The estimated useful lives of items of property, plant and equipment are as follows:

Asset category	Management estimate of useful life	Useful life as per Schedule II
Buildings	60 years	60 years
Plant and equipment:		
- Medical and diagnostic equipments	13 years	13 years
- Other equipments	15 years	15 years
Electrical equipments	10 years	10 years
Furniture and fixtures	10 years	10 years
Office equipments	5 years	5 years
Computers		
- Servers and networks	6 years	6 years
- End user devices such as laptops, etc.	3 years	3 years
Vehicles	8 years	8 years

In case of Building on leasehold land, the depreciation is charged based on useful life of the building or the lease period whichever is lower. In the case of lease hold building improvements, the depreciation is charged based on useful life of the improvements which is 10 years or lease period including expected renewal period which ever is lower.

Residual value is considered to be 5% on all the assets, as technically estimated by the management.

Assets costing below Rs. 5,000 are depreciated using depreciation rate at 100%.

Depreciation methods, useful lives and residual values are reviewed at each reporting date and adjusted if appropriate.

iii) Investment property

Recognition and measurement

Investment property is property held either to earn rental income or for capital appreciation or for both, but not for sale in the ordinary course of business, use in the production or supply of goods or services or for administrative purposes. Upon initial recognition, an investment property is measured at cost, including related transaction costs. Subsequent to initial recognition, investment property is measured at cost

less accumulated depreciation and accumulated impairment losses, if any.

Investment property is derecognised either when it has been disposed of or when it is permanently withdrawn from use and no future economic benefit is expected from its disposal. Any gain or loss on disposal of investment property (calculated as the difference between the net proceeds from disposal and the carrying amount of the item) is recognised of profit or loss.

Subsequent expenditure

Subsequent expenditure is capitalized 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 reliable.

Depreciation

Depreciation on investment property, other than perpetual leasehold land, is calculated on Straight Line Method (SLM) method based on useful life estimated by the Management, which is equal to life prescribed in Schedule II of the Act.

Fair value disclosure

The fair values of investment property is disclosed in the notes. Fair values is determined by an

NOTES TO THE STANDALONE FINANCIAL STATEMENTS

for the year ended March 31, 2023

(All amounts in Indian Rupees in lakhs, except for share data or as otherwise stated)

independent valuer who holds a recognised and relevant professional qualification and has recent experience in the location and category of the investment property being valued.

E. Intangible assets

i) Recognition and measurement

Intangible assets that are acquired, are recognized at cost initially and carried at cost less accumulated amortization and accumulated impairment loss, if any. Subsequent expenditure is capitalised only when it increases the future economic benefits embodied in the specific asset to which it relates.

ii) Amortisation

Amortisation is calculated to write off the cost of intangible assets less their estimated residual values over their estimated useful lives using the Straight Line Method (SLM) and is included in depreciation and amortisation expense in statement of profit and loss.

The estimated useful lives are as follows:

- Software - 5 years

Amortisation method, useful lives and residual values are reviewed at each reporting date and adjusted if appropriate.

F. Inventories

Inventories comprise of diagnostic kits, reagents, laboratory chemicals and consumables, these are measured at lower of cost and net realisable value. The cost of inventories is based on the first-in, first-out formula and includes expenditure incurred in acquiring the inventories and other costs incurred in bringing them to their present location and condition.

Net realisable value is the estimated selling price in the ordinary course of business, less estimated costs of completion and the estimated costs necessary to make the sale.

The comparison of cost and net realisable value is made on an item-by-item basis.

G. Impairment of assets

i) Impairment of financial instruments

The Company recognises loss allowances for expected credit losses on financial assets

measured at amortised cost. At each reporting date, the Company assesses whether financial assets carried at amortised cost are credit-impaired. A financial asset is 'credit-impaired' when one or more events that have a detrimental impact on the estimated future cash flows of the financial asset have occurred.

Evidence that a financial asset is credit-impaired includes the following observable data:

- significant financial difficulty of the debtor;
- a breach of contract such as a default or being more than 90 days past due;
- it is probable that the debtor will enter bankruptcy or other financial reorganisation; or
- the disappearance of an active market for a security because of financial difficulties.

The Company measures loss allowances at an amount equal to lifetime expected credit losses.

Loss allowances for trade receivables are always measured at an amount equal to lifetime expected credit losses.

Lifetime expected credit losses are the expected credit losses that result from all possible default events over the expected life of a financial instrument.

12 months expected credit losses are the portion of expected credit losses that result from default events that are possible within 12 months after the reporting date (or a shorter period if the expected life of the instrument is less than 12 months).

In all cases, the maximum period considered when estimating expected credit losses is the maximum contractual period over which the Company is exposed to credit risk.

When determining whether the credit risk of a financial asset has increased significantly since initial recognition and when estimating expected credit losses, the Company considers reasonable and supportable information that is relevant and available without undue cost or effort. This includes both quantitative and qualitative information and analysis, based on the Company's historical experience and informed credit assessment and including forward-looking information.

NOTES TO THE STANDALONE FINANCIAL STATEMENTS

for the year ended March 31, 2023

(All amounts in Indian Rupees in lakhs, except for share data or as otherwise stated)

Measurement of expected credit losses

Expected credit losses are a probability-weighted estimate of credit losses. Credit losses are measured as the present value of all cash shortfalls (i.e. the difference between the cash flows due to the Company in accordance with the contract and the cash flows that the Company expects to receive).

Expected credit losses are discounted at the effective interest rate of the financial statement.

Presentation of allowance for expected credit losses in the balance sheet

Loss allowances for financial assets measured at amortised cost are deducted from the gross carrying amount of the assets.

Write-off

The gross carrying amount of a financial asset is written off when the Company has no reasonable expectations of recovering asset in its entirety or a portion thereof. This is generally the case when the Company determines that the debtor does not have assets or sources of income that could generate sufficient cash flows to repay the amounts subject to the write-off. However, financial assets that are written off could still be subject to enforcement activities in order to comply with the Company's procedures for recovery of amounts due.

ii) Impairment of non-financial assets

At each reporting date, the Company reviews the carrying amount of non-financial assets, other than inventories and deferred tax assets, to determine whether there is any indication of impairment. If any such indication exists, then the asset's recoverable amount is estimated.

For impairment testing, assets that do not generate independent cash inflows are grouped together into cash-generating units (CGUs). Each CGU represents the smallest group of assets that generates cash inflows that are largely independent of the cash inflows of other assets or CGUs.

The recoverable amount of a CGU (or an individual asset) is the higher of its value in use and its fair value less costs to sell. Value in use is based on the estimated future cash flows, 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 CGU (or the asset).

An impairment loss is recognised if the carrying amount of an asset or CGU exceeds its estimated recoverable amount. Impairment losses are recognised in the statement of profit and loss.

In respect of assets for which impairment loss has been recognised in prior periods, the Company reviews at each reporting date whether there is any indication that the loss has decreased or no longer exists. An impairment loss is reversed if there has been a change in the estimates used to determine the recoverable amount. Such a reversal is made only to the extent that the asset's carrying amount does not exceed the carrying amount that would have been determined, net of depreciation or amortisation, if no impairment loss has been recognised.

H. Employee benefits

(i) Short-term employee benefits

Short term employee benefits are measured on an undiscounted basis and expensed as the related service is provided. A liability is recognised for the amount expected to be paid under short-term cash bonus, if the Company has a present legal or constructive obligation to pay this amount as a result of past service provided by the employee and the obligation can be estimated reliably.

(ii) Defined contribution plans

A defined contribution plan is a post-employment benefit plan where the Company's legal or constructive obligation is limited to the amount that it contributes to a separate legal entity.

The Company makes specified monthly contributions towards Government administered provident fund scheme and Employees' State Insurance ('ESI') scheme.

Obligations for contributions to defined contribution plans are expensed as an employee benefits expense in statement of profit and loss in the period in which the related services are rendered by employees.

(iii) Defined benefit plans

A defined benefit plan is a post-employment benefit plan other than a defined contribution plan. The Company's net obligation in respect of defined benefit plans is calculated separately

NOTES TO THE STANDALONE FINANCIAL STATEMENTS

for the year ended March 31, 2023

(All amounts in Indian Rupees in lakhs, except for share data or as otherwise stated)

for each plan by estimating the amount of future benefits that employees have earned in the current and prior periods, discounting that amount and deducting the fair value of any plan assets. The defined benefit obligation is calculated annually by a qualified actuary using the projected unit credit method.

Remeasurements of the net defined benefit liability, which comprise actuarial gains and losses, the return on plan assets (excluding interest) and the effect of the asset ceiling (if any, excluding interest), are recognised immediately in OCI. They are included in retained earnings in the statement of changes in equity and in the balance sheet. The Company determines the net interest expense (income) on the net defined benefit liability (asset) for the period by applying the discount rate determined by reference to market yields at the end of the reporting period on government bonds. This rate is applied on the net defined benefit liability (asset), both as determined at the start of the annual reporting period, taking into account any changes in the net defined benefit liability (asset) during the period as a result of contributions and benefit payments. Net interest expense and other expenses related to defined benefit plans are recognised in profit or loss.

Changes in the present value of the defined benefit obligation resulting from plan amendments or curtailments are recognised immediately in profit or loss as past service cost. The Company recognises gain and losses on settlement of a defined benefit plan when the settlement occurs.

(iv) Other long-term employee benefits - compensated absences

Accumulated absences expected to be carried forward beyond twelve months is treated as long-term employee benefit for measurement purposes. The Company's net obligation in respect of other long-term employee benefit of accumulating compensated absences is the amount of future benefit that employees have accumulated at the end of the year. That benefit is discounted to determine its present value. The obligation is measured annually by a qualified actuary using the projected unit credit method. Remeasurements are recognised in profit or loss in the period in which they arise.

The obligations are presented as current liabilities in the balance sheet if the Company does not have

an unconditional right to defer the settlement for at least twelve months after the reporting date.

(v) Share based payments

The grant date fair value of equity-settled share-based payment arrangements granted to employees is generally recognised as an employee benefits expense, with a corresponding increase in equity, over the vesting period of the options. The amount recognised as an expense is adjusted to reflect the number of options for which the related service and non-market performance conditions are expected to be met, such that the amount ultimately recognised is based on the number of options that meet the related service and non-market performance conditions at the vesting date. For share-based payment options with non-vesting conditions, the grant date fair value of the share-based payment is measured to reflect such conditions and there is no true-up for differences between expected and actual outcomes.

I. Leases

At inception of a contract, the Company assesses whether a contract is, or contains, a lease. 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. Lease contracts entered by the Company majorly pertains for buildings taken on lease to conduct its business in the ordinary course.

As a Lessor:

Leases for which the Company is a lessor are classified as a finance or operating lease. Whenever the terms of a lease transfer substantially all the risks and rewards of ownership to the lessee, the contract is classified as a finance lease. All other leases are classified as operating leases. Rental income from operating leases are recognised on straight line basis over the term of relevant lease as part of other income.

As a Lessee:

At commencement or on modification of a contract that contains a lease component, the Company allocates the consideration in the contract to each lease component on the basis of its relative stand-alone prices. The Company recognises a right-of-use asset and a lease liability at the lease commencement date. The right-of-use asset is initially measured at cost, which comprises the initial amount of the lease liability adjusted for any lease payments made at or before the commencement date, plus any initial direct costs incurred and an estimate of costs to dismantle

NOTES TO THE STANDALONE FINANCIAL STATEMENTS

for the year ended March 31, 2023

(All amounts in Indian Rupees in lakhs, except for share data or as otherwise stated)

and remove the underlying asset or to restore the underlying asset or the site on which it is located, less any lease incentives received.

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 if 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 a 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 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. 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 Company's incremental borrowing rate. Generally, the Company uses its incremental borrowing rate as the discount rate.

The Company determines its incremental borrowing rate by obtaining interest rates from various external financing sources and makes certain adjustments to reflect the terms of the lease and type of the asset leased.

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.
- the exercise price under a purchase option that the Company is reasonably certain to exercise, lease payments in an optional renewal period if

the Company is reasonably certain to exercise an extension option, and penalties for early termination of a lease unless the Company 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 Company's estimate of the amount expected to be payable under a residual value guarantee, if the Company changes its assessment of whether it will exercise a purchase, extension or termination option or if there is a revised in-substance fixed lease payment. 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.

Short-term leases and leases of low-value assets

The Company 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 Company recognises the lease payments associated with these leases as an expense in profit or loss on a straight-line basis over the lease term.

J. Income-tax

Income-tax expenses comprises current and deferred tax. It is recognised in profit or loss except to the extent that it relates to an item recognised directly in equity or in other comprehensive income.

(i) Current tax

Current tax comprises the expected tax payable or receivable on the taxable income or loss for the year and any adjustment to the tax payable or receivable in respect of previous years. The amount of current tax reflects the best estimate of the tax amount expected to be paid or received after considering the uncertainty, if any, related to income taxes. It is measured using tax rates (and tax laws) enacted or substantively enacted at the reporting date.

Tax assets and liabilities are offset only if there is a legally enforceable right to set off the recognised amounts, and it is intended to realise the asset and settle the liability on a net basis or simultaneously.

(ii) Deferred tax

Deferred tax is recognised in respect of temporary differences between the carrying amounts of assets

NOTES TO THE STANDALONE FINANCIAL STATEMENTS

for the year ended March 31, 2023

(All amounts in Indian Rupees in lakhs, except for share data or as otherwise stated)

and liabilities for financial reporting purposes and the corresponding amounts used for taxation purposes. Deferred tax is not recognised for:

- temporary differences arising on the initial recognition of assets or liabilities in a transaction that is not a business combination and that affects neither accounting nor taxable profit or loss at the time of the transaction; and
- temporary differences in relation to a right-of-use asset and a lease liability for a specific lease are regarded as a net package (the lease) for the purpose of recognising deferred tax

Deferred tax assets are recognised to the extent that it is probable that future taxable profits will be available against which they can be used. The existence of unused tax losses is strong evidence that future taxable profit may not be available. Therefore, in case of a history of recent losses, the Company recognises a deferred tax asset only to the extent that it has sufficient taxable temporary differences or there is convincing other evidence that sufficient taxable profit will be available against which such deferred tax asset can be realised. Deferred tax assets – unrecognised or recognised, are reviewed at each reporting date and are recognised/ reduced to the extent that it is probable/ no longer probable respectively that the related tax benefit will be realised.

Deferred tax is measured at the tax rates that are expected to apply to the period when the asset is realised or the liability is settled, based on the laws that have been enacted or substantively enacted by the reporting date.

The measurement of deferred tax reflects the tax consequences that would follow from the manner in which the Company expects, at the reporting date, to recover or settle the carrying amount of its assets and liabilities.

Deferred tax assets and liabilities are offset if there is a legally enforceable right to offset current tax liabilities and assets, and they relate to income taxes levied by the same tax authority on the same taxable entity, or on different tax entities, but they intend to settle current tax liabilities and assets on a net basis or their tax assets and liabilities will be realised simultaneously.

K. Provision, contingent liabilities and contingent assets

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. Expected future operating losses are not provided for.

Provisions are determined by discounting the expected future cash flows at a pre-tax rate that reflects current market assessments of the time value of money and the risks specific to the liability. The unwinding of the discount is recognised as finance cost.

The Company records a provision for decommissioning costs. Decommissioning costs are provided at the present value of expected costs to settle the obligation using estimated cash flows and are recognized as part of the cost of the particular asset. The cash flows are discounted at a current pre-tax rate that reflects the risks specific to the decommissioning liability. The unwinding of the discount is expensed as incurred and recognized in the statement of profit and loss as a finance cost. The estimated future costs of decommissioning are reviewed annually and adjusted as appropriate.

Contingencies:

Provision in respect of loss / contingencies relating to claims, litigations, assessments, fines and penalties are recognised when it is probable that a liability has been incurred and the amount can be estimated reliably.

Contingent liabilities and contingent assets:

Contingent liability is a possible obligation arising from past events and whose existence will be confirmed only by the occurrence or non-occurrence of one or more uncertain future events not wholly within the control of the entity or a present obligation that arises from past events but is not recognized because it is not probable that an outflow of resources embodying economic benefits will be required to settle the obligation or the amount of the obligation cannot be measured with sufficient reliability. The Company does not recognize a contingent liability but discloses its existence in the standalone financial statements.

Contingent asset is not recognised in standalone financial statements since this may result in the recognition of income that may never be realised. However, when the realisation of income is virtually certain, then the related asset is not a contingent asset and is recognized.

Provisions, contingent liabilities and contingent assets are reviewed at each Balance Sheet date

NOTES TO THE STANDALONE FINANCIAL STATEMENTS

for the year ended March 31, 2023

(All amounts in Indian Rupees in lakhs, except for share data or as otherwise stated)

L. Earnings per share

Basic Earnings per share

Basic Earnings Per Share ('EPS') is calculated by dividing the profit attributable to the equity shareholders of the Company by the weighted average number of equity shares outstanding during the year.

Diluted Earnings per share

Diluted earnings per share is computed by dividing the profit (considered in determination of basic earnings per share) after considering the effect associated with dilutive potential equity shares by the weighted average number of equity shares considered for deriving basic earnings per share adjusted for the weighted average number of equity shares that would have been issued upon conversion of all dilutive potential equity shares.

M. Cash flow statement

Cash flows are reported using the indirect method, whereby profit for the year is adjusted for the effects of transactions of a non-cash nature, any deferrals or accruals of past or future cash receipts or payments and item of income or expenses associated with investing or financing cash flows. The cash flows are segregated into operating, investing and financing activities. The Company considers all highly liquid investments that are readily convertible to known amounts of cash to be cash equivalents.

N. Cash and cash equivalents

Cash and cash equivalents in the balance sheet and cash flow statement consists of cash on hand, deposits held at call with financial institutions, other short-term, highly liquid investments with original maturities less than three months which are readily convertible to known amounts of cash and which are subject to insignificant risk of changes in value.

O. Investments in subsidiaries

Investments in subsidiaries carried at cost less any provision for impairment. Investments are reviewed for impairment if events or changes in circumstances indicate that the carrying amount may not be recoverable.

P. Dividend

The Company recognises a liability for any dividend declared but not distributed at the end of the reporting period, when the distribution is authorised and the distribution is no longer at the discretion of the Company on or before the end of the reporting period.

Q. 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 financial statements. Otherwise, events after the balance sheet date of material size or nature are only disclosed.

R. Recent pronouncements

Ministry of Corporate Affairs ("MCA") notifies new standard 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) Amendment Rules, 2022, applicable from April 01, 2023, as below:

Ind AS 1 – Presentation of Financial Statements

The amendments 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. The Company does not expect this amendment to have any significant impact in its financial statements.

Ind AS 12 – Income Taxes

The amendments 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.

Ind AS 8 – Accounting Policies, Changes in Accounting Estimates and Errors

The amendments 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. The Company does not expect this amendment to have any significant impact in its financial statements.

NOTES TO THE STANDALONE FINANCIAL STATEMENTS

for the year ended March 31, 2023

(All amounts in Indian Rupees in lakhs, except for share data or as otherwise stated)

4. (a) Property, plant and equipment

Particulars	Freehold land	Buildings	Buildings on leasehold land	Leasehold improvements	Plant and equipment - Medical	Plant and equipment - others	Electrical equipment	Furniture and fixtures	Office equipment	Computers	Vehicles	Total
A. Gross carrying value (at cost)												
As at April 01, 2021	205.42	617.85	1,255.40	2,638.91	16,431.81	1,534.58	1,066.32	1,462.09	232.10	549.26	354.74	26,348.48
Additions	3,542.77	-	-	710.56	2,613.38	360.76	394.43	409.49	89.66	149.07	69.85	8,339.97
Disposals	-	-	-	(12.33)	(180.90)	(4.79)	(2.57)	(0.44)	-	-	(150.47)	(351.50)
As at March 31, 2022	3,748.19	617.85	1,255.40	3,337.14	18,864.29	1,890.55	1,458.18	1,871.14	321.76	698.33	274.12	34,336.95
Additions	-	-	-	1,545.12	8,374.04	628.43	690.89	1,375.89	138.83	366.22	390.37	13,509.79
Disposals	-	-	-	(99.57)	(65.96)	(12.17)	(42.67)	(17.82)	-	-	(70.52)	(308.71)
As at March 31, 2023	3,748.19	617.85	1,255.40	4,782.69	27,172.37	2,506.81	2,106.40	3,229.21	460.59	1,064.55	593.97	47,538.03
B. Accumulated depreciation												
As at April 01, 2021	-	112.59	508.75	1,461.75	7,990.15	703.32	598.75	768.54	176.22	406.93	224.65	12,951.65
Depreciation charge for the year	-	24.61	77.00	377.84	1,978.86	177.70	159.64	222.04	59.48	111.67	36.28	3,225.12
Disposals	-	-	-	(11.18)	(135.65)	(2.71)	(2.32)	(0.19)	-	-	(98.48)	(250.53)
As at March 31, 2022	-	137.20	585.75	1,828.41	9,833.36	878.31	756.07	990.39	235.70	518.60	162.45	15,926.24
Depreciation charge for the year (refer note 4(a)(i))	-	19.63	58.56	495.03	2,136.49	194.16	228.80	337.33	88.54	153.65	28.44	3,740.63
Disposals	-	-	-	(99.58)	(54.81)	(8.88)	(42.66)	(17.83)	-	-	(62.13)	(285.89)
As at March 31, 2023	-	156.83	644.31	2,223.86	11,915.04	1,063.59	942.21	1,309.89	324.24	672.25	128.76	19,380.98
C. Net carrying value (A-B)												
As at March 31, 2023	3,748.19	461.02	611.09	2,558.83	15,257.33	1,443.22	1,164.19	1,919.32	136.35	392.30	465.21	28,157.05
As at March 31, 2022	3,748.19	480.66	669.65	1,508.73	9,030.93	1,012.23	702.11	880.75	86.06	179.73	111.67	18,410.71

Notes:

Refer to note 22 for disclosure of contractual commitments for the acquisition of property, plant and equipment.

Note 4(a)(i):

The depreciation on Property, plant and equipment is charged based on Written Down Value ("WDV") method upto December 31, 2022. Based upon the technical assessment of expected pattern of consumption of the future economic benefits embodied in the assets, with effect from January 01, 2023 the depreciation method is changed to Straight Line Method (SLM) hence the carrying value of the assets as on December 31, 2022 has been depreciated as per SLM method over the remaining useful lives of the assets. Due to this change in accounting estimate, the depreciation expense is lower and the profit before tax is higher by Rs.899.08 lakhs for the year ended 31 March 2023.

NOTES TO THE STANDALONE FINANCIAL STATEMENTS

for the year ended March 31, 2023

(All amounts in Indian Rupees in lakhs, except for share data or as otherwise stated)

Note 4(a)(i): (Contd..)

The impact, on account of this change in method of depreciation, on the future periods is given below:

Particulars	For the year ended 31 March 2024	For the year ended 31 March 2025	For the year ended 31 March 2026	Later years
(Decrease) / Increase in depreciation expense	(2,817.94)	(1,606.73)	(772.41)	5,197.07

Note 4(a)(ii)

Title deeds for Freehold land and Buildings

Particulars	March 31, 2023	March 31, 2022
Title deeds held in the name of	Vijaya Diagnostic Centre Limited	Vijaya Diagnostic Centre Limited
Whether title deed holder is a promoter, director or relative of promoter/director or employee of promoter/director	No	No
Reason for not being held in the name of the Company	Not applicable	Not applicable

4. (b) (i) Capital work-in-progress (CWIP)

Particulars	As at March 31, 2023	As at March 31, 2022
As at the beginning of the year	3,410.10	818.21
Additions during the year	12,810.30	10,931.86
Less: Capitalised during the year	(13,509.79)	(8,339.97)
As at the end of the year	2,710.61	3,410.10

(ii) 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	2,427.57	283.04	-	-	2,710.61
Total	2,427.57	283.04	-	-	2,710.61

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	3,410.10	-	-	-	3,410.10
Total	3,410.10	-	-	-	3,410.10

(iii) The Company 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.

(iv) There are no CWIP which is temporarily suspended as at March 31, 2023 and March 31, 2022.

NOTES TO THE STANDALONE FINANCIAL STATEMENTS

for the year ended March 31, 2023

(All amounts in Indian Rupees in lakhs, except for share data or as otherwise stated)

4. (c) Right-of-use assets and lease liabilities

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 recognized as an expense on a straight-line basis over the lease term except inflation adjustment.

The Company uses the incremental borrowing rate to discount its lease payments. The rate applied is 8.50% p.a.

(i) Movement in Right-of-use assets ('ROU') and Lease liabilities is given below:

Particulars	Right of use assets (Buildings)
A. Gross carrying value	
As at April 01, 2021	15,608.03
Additions	6,133.08
Disposals	(129.98)
As at March 31, 2022	21,611.13
Additions	8,051.35
Disposals	(417.80)
As at March 31, 2023	29,244.68
B. Accumulated depreciation	
As at April 01, 2021	3,007.96
Depreciation charge for the year	1,912.82
Disposals	(24.90)
As at March 31, 2022	4,895.88
Depreciation charge / Adjustment for the year	2,369.37
Disposals	(254.49)
As at March 31, 2023	7,010.76
C. Net carrying value (A-B)	
As at March 31, 2023	22,233.92
As at March 31, 2022	16,715.25

Set out below are the carrying amounts of lease liabilities and the movements during the year:

Particulars	As at March 31, 2023	As at March 31, 2022
Balance as at the beginning of the year	18,282.80	13,657.46
Additions during the year	7,956.26	5,777.29
Disposal during the year	(151.65)	(104.04)
Accretion of interest	1,889.66	1,423.76
Payment of lease liabilities	(3,221.17)	(2,471.67)
Balance as at the end of the year	24,755.90	18,282.80
Bifurcation of Lease liabilities		
- Current lease liabilities	1,452.89	1,256.83
- Non-Current lease liabilities	23,303.01	17,025.97

(ii) Payments recognised as expenses and income

Particulars	For the year ended March 31, 2023	For the year ended March 31, 2022
Short term leases (refer note 20)	36.26	52.46
	36.26	52.46

NOTES TO THE STANDALONE FINANCIAL STATEMENTS

for the year ended March 31, 2023

(All amounts in Indian Rupees in lakhs, except for share data or as otherwise stated)

4. (c) Right-of-use assets and lease liabilities (Contd..)

(iii) Contractual maturities of lease liabilities on undiscounted basis

Particulars	As at March 31, 2023	As at March 31, 2022
Less than one year	3,501.80	2,703.68
One to five years	12,966.36	10,177.11
More than five years	24,023.30	15,583.96
	40,491.46	28,464.75

Note: All the leases are entered in the name of the Company

4. (d) Investment property

I. Reconciliation of carrying amount

Particulars	As at March 31, 2023	As at March 31, 2022
A. Gross carrying value (at cost)		
As at the beginning of the year	1,114.77	-
Additions during the year	-	1,114.77
Less: Disposals during the year	-	-
As at the end of the year	1,114.77	1,114.77
B. Accumulated depreciation		
As at the beginning of the year	4.20	-
Depreciation charge for the year	9.74	4.20
Disposals during the year	-	-
As at the end of the year	13.94	4.20
C. Net carrying value (A-B)	1,100.83	1,110.57
Fair value	1,307.00	1,307.00

Information regarding income and expenditure of investment property

Particulars	For the year ended March 31, 2023	For the year ended March 31, 2022
Rental income derived from Investment property	36.00	9.00
Direct operating expenses (including repairs and maintenance)	-	-
Less: Depreciation	(9.74)	(4.20)
Profit arising from investment property before indirect expenses	26.26	4.80

Title deeds

Particulars	March 31, 2023	March 31, 2022
Title deeds held in the name of	Vijaya Diagnostic Centre Limited	Vijaya Diagnostic Centre Limited
Whether title deed holder is a promoter, director or relative of promoter/director or employee of promoter/director	No	No
Reason for not being held in the name of the Company	Not applicable	Not applicable

NOTES TO THE STANDALONE FINANCIAL STATEMENTS

for the year ended March 31, 2023

(All amounts in Indian Rupees in lakhs, except for share data or as otherwise stated)

4. (d) Investment property (Contd..)

II. Other information

- (i) The Company has not engaged any registered valuer for determining the above fair value. The fair value is based on the market observable data.
- (ii) The Company has given the Investment property on operating lease. There are no restrictions imposed by lease agreements.

5. (i) Other intangible assets and Intangible assets under development

Particulars	Other intangible assets	Intangible assets under development
A. Gross carrying value (at cost)		
As at April 01, 2021	268.23	123.63
Additions	146.49	29.70
Disposals / Capitalisation	-	(146.49)
As at March 31, 2022	414.72	6.84
Additions	228.18	284.40
Disposals / Capitalisation	-	(228.18)
As at March 31, 2023	642.90	63.06
B. Accumulated amortization		
As at April 01, 2021	208.18	-
Amortisation charge for the year	71.51	-
Disposals	-	-
As at March 31, 2022	279.69	-
Amortisation charge for the year (refer note 4(a)(i))	143.98	-
Disposals	-	-
As at March 31, 2023	423.67	-
C. Net carrying value (A-B)		
As at March 31, 2023	219.23	63.06
As at March 31, 2022	135.03	6.84

- (ii) The Company does not have any intangible asset under development which is overdue or has exceeded its cost compared to its original plan and hence, Intangible assets completion schedule is not applicable.

(iii) Intangible assets under development ageing schedule

As at March 31, 2023

Particulars	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	63.06	-	-	-	63.06
Total	63.06	-	-	-	63.06

As at March 31, 2022

Particulars	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	6.84	-	-	-	6.84
Total	6.84	-	-	-	6.84

- (iv) There are no Intangible assets under development which are temporarily suspended as at March 31, 2023 and March 31, 2022.

NOTES TO THE STANDALONE FINANCIAL STATEMENTS

for the year ended March 31, 2023

(All amounts in Indian Rupees in lakhs, except for share data or as otherwise stated)

6. Financial assets

Particulars	As at March 31, 2023	As at March 31, 2022
(a) Investments		
Non-current		
A. Subsidiaries		
Investment in equity instruments - carried at cost, less provision for other than temporary impairment		
Quoted		
Medinova Diagnostic Services Limited [6,202,220 (March 31, 2022: 6,202,220) Equity shares of Rs.10 each fully paid up]	411.06	411.06
Unquoted		
Doctors Lab Medical Services Private Limited [10,000 (March 31, 2022: 10,000) equity shares of Rs.10 each fully paid up]	1.00	1.00
Investment in Limited Liability Partnership (LLP)		
Unquoted		
VDC Diagnostics (Karnataka) LLP [100% (March 31, 2022: 100%) share in capital contribution]	1,831.29	1,831.29
Less: Share of loss attributable to the Company	(1,760.00)	(1,760.00)
Net investment in LLP	71.29	71.29
Sub-total	483.35	483.35
B. Investment in others - Non-trade		
Investment in equity instruments - carried at FVOCI		
Unquoted		
C.R Broadcasting Hyderabad Limited [40,000 (March 31, 2022: 40,000) equity shares of Rs. 10 each fully paid up]	4.00	4.00
Sub-total	4.00	4.00
Total (A+B)	487.35	487.35
Aggregate book value of quoted investments	411.06	411.06
Aggregate book value of unquoted investments	76.29	76.29
Aggregate book value of impairment in value of investments	-	-
Aggregate market value of quoted investments	1,088.49	1,959.90
Current		
Investments at fair value through profit or loss - Quoted		
Mutual funds		
Aditya Birla Sunlife Floating Rate Fund - 1,12,481.50 (March 31, 2022: 1,12,481.50) units	336.98	318.94
Aditya Birla Sunlife Low Duration Fund - 73,574.67 (March 31, 2022: 73,574.67) units	449.87	425.53
ABSL Money Manager Fund- 3,47,967.47 (March 31, 2022: 2,72,525.25) units	1,100.25	814.61
ABSL Saving Fund-1,60,099.92 (March 31, 2022: 1,60,099.92) units	752.88	712.94
Axis Money Market Fund- G-Direct- 79,560.23 (March 31, 2022: 79,560.23) units	968.73	916.36
HDFC Balanced Advantage Fund - Reg - Growth - 3,12,765.36 (March 31, 2022: NIL) units	1,011.18	-
HDFC Low Duration Fund - 805,643.61 (March 31, 2022: 805,643.61) units	423.13	401.12
Bandhan Low Duration Fund - NIL (March 31, 2022: 17,30,608.49) units (formerly IDFC mutual fund)	-	551.38

NOTES TO THE STANDALONE FINANCIAL STATEMENTS

for the year ended March 31, 2023

(All amounts in Indian Rupees in lakhs, except for share data or as otherwise stated)

6. Financial assets (Contd..)

Particulars	As at March 31, 2023	As at March 31, 2022
Bandhan Banking & PSU Debt Fund Growth - 48,65,969.99 (March 31, 2022: NIL) units (formerly IDFC mutual fund)	1,039.03	-
Bandhan Low Duration Fund D- Growth - 42,00,260.34 (March 31, 2022: NIL) units (formerly IDFC mutual fund)	1,406.31	-
Kotak Low Duration Fund - 12,724.06 (March 31, 2022: 12,724.06) units	389.44	369.20
Kotak Money Market Fund-DP-Growth 15,810.84 (March 31, 2022: NIL) units	605.29	-
Nippon India Interval Fund - Quarterly Plan- NIL (March 31, 2022: 14,22,201.68) units	-	403.94
Nippon India Money Market Fund- G-Direct- 24,136.90 (March 31, 2022: 15,207.19) units	856.26	509.53
SBI Magnum Ultra Short Duration Fund (DG)- 7,941 (March 31, 2022: NIL) units	409.63	-
SBI Savings Fund-DP-Growth-21,49,800.57 (March 31, 2022: NIL) units	807.71	-
TATA Treasury Advantage Fund-D-Growth -33,517.07 (March 31, 2022: NIL) units	1,144.93	-
Tata Money Market Fund-DP-Growth-29,779.82 (March 31, 2022: NIL) units	1,205.50	-
Investments in Bonds		
Axis Finance Limited - 83 Bonds having face value of Rs.10,00,000 each (March 31, 2022: NIL)	992.20	-
	13,899.32	5,423.55
Aggregate book value of quoted investments	13,899.32	5,423.55
Aggregate market value of quoted investments	13,899.32	5,423.55

No strategic investments were disposed off during the year ended 31 March 2023, and there were no transfers of any cumulative gain or loss within equity relating to these investments.

Particulars	As at March 31, 2023	As at March 31, 2022
(b) Trade receivables		
Trade receivables- considered good- Unsecured*	996.28	1,039.82
Less: Allowance for expected credit loss	(111.15)	(91.15)
Trade receivables- considered good- Unsecured	885.13	948.67
Trade receivables- credit impaired- Unsecured	60.40	60.40
Less: Allowance for credit impaired	(60.40)	(60.40)
Trade receivables- credit impaired- Unsecured	-	-
	885.13	948.67

*Include amount receivable from related parties (refer note 30)

Trade receivables ageing schedule

As at March 31, 2023

Particulars	Outstanding for following periods from due date of payment						Total
	Not due	Less than 6 months	6 months - 1 year	1-2 years	2-3 years	More than 3 years	
(i) Undisputed trade receivables – considered good	80.85	774.92	59.54	44.08	36.89	-	996.28
(ii) Undisputed trade receivables – which have significant increase in credit risk	-	-	-	-	-	-	-

NOTES TO THE STANDALONE FINANCIAL STATEMENTS

for the year ended March 31, 2023

(All amounts in Indian Rupees in lakhs, except for share data or as otherwise stated)

6. Financial assets (Contd..)

Particulars	Outstanding for following periods from due date of payment						Total
	Not due	Less than 6 months	6 months - 1 year	1-2 years	2-3 years	More than 3 years	
(iii) Undisputed trade receivables – credit impaired	-	-	-	-	-	-	-
(iv) Disputed trade receivables – considered good	-	-	-	-	-	-	-
(v) Disputed trade receivables – which have significant increase in credit risk	-	-	-	-	-	-	-
(vi) Disputed trade receivables – credit impaired	-	-	-	-	-	60.40	60.40
Total (A)	80.85	774.92	59.54	44.08	36.89	60.40	1,056.68
Allowance for expected credit loss							111.15
Allowance for credit impairment							60.40
Total (B)							171.55
Total (A-B)	80.85	774.92	59.54	44.08	36.89	60.40	885.13

As at March 31, 2022

Particulars	Outstanding for following periods from due date of payment						Total
	Not due	Less than 6 months	6 months - 1 year	1-2 years	2-3 years	More than 3 years	
(i) Undisputed trade receivables – considered good	76.17	632.40	278.65	38.08	10.91	3.61	1,039.82
(ii) Undisputed trade receivables – which have significant increase in credit risk	-	-	-	-	-	-	-
(iii) Undisputed trade receivables – credit impaired	-	-	-	-	-	-	-
(iv) Disputed trade receivables – considered good	-	-	-	-	-	-	-
(v) Disputed trade receivables – which have significant increase in credit risk	-	-	-	-	-	-	-
(vi) Disputed trade receivables – credit impaired	-	-	-	-	-	60.40	60.40
Total (A)	76.17	632.40	278.65	38.08	10.91	64.01	1,100.22
Allowance for expected credit loss							91.15
Allowance for credit impairment							60.40
Total (B)							151.55
Total (A-B)	76.17	632.40	278.65	38.08	10.91	64.01	948.67

NOTES TO THE STANDALONE FINANCIAL STATEMENTS

for the year ended March 31, 2023

(All amounts in Indian Rupees in lakhs, except for share data or as otherwise stated)

6. Financial assets (Contd..)

Particulars	As at March 31, 2023	As at March 31, 2022
(C) Loans		
Non-current loans		
(Unsecured, considered good)		
Loans to subsidiaries (refer note 30)	575.00	575.00
	575.00	575.00
Loans to Subsidiaries		
Amount of loan or advance in the nature of loan outstanding	575.00	575.00
Percentage to the total loans and advances in the nature of loans	100%	100%
The loan has been given towards the business purposes of the subsidiary		
Current loans		
(Unsecured, considered good)		
Loans to subsidiary (refer note 30)	-	104.97
	-	104.97
Loans to Subsidiaries		
Amount of loan or advance in the nature of loan outstanding.	-	104.97
Percentage to the total loans and advances in the nature of loans	-	100.00%
The loan has been given towards the business purposes of the subsidiary		
No loans are due from directors or other officers of the Company either severally or jointly with any other person.		
Refer note 30 for dues from related parties.		
(d) Cash and cash equivalents		
Cash on hand	54.50	53.58
Balances with banks		
- in current accounts	1,072.50	985.44
- unpaid dividend accounts	0.47	-
- in deposit accounts with original maturity period of 3 months or less	1,201.50	-
	2,328.97	1,039.02
(e) Other bank balances		
Current		
Deposits with maturity less than twelve months * @	8,813.59	17,566.48
	8,813.59	17,566.48
@Fixed deposit of Rs. 10.10 lakhs (March 31, 2022: Rs. 2,144.13 lakhs) under lien.		
*The deposits made with banks comprise of time deposits, which are available at call.		
(f) Other financial assets		
(Unsecured, considered good)		
Non-current		
Balances with bank held as margin money	12.37	12.37
Security deposits (rental/electricity deposits)*	832.11	728.49
	844.48	740.86
Current		
Interest accrued on bank deposits and others	316.26	209.53
Other receivables	34.72	2.33
Security deposits (rental/electricity deposits) *	8.68	28.94
Share issues expenses receivable	-	294.32
	359.66	535.12

*Includes amount receivable from related parties (refer note 30)

NOTES TO THE STANDALONE FINANCIAL STATEMENTS

for the year ended March 31, 2023

(All amounts in Indian Rupees in lakhs, except for share data or as otherwise stated)

7. Deferred tax assets net

Particulars	As at March 31, 2023	As at March 31, 2022
Deferred tax assets		
Decommissioning liability on property, plant and equipment (refer note 12)	160.25	128.79
Leases	853.42	598.05
Employee benefits	96.42	89.34
Credit impaired debts	43.18	38.14
Others	67.48	67.80
Sub total (A)	1,220.75	922.12
Deferred tax liabilities		
Fair value gain / loss from investments	139.57	42.56
Property, plant and equipment and Intangible assets	311.63	52.58
Sub total (B)	451.20	95.14
Deferred tax asset/(liability), net (A-B)	769.55	826.98

Movement in deferred tax assets/ (liabilities)

On account of	Property, plant and equipment and intangible assets including decommissioning liability	Provision for employee benefits	Leases	Fair value of mutual funds	Others	Total
At April 01, 2021	31.35	82.90	392.42	(8.27)	82.01	580.41
(Charged)/credited:						
- to profit or loss	44.86	12.87	205.63	(34.29)	23.93	253.00
- to OCI	-	(6.43)	-	-	-	(6.43)
As at March 31, 2022	76.21	89.34	598.05	(42.56)	105.94	826.98
(Charged)/credited:						
- to profit or loss	(227.59)	13.60	255.37	(97.01)	4.72	(50.91)
- to OCI	-	(6.52)	-	-	-	(6.52)
As at March 31, 2023	(151.38)	96.42	853.42	(139.57)	110.66	769.55

There are no unrecognized deferred tax assets and liabilities as at March 31, 2023 and March 31, 2022.

8. Inventories

(Valued at lower of cost and net realisable value)

Particulars	As at March 31, 2023	As at March 31, 2022
Reagents, chemicals, digital imaging films and consumables (net of provision of Rs. 34 lakhs - March 31, 2022 : Rs. Nil))	192.64	409.99
	192.64	409.99

NOTES TO THE STANDALONE FINANCIAL STATEMENTS

for the year ended March 31, 2023

(All amounts in Indian Rupees in lakhs, except for share data or as otherwise stated)

9. Other assets

Particulars	As at March 31, 2023	As at March 31, 2022
(Unsecured, considered good)		
Non-current		
Capital advances	651.45	2,015.50
Less: Allowance for doubtful advances	(63.63)	(43.63)
	587.82	1,971.87
Prepaid expenses	273.69	255.94
	861.51	2,227.81
Current		
Advances other than capital advances		
-Advance to suppliers	214.02	145.52
-Advance to employees	13.07	13.30
Prepaid expenses	273.56	246.32
	500.65	405.14

10. Equity

Particulars	As at March 31, 2023	As at March 31, 2022
Authorised share capital		
120,500,000 equity shares of Re.1 each (March 31, 2022: 120,500,000 equity shares of Re. 1 each)	1,205.00	1,205.00
(a) Equity share capital		
Issued, subscribed and fully paid up capital		
102,071,175 equity shares of Re.1 each (March 31, 2022: 101,965,926 equity shares of Re. 1 each), fully paid-up	1,020.71	1,019.66
	1,020.71	1,019.66

(i) Reconciliation of equity shares outstanding at the beginning and at the end of the reporting year:

Particulars	March 31, 2023		March 31, 2022	
	No. of shares	Amount	No. of shares	Amount
Shares outstanding at the beginning of the year	10,19,65,926	1,019.66	4,53,18,190	453.19
Bonus shares issued (refer note v)	-	-	5,66,47,736	566.47
Issue under Employee Stock Option Plan (refer note 29)	1,05,249	1.05	-	-
Shares outstanding at the end of the year	10,20,71,175	1,020.71	10,19,65,926	1,019.66

(ii) Terms/rights attached to equity shares

The Company has only one class of equity shares having a par value of Re. 1 per share (March 31, 2022: Re. 1 per share). Each holder of equity shares is entitled to one vote per share. The shareholders are entitled to dividends in Indian Rupees, proposed by the Board of Directors and subject to the approval of the shareholders in the Annual General Meetings. In the event of liquidation of the Company, the holders of equity shares will be entitled to receive remaining assets of the Company. The distribution will be in proportion to the number of equity shares held by the shareholders.

NOTES TO THE STANDALONE FINANCIAL STATEMENTS

for the year ended March 31, 2023

(All amounts in Indian Rupees in lakhs, except for share data or as otherwise stated)

10. Equity (Contd..)

(iii) Details of shareholders holding more than 5% shares in the company

Particulars	March 31, 2023		March 31, 2022	
	No. of shares	% holding	No. of shares	% holding
Equity shares:				
Dr S.Surendranath Reddy	3,37,22,899	33.04%	3,34,22,899	32.78%
S Suprita Reddy	91,76,933	8.99%	91,76,933	9.00%
K Sunil Chandra	91,06,933	8.92%	91,06,933	8.93%
Axis Mutual Fund Trustee Limited	49,77,072	4.88%	67,60,585	6.63%
Nippon Life India Trustee Limited	58,67,208	5.75%	22,52,077	2.21%

(iv) Shares held by promoters at the end of the year

Promoter's Name	March 31, 2023			March 31, 2022		
	No. of Shares	% of holding	% of change	No. of Shares	% of holding	% of change
Dr S.Surendranath Reddy	3,37,22,899	33.04%	0.26%	3,34,22,899	32.78%	(26.39%)
Total	3,37,22,899	33.04%	0.26%	3,34,22,899	32.78%	(26.39%)

(v) During the five years immediately preceeding the year, no shares have been bought back, no shares have been issued for consideration other than cash except for equity shares issued by way of bonus as provided below:

	March 31, 2023	March 31, 2022	March 31, 2021	March 31, 2020	March 31, 2019
Allotted as fully paid up equity shares by way of bonus	-	5,66,47,736	-	-	-
Shares issued for consideration other than cash	-	-	-	-	-

The Company issued bonus shares on May 27, 2021 in proportion of five new equity shares of Re. 1 each for every four existing equity shares of Re. 1 each, resulting in total fully paid-up equity shares of 101,965,926 of Re. 1 each.

(vi) For details of share reserved for issue under Employee Stock Option Plan (ESOP) of the Company, refer note 29.

(b) Other equity

Particulars	As at March 31, 2023	As at March 31, 2022
General reserve	568.72	493.20
Share based payments reserve	192.44	196.29
Securities premium	4,706.18	4,590.28
Retained earnings	48,020.75	40,698.61
Total	53,488.09	45,978.38

NOTES TO THE STANDALONE FINANCIAL STATEMENTS

for the year ended March 31, 2023

(All amounts in Indian Rupees in lakhs, except for share data or as otherwise stated)

10. Equity (Contd..)

(i) General reserve

Particulars	As at March 31, 2023	As at March 31, 2022
Balance at the commencement of the year	493.20	493.20
Add: Transfer on account of employee share based options lapsed/forfeited	45.00	-
Add: Transfer on account of exercise of employee share based options	30.52	-
Balance as at the end of the year	568.72	493.20

The general reserve is used from time to time to transfer profits from retained earnings for appropriation purposes. As the general reserve is created by a transfer from one component of equity to another and is not an item of other comprehensive income, items included in the general reserve will not be reclassified subsequently to profit or loss.

(ii) Share based payments reserve

Particulars	As at March 31, 2023	As at March 31, 2022
Balance at the commencement of the year	196.29	82.73
Add: Share based payments expense (refer note 17)	71.67	113.56
Less: Transfer to general reserve due to employee share based options lapsed/forfeited	(45.00)	-
Less: Transfer to general reserve due to exercise of employee share based options	(30.52)	-
Balance as at the end of the year	192.44	196.29

The Company has established equity settled share based payment plans for employees of the Company, refer note 29 for details on these plans.

(iii) Securities premium

Particulars	As at March 31, 2023	As at March 31, 2022
Balance at the commencement of the year	4,590.28	5,156.75
Less: Issue of bonus shares	-	(566.47)
Add: Proceeds from exercise of employee share based options (ESOP)	115.90	-
Balance as at the end of the year	4,706.18	4,590.28

Securities premium is used to record the premium on issue of shares. It is utilised in accordance with the provisions of the "Act".

(iv) Retained earnings

Particulars	As at March 31, 2023	As at March 31, 2022
Balance at the commencement of the year	40,698.61	29,869.04
Add: Profit for the year	8,323.39	10,810.47
Less: Dividend paid	(1,020.64)	-
Items of other comprehensive income recognised directly in retained earnings		
- Remeasurement of defined benefit obligations (net of tax)	19.39	19.10
Balance as at the end of the year	48,020.75	40,698.61

Retained earnings are the profits that the Company has earned till date, less any transfers to general reserve, dividends or other distribution to shareholders.

NOTES TO THE STANDALONE FINANCIAL STATEMENTS

for the year ended March 31, 2023

(All amounts in Indian Rupees in lakhs, except for share data or as otherwise stated)

10. Equity (Contd..)

Other comprehensive income (OCI) represents remeasurement of defined employee benefit obligations: Difference between the interest income on plan assets and the return actually achieved, any changes in the liabilities over the year due to changes in actuarial assumptions or experience adjustments within the plans, are recognised in other comprehensive income and subsequently not reclassified to statement of profit and loss.

11. Financial liabilities

(a) Trade payables

Particulars	As at March 31, 2023	As at March 31, 2022
Total outstanding dues of micro enterprises and small enterprises ('MSME') (refer note 24)	51.26	15.59
Total outstanding dues of creditors other than micro enterprises and small enterprises*	2,667.98	2,023.67
	2,719.24	2,039.26

* Includes amount payable to related parties (refer note 30)

Trade payables ageing schedule

As at March 31, 2023

Particulars	Outstanding for following periods from due date of payment					Total
	Not Due	Less than 1 Year	1-2 Years	2-3 Years	More than 3 Years	
(i) MSME	-	51.26	-	-	-	51.26
(ii) Others	1,554.11	1,094.69	6.50	12.68	-	2,667.98
(iii) Disputed Dues - MSME	-	-	-	-	-	-
(iv) Disputed Dues - Others	-	-	-	-	-	-
Total	1,554.11	1,145.95	6.50	12.68	-	2,719.24

As at March 31, 2022

Particulars	Outstanding for following periods from due date of payment					Total
	Not Due	Less than 1 Year	1-2 Years	2-3 Years	More than 3 Years	
(i) MSME	-	15.59	-	-	-	15.59
(ii) Others	921.10	1,091.09	6.62	0.70	4.16	2,023.67
(iii) Disputed Dues - MSME	-	-	-	-	-	-
(iv) Disputed Dues - Others	-	-	-	-	-	-
Total	921.10	1,106.68	6.62	0.70	4.16	2,039.26

(b) Other financial liabilities

Particulars	As at March 31, 2023	As at March 31, 2022
Current		
Employee payables	600.89	783.22
Dividend payable	0.47	-
Deferred credit - medical equipment	-	23.39
Capital creditors	768.36	1,644.77
	1,369.72	2,451.38

NOTES TO THE STANDALONE FINANCIAL STATEMENTS

for the year ended March 31, 2023

(All amounts in Indian Rupees in lakhs, except for share data or as otherwise stated)

12. Provisions

Particulars	As at March 31, 2023	As at March 31, 2022
Non-current		
Provision for employee benefits:		
- Gratuity (refer note 28)	146.37	158.39
- Compensated absences	-	105.34
Others:		
- Decommissioning liability	537.98	448.31
	684.35	712.04
Current		
Provision for employee benefits:		
- Gratuity (refer note 28)	85.33	57.58
- Compensated absences	151.40	33.65
Others:		
- Decommissioning liability	98.76	63.42
	335.49	154.65

Movement in Provision

Decommissioning liability	As at March 31, 2023	As at March 31, 2022
Balance as at the beginning of the year	511.73	434.28
Add: Unwinding of interest	50.37	41.29
Add: Provision created during the year	74.64	36.16
Balance as at the end of the year	636.74	511.73

13. Other liabilities

Particulars	As at March 31, 2023	As at March 31, 2022
Non-current		
Deferred revenue- contract liability	46.07	11.65
	46.07	11.65
Current		
Deferred revenue - contract liability	38.66	11.80
Statutory liabilities	283.42	310.71
Advance from customers - contract liability	29.42	21.18
	351.50	343.69

14. Revenue from operations

Particulars	For the year ended March 31, 2023	For the year ended March 31, 2022
Revenue from contracts with customers- Sale of services	44,939.77	45,065.94
Other operating revenue		
- Sale of scrap	18.16	21.99
	44,957.93	45,087.93

NOTES TO THE STANDALONE FINANCIAL STATEMENTS

for the year ended March 31, 2023

(All amounts in Indian Rupees in lakhs, except for share data or as otherwise stated)

14. Revenue from operations (Contd..)

Disclosure as per Ind AS 115 - Revenue from contracts with customers

A. Contract balances

Particulars	As at March 31, 2023	As at March 31, 2022
Contract assets	-	-
Contract liabilities		
- Advances from customers (refer note 13)	29.42	21.18
- Deferred revenue (refer note 13)	84.73	23.45

The revenue recognized during the current year is the balancing number for transactions with customers after adjusting opening and closing balances of contract assets and liabilities.

B. Movement in contract liabilities during the year

Particulars	As at March 31, 2023	As at March 31, 2022
Deferred Revenue		
Balance at the beginning of the year	23.45	20.99
Less: revenue recognised during the period from above	(11.80)	(12.78)
Add: Addition during the year	73.08	15.24
Balance at the end of the year	84.73	23.45

C. Reconciliation of revenue from contract with customers

Particulars	As at March 31, 2023	As at March 31, 2022
Revenue from contract with customer as per the contract price	46,400.60	46,165.12
Adjustments made to contract price on account of :-		
Discount / Rebates	(1,460.83)	(1,099.18)
Revenue from contract with customer	44,939.77	45,065.94
Other operating revenue	18.16	21.99
Revenue from operations	44,957.93	45,087.93

15. Other income

Particulars	For the year ended March 31, 2023	For the year ended March 31, 2022
Interest income under the effective interest method on:		
Fixed deposits with banks	740.71	902.02
Loans at amortized cost, given to subsidiaries	57.50	37.01
Financial assets carried at amortised cost	61.49	51.21
Profit on sale of mutual fund investments (net)	86.49	47.62
Fair value gain on investments measured at FVTPL	385.44	136.25
Net gain on sale/retirement of property, plant and equipment	8.60	40.42
Liabilities no longer required written back	66.70	21.35
Insurance claim received	0.66	27.18
Rental income from investment property	36.00	9.00
Other non-operating income	13.74	19.65
	1,457.33	1,291.71

NOTES TO THE STANDALONE FINANCIAL STATEMENTS

for the year ended March 31, 2023

(All amounts in Indian Rupees in lakhs, except for share data or as otherwise stated)

16. Cost of materials consumed

Particulars	For the year ended March 31, 2023	For the year ended March 31, 2022
Inventory of materials as at the beginning of the year (refer note 8)	409.99	249.79
Add: Purchases during the year	5,541.36	7,055.41
Less: Inventory of materials as at the end of the year (refer note 8)	(192.64)	(409.99)
	5,758.71	6,895.21

17. Employee benefits expense

Particulars	For the year ended March 31, 2023	For the year ended March 31, 2022
Salaries, wages and bonus	6,856.99	6,142.17
Contribution to provident and other funds (refer note 28)	382.76	330.85
Gratuity (refer note 28)	117.22	108.06
Compensated absences	55.20	57.52
Equity-settled share-based payment transactions (refer note 29)	71.67	113.56
Staff welfare expenses	166.06	115.50
	7,649.90	6,867.66

18. Depreciation and amortisation expense

Particulars	For the year ended March 31, 2023	For the year ended March 31, 2022
Depreciation on property, plant and equipment (refer note 4(a) & note 4(a)(i))	3,740.63	3,225.12
Depreciation on investment properties (refer note 4(d))	9.74	4.20
Amortisation on other intangible assets (refer note 5)	143.98	71.51
Depreciation on right of use assets (refer note 4(c))	2,245.08	1,912.82
	6,139.43	5,213.65

19. Finance costs

Particulars	For the year ended March 31, 2023	For the year ended March 31, 2022
Interest expense on deferred credit purchases and decommissioning liability	50.37	46.80
Interest expense on lease liabilities (refer note 4(c))	1,889.66	1,423.76
Bank charges	147.58	155.00
	2,087.61	1,625.56

20. Other expenses

Particulars	For the year ended March 31, 2023	For the year ended March 31, 2022
Power and fuel	1,448.41	1,125.14
Rent	36.26	52.46
Testing charges	126.55	145.28
Samples collection charges	303.67	404.87

NOTES TO THE STANDALONE FINANCIAL STATEMENTS

for the year ended March 31, 2023

(All amounts in Indian Rupees in lakhs, except for share data or as otherwise stated)

20. Other expenses (Contd..)

Particulars	For the year ended March 31, 2023	For the year ended March 31, 2022
Repairs and maintenance		
a. Building	181.40	119.20
b. Plant and equipment	1,344.10	987.13
c. Others	163.73	157.78
House keeping expenses	725.33	574.41
Security charges	452.86	414.87
Insurance	87.34	76.92
Rates and taxes	262.53	86.04
Advertisement, publicity and marketing	329.19	164.02
Business promotion expenses	237.78	291.66
Travelling and conveyance	309.77	202.49
Legal and professional charges (professional fees to doctor consultants and others)	6,742.48	5,772.49
Payment to auditors (refer note (i) below)	87.32	73.16
Remuneration paid to Independent Directors	56.64	53.10
Postage and communication	165.74	155.65
Printing and stationery	77.70	65.77
Provision for doubtful receivables	20.00	-
Provision for doubtful advances	20.00	43.63
Write off of loans given	9.34	-
Corporate social responsibility expenditure ('CSR') (refer note (ii) below)	225.14	175.50
Donations	10.25	3.32
Miscellaneous expenses	228.78	194.59
	13,652.31	11,339.48

Notes:

i. Payment to auditors (inclusive of taxes)

Particulars	For the year ended March 31, 2023	For the year ended March 31, 2022
As auditors		
- Statutory audit fees	59.00	59.00
- Limited review	21.24	14.16
Reimbursement of expenses	7.08	-
	87.32	73.16

ii. Details of corporate social responsibility expenditure

Particulars	For the year ended March 31, 2023	For the year ended March 31, 2022
(i) Gross amount required to be spent by the Company during the year	225.14	175.50
(ii) Amount approved by the Board to be spent during the year	225.14	175.50
(iii) Amount spent during the year		
- construction/ acquisition of any asset	-	-
- on purpose other than above	225.14	175.50
(iv) (Shortfall) / Excess at the end of the year	-	-
(v) Total of previous years shortfall	-	-

NOTES TO THE STANDALONE FINANCIAL STATEMENTS

for the year ended March 31, 2023

(All amounts in Indian Rupees in lakhs, except for share data or as otherwise stated)

20. Other expenses (Contd..)

Particulars	For the year ended March 31, 2023	For the year ended March 31, 2022
(vi) Details of related party transactions	NA	NA
(vii) 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	NA	NA
(viii) Reason for shortfall: For the year ending March 31, 2023 and March 31, 2022: No shortfall		
(ix) Nature of CSR activities:		
a) Skill development		
b) Education		
c) Healthcare		

21. Income-tax expense

Particulars	For the year ended March 31, 2023	For the year ended March 31, 2022
(a) Amount recognised in statement of profit and loss		
Current tax	2,753.00	3,880.61
Deferred tax attributable to temporary differences	50.91	(253.00)
Tax expense	2,803.91	3,627.61
(b) Amount recognised in other comprehensive income		
Deferred tax related to items recognised in OCI		
Deferred tax (expense)/income on remeasurements of defined benefit obligations	(6.52)	(6.43)
Income-tax expense/(income) recognised in OCI	(6.52)	(6.43)
(c) Reconciliation of effective tax rate:		
Profit before tax	11,127.30	14,438.08
Enacted tax rate in India	25.17%	25.17%
Tax expense at enacted rates	2,800.52	3,633.77
Tax effect of:		
Effect of expenses not deductible for tax purposes	56.66	61.59
Others	(53.27)	(45.95)
Tax pertaining to earlier years	-	(21.80)
Income-tax recognised in the statement of profit and loss	2,803.91	3,627.61

(d) The following table provides the details of income tax assets and income tax liabilities:

Particulars	As at March 31, 2023	As at March 31, 2022
Non-current tax assets (net)	3.73	3.73
Current tax liabilities (net)	(235.21)	(89.66)
	(231.48)	(85.93)

NOTES TO THE STANDALONE FINANCIAL STATEMENTS

for the year ended March 31, 2023

(All amounts in Indian Rupees in lakhs, except for share data or as otherwise stated)

21. Income-tax expense (Contd..)

Particulars	As at March 31, 2023	As at March 31, 2022
Net current income-tax liability at the beginning of the year	85.93	122.58
Add: Current tax expense	2,753.00	3,902.00
Add: Tax pertaining to earlier years	-	(21.39)
Less: Tax paid during the year	(2,607.45)	(3,917.26)
Net income tax liability at the end of the year	231.48	85.93

22. Contingent liabilities and commitments (to the extent not provided for)

Contingent liabilities

Particulars	As at March 31, 2023	As at March 31, 2022
Claims against the Company not acknowledged as debts	-	-

The Company based on its legal assessment does not believe that any of the pending claims/litigations if any with statutory authorities/others require a provision as at the balance sheet date, as the likelihood of the probability of an outflow of resources at this point of time is low.

Capital commitments

Particulars	As at March 31, 2023	As at March 31, 2022
Estimated amount of contracts remaining to be executed on capital account not provided for (net of advances)	2,506.90	5,067.60

23. Earnings per share

Particulars	For the year ended March 31, 2023	For the year ended March 31, 2022
Earnings for the year		
Net profit for the year attributable to equity shareholders (A)	8,323.39	10,810.47
Shares		
Weighted average number of equity shares for Basic EPS (B)	10,20,41,263	10,19,65,926
Add: Effect of dilution		
- On account of outstanding employee based share based options (after bonus issue)	4,40,844	6,00,204
Weighted average number of equity shares for Diluted EPS (C)	10,24,82,107	10,25,66,130
(a) Basic earnings per share of face value of Re. 1 each (A/B)	8.16	10.60
(b) Diluted earnings per share of face value of Re. 1 each (A/C)	8.12	10.54

NOTES TO THE STANDALONE FINANCIAL STATEMENTS

for the year ended March 31, 2023

(All amounts in Indian Rupees in lakhs, except for share data or as otherwise stated)

24. Disclosure required under Clause 22 of Micro, Small and Medium Enterprise Development ('MSMED') Act, 2006

Particulars	March 31, 2023	March 31, 2022
(a) the principal amount and the interest due thereon remaining unpaid to any supplier at the end of each accounting year;		
- Principal amount due to micro and small enterprises	51.26	15.59
- Interest due on the above	-	-
(b) the amount of interest paid by the buyer in terms of Section 16 of the MSMED Act, 2006 along with the amount of the payment made to the supplier beyond the appointed day during each accounting year;	-	-
(c) 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 period/year) but without adding the interest specified under this MSMED Act, 2006;	-	-
(d) the amount of interest accrued and remaining unpaid at the end of the each accounting year; and	-	-
(e) 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 enterprise, for the purpose of disallowance of a deductible expenditure under Section 23 of the MSMED Act, 2006.	-	-

Note: The above disclosures are provided by the Company based on the information available with the Company in respect of the registration status of its vendors/suppliers.

25. Disclosure as per Section 186 of the Companies Act, 2013

The details of loans, guarantees and investments under Section 186 of the Companies Act, 2013 read with the Companies (Meetings of Board and its Powers) Rules, 2014 are as follows :

- (i) Details of investments made are given in Note 6(a)
- (ii) Details of the loans given by the Company is given in Note 6(c)

26. Segment reporting

A. Basis for segmentation

An operating segment is a component of the Company that engages in business activities from which it may earn revenues and incur expenses, including revenues and expenses that relate to transactions with any of the Company's other components, and for which discrete financial information is available. All operating segment's results are reviewed regularly by the Company's Chairman and CEO to make decisions about resources to be allocated to the segments and assess their performance.

The Chief Operating Decision Maker ("CODM") who are the Company's Chairman and CEO evaluate the Company's performance and allocates resources based on an analysis of various performance indicators at operational unit level and since there is single operating segment, no segment disclosures of the company is presented. The Company's operations fall within a single business segment "Diagnostic services".

B. Geographical information

The Company operates within India and therefore there are no assets or liabilities outside India.

C. Major customers

No single customer contributed more than 10% of the Company's revenues during the year. Hence, the Management believes that there are no major customers to be disclosed.

NOTES TO THE STANDALONE FINANCIAL STATEMENTS

for the year ended March 31, 2023

(All amounts in Indian Rupees in lakhs, except for share data or as otherwise stated)

27. Purchase commitments towards reagent kits

The Company has entered into agreements with certain suppliers for purchase of reagents which include the right to use equipment during the life of the agreement in addition to purchase of minimum committed quantities of reagents every year. These agreements are in substance, cost of reagents and services arrangements provided by the supplier on an annual basis and the minimum purchase commitments therein do not result in more than insignificant penalty on termination of the agreement. The cost of reagents which includes the cost of rental of the equipment is recorded as cost of material consumed.

28. Employee benefit plans

The Company has following post employment benefit plans:

(a) Defined contribution plans

Contributions were made to provident fund and Employees' State Insurance in India for the employees of the Company as per the regulations. These contributions are made to registered funds administered by the Government of India. The obligation of the Company is limited to the respective amount contributed and it has no further contractual nor any other constructive obligation. The expense recognised during the period in the standalone statement of profit and loss towards defined contribution plans is Rs. 382.76 lakhs (March 31, 2022: Rs. 330.85 lakhs).

(b) Defined benefit plan

The Company provides for Gratuity for employees in India as per the Payment of Gratuity Act, 1972. Employees who are in continuous service for a period of 5 years are eligible for Gratuity. The amount of Gratuity payable on retirement/ termination is the employee's last drawn basic salary per month computed proportionately for 15 days salary multiplied for the number of years of service or part thereof in excess of six months, restricted to a sum of Rs. 20 lakhs.

The Gratuity plan is administered through a Gratuity Scheme with Life Insurance Corporation of India ('LIC'). The Company does not fully fund the liability and maintains a target level of funding to be maintained over a period of time based on estimations of expected gratuity payments.

This defined benefit plans expose the Company to actuarial risks, such as longevity risk, interest rate risk and market (investment) risk.

i. Reconciliation of the net defined benefit (asset)/ liability

The amounts recognised in the balance sheet and the movements in the defined benefit obligation and fair value of plan assets over the year are as follows:

Particulars	For the year ended March 31, 2023			For the year ended March 31, 2022		
	Present value of obligation	Fair value of plan assets	Net amount	Present value of obligation	Fair value of plan assets	Net amount
Opening balance	469.03	253.06	215.97	413.47	205.19	208.28
Current service cost	103.19	-	103.19	95.26	-	95.26
Interest expense/ (income)	30.47	(16.44)	14.03	25.41	(12.61)	12.80
Recognised in statement of profit or loss	133.66	16.44	117.22	120.67	12.61	108.06
Remeasurements						
Return on plan assets, excluding amounts included in interest expense	-	1.48	1.48	-	16.85	16.85
Actuarial (gains)/ losses arising from:						
- Changes in demographic assumptions	-	-	-	-	-	-
- Changes in financial assumptions	(26.86)	-	(26.86)	(10.95)	-	(10.95)

NOTES TO THE STANDALONE FINANCIAL STATEMENTS

for the year ended March 31, 2023

(All amounts in Indian Rupees in lakhs, except for share data or as otherwise stated)

28. Employee benefit plans (Contd..)

Particulars	For the year ended March 31, 2023			For the year ended March 31, 2022		
	Present value of obligation	Fair value of plan assets	Net amount	Present value of obligation	Fair value of plan assets	Net amount
- Experience variance (i.e. actual experience vs assumptions)	(0.53)	-	(0.53)	(31.43)	-	(31.43)
Re-measurements recognised in other comprehensive income	(27.39)	1.48	(25.91)	(42.38)	16.85	(25.53)
Contribution paid to the plan	-	75.58	(75.58)	-	74.84	(74.84)
Benefits paid	(49.41)	(49.41)	-	(22.73)	(22.73)	-
Closing balance	525.89	294.19	231.70	469.03	253.06	215.97

ii. Plan assets

Plan assets comprises of the following:

Particulars	March 31, 2023	March 31, 2022
Funds managed by Life Insurance Corporation of India	100%	100%

iii. Actuarial assumptions

Principal actuarial assumptions for defined benefit obligation are as follows:

Particulars	March 31, 2023	March 31, 2022
Discount rate	7.30%	6.50%
Salary escalation rate	8.00%	8.00%
Attrition rate	10.00% to 15.00%	10.00% to 15.00%

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 Company'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.

iv. Sensitivity analysis

Reasonably possible changes at the reporting date to one of the relevant actuarial assumptions, holding other assumptions constant, would have affected the defined benefit obligation and current service cost by the amounts shown below:

Particulars	Change in assumption		Impact on defined benefit obligation					
			Increase in Assumption			Decrease in Assumption		
	March 31, 2023	March 31, 2022	March 31, 2023	March 31, 2022	March 31, 2023	March 31, 2022		
Discount rate	1.00%	1.00%	Decreased by	30.49	29.03	Increased by	34.02	32.52
Salary escalation rate	1.00%	1.00%	Increased by	33.30	31.73	Decreased by	30.57	28.90
Attrition rate	50.00%	50.00%	Decreased by	20.55	26.43	Increased by	30.54	41.23

NOTES TO THE STANDALONE FINANCIAL STATEMENTS

for the year ended March 31, 2023

(All amounts in Indian Rupees in lakhs, except for share data or as otherwise stated)

28. Employee benefit plans (Contd..)

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 year, which is the same method as applied in calculating the projected benefit obligation as recognised in the balance sheet.

The methods and types of assumptions used in preparing the sensitivity analysis did not change compared to the prior period.

v. Expected contributions to the plan for the next annual reporting period

Expected contribution to post-employment benefit plans for the next year ending March 31, 2024 is Rs. 343.59 lakhs (March 31, 2023: Rs. 327.47 lakhs)

vi. Maturity profile of the defined benefit liability

The weighted average duration of the defined benefit obligation is 6 years (March 31, 2022 - 6 years). The expected maturity analysis of defined benefit obligation on an undiscounted basis is as follows:

Particulars	Less than a year	Between 2-5 years	Between 6-10 years	More than 10 years
March 31, 2023	85.33	252.99	245.48	318.93
March 31, 2022	57.58	219.61	217.34	281.09

29. Share based payments

VDCL Employee Stock Option Plan 2018 "The Plan" or "ESOP 2018"

The shareholders of the Company approved "VDCPL Employee Stock Option Plan 2018 (ESOP 2018)" at the Extraordinary General Meeting held on May 03, 2018 and subsequently it was amended at the extraordinary general meeting held on March 25, 2021 and August 26, 2021 to grant a maximum of 1,625,000 options to specified categories of employees of the Company. Each option granted and vested under ESOP 2018 shall entitle the holder to acquire one equity share of face value of Rs. 1 each of the Company.

The Plan consists of six schemes with various vesting periods from the grant date subject to satisfaction of vesting conditions. The method of settlement under the Plan is by issue of equity shares of the Company and there are no cash settlement alternatives for the employees.

Vested options can be exercised over a period of ten years from the grant date. The Exercise Price is the fair value of the equity share as on the date of the grant or as decided by the Nomination and remuneration committee. The time and performance based options under Scheme 1, 2, 3, 4, 5 and 6 become vested as below:

The time and performance based options under Scheme 1 become eligible on an annual basis at 30%, 30%, 20% and 20% over a period of four years and vesting starts from second year. The time and performance based options under Scheme 2 become eligible on an annual basis at 25%, 25%, 25% and 25% over a period of four years and vesting starts from third year. The time based options under Scheme 3 become eligible on an annual basis at 25%, 25%, 25% and 25% over a period of four years and vesting starts from third year. The time based options under Scheme 4 become eligible on annual basis at 100% and vest on second year from the grant date. The time based options under Scheme 5 become eligible and vest on an annual basis at 25%, 25%, and 50% over a period of three years. The time based options under Scheme 6 become eligible on an annual basis at 0%, 25%, 50% and 25% over a period of four years and the performance based options under Scheme 6 become eligible on an annual basis at 25%, 25%, 25% and 25% over a period of four years.

NOTES TO THE STANDALONE FINANCIAL STATEMENTS

for the year ended March 31, 2023

(All amounts in Indian Rupees in lakhs, except for share data or as otherwise stated)

29. Share based payments (Contd..)

The fair value of equity share options is estimated at the date of grant using Black- Scholes model, taking into account the terms and conditions upon which the share options were granted. Based on the historical trends, 50% of stock options are expected to be vested and exercised, accordingly the total compensation cost recognised in the statement of profit and loss is Rs. 71.67 lakhs (March 31, 2022: 113.56 lakhs).

(A) Details of options granted under ESOP 2018 by the Board/Nomination and Remuneration committee are as below:

Grant date	Grant date	Number of options granted	Number of options outstanding	Exercise Price (in Rs.)	Fair value at grant date (in Rs.)
1st Grant	May 10, 2018	4,63,750	-	220.00	222.10
2nd Grant	October 31, 2018	9,000	-	233.90	233.90
3rd Grant	April 01, 2019	75,780	-	236.90	236.90
4th Grant *	March 25, 2021	8,66,853	6,07,513	111.11	111.11

* The options are post subdivision of equity shares and after impact of bonus issue (refer note 10(a)(v)).

(B) The movement of stock options during the year (in No's) :

Particulars	No of stock options
As at April 01, 2021	5,44,508
Forfeited/lapsed during the year before bonus issue (refer note 10(a)(v))	(1,59,230)
Adjustment towards bonus issue	4,81,575
Vested/exercisable during the year	1,11,878
Forfeited/lapsed during the year after bonus issue	(1,06,897)
Exercised during the year	-
As at March 31, 2022	7,59,956
Vested/exercisable during the year	3,01,694
Forfeited/lapsed during the year	(47,194)
Exercised during the year	(1,05,249)
As at March 31, 2023	6,07,513

(C) Disclosures as per IND AS 102 for outstanding options*:

Particulars	As at March 31, 2023	As at March 31, 2022
Weighted average exercise price for outstanding options at year end (in Rs.)	111.11	111.11
Weighted average remaining contractual life for outstanding options at year end.	7.99 years	8.99 years
Range of exercise prices for outstanding options at year end (in Rs.)	111.11	111.11

*The aforementioned disclosures are post subdivision of equity shares and the effect of bonus issue (refer note 10(a)(v)).

(D) The key assumption used to estimate the fair value of stock option as on grant date:

Grant date	Dividend yield	Risk-free interest rate	Expected life of options granted in years	Expected volatility
May 10, 2018	0%	7.95%	5.5 Years to 7 Years	21.32%
October 31, 2018	0%	7.84%	5.5 Years to 7 Years	24.95%
April 01, 2019	0%	7.15%	5.5 Years to 7 Years	29.52%
March 25, 2021	0%	6.12%	5.5 Years to 7 Years	43.78%

NOTES TO THE STANDALONE FINANCIAL STATEMENTS

for the year ended March 31, 2023

(All amounts in Indian Rupees in lakhs, except for share data or as otherwise stated)

30. Related parties

(a) Details of related parties

Description of relationship	Name of the related parties
Subsidiaries	Medinova Diagnostic Services Limited Doctors Lab Medical Services Private Limited VDC Diagnostics (Karnataka) LLP
Step down subsidiaries	Namrata Diagnostic Centre Private Limited Medinova Millennium MRI Services LLP
Person exercising control	Dr. S Surendranath Reddy (Executive Chairman) (also a KMP)
Key Management Personnel (KMP)	Dr. S Surendranath Reddy (Executive Chairman) S Suprita Reddy (Chief Executive Officer) K Sunil Chandra (Executive Director) S Geetha Reddy (Director) Nishanth Sharma (Nominee Director upto 07 March 2022) Narasimha Raju.K.A (Chief Financial Officer w.e.f. 01 May 2021) Sandhya Rani. S (Chief Financial Officer upto 18 April 2021) Hansraj Singh Rajput (Company Secretary w.e.f. 13 Feb 2023) Anusha Kanumuru (Company Secretary w.e.f. 08 Nov 2021 upto 03 Dec 2022) V Sri Lakshmi (Company Secretary upto 08 Nov 2021)
Independent Directors	Dr.D.Nageshwar Reddy (w.e.f 26 May 2021) Mr. S P Singh (w.e.f 26 May 2021) Mr. Satyanarayana Murthy Chavali (w.e.f 26 May 2021) Dr. Manjula Anagani (w.e.f 22 Aug 2021) Mr. P S Narasimha (upto 21 Aug 2021)
Enterprise where KMP has significance influence	Vijaya Hospitals Private Limited Summit Nutraceuticals Private Limited Kshetra Agritech Private Limited Trikona Pharmaceuticals Private Limited Trikona Holdings LLP Vijaya Holdings India LLP S Square Properties LLP Park Health Systems Private Limited Asian Institute of Gastroenterology Private Limited IFFCO Kisan SEZ Limited
Relative of KMP	B Vishnu Priya (Wife of K Sunil Chandra)
Controlled Trust	Vijaya Diagnostic Charitable Trust

(b) Details of transactions during the year[#]

Particulars	For the year ended March 31, 2023	For the year ended March 31, 2022
Rent paid		
Dr. S Surendranath Reddy	457.94	433.10
K Sunil Chandra	107.96	105.54
S Suprita Reddy	101.18	70.14
S Geetha Reddy	418.81	374.44
B Vishnu Priya	1.91	1.66
Vijaya Hospitals Private Limited	120.82	112.09

NOTES TO THE STANDALONE FINANCIAL STATEMENTS

for the year ended March 31, 2023

(All amounts in Indian Rupees in lakhs, except for share data or as otherwise stated)

30. Related parties (Contd..)

Particulars	For the year ended March 31, 2023	For the year ended March 31, 2022
Reimbursement of expenses		
VDC Diagnostics (Karnataka) LLP	0.05	0.06
Doctors Lab Medical Services Private Limited	-	0.30
Medinova Diagnostics Services Limited	0.13	-
Rental deposits given (refund), net		
Dr. S Surendranath Reddy	(0.80)	-
S Suprita Reddy	-	12.56
K Sunil Chandra	(1.19)	-
S Geetha Reddy	(0.35)	12.56
Purchase of consumables		
Medinova Diagnostics Services Limited	0.07	-
Sale of consumables		
Medinova Diagnostics Services Limited	5.24	-
Purchase of Property, plant and equipment		
Medinova Diagnostics Services Limited	-	0.80
Asian Institute of Gastroenterology Private Limited	18.29	-
Sale of Property, plant and equipment		
Park Health Systems Private Limited	11.37	-
Sale of services		
Medinova Diagnostic Services Limited	34.96	171.13
Park Health Systems Private Limited	68.33	55.23
Loans given		
Medinova Diagnostic Services Limited	-	725.00
Loans recovered		
Medinova Diagnostic Services Limited	-	150.00
Doctors Lab Medical Services Private Limited	95.63	-
Loans Written-off		
Doctors Lab Medical Services Private Limited	9.34	-
Interest income		
Medinova Diagnostic Services Limited	57.50	37.01
Rental Income		
Medinova Diagnostic Services Limited	42.48	9.00
Remuneration to KMP *		
Dr. S Surendranath Reddy	200.00	196.67
K Sunil Chandra	100.00	93.33
S Suprita Reddy	275.00	254.17
Sri Lakshmi.V	-	6.67
Anusha Kanumuru	13.81	5.74
S.Sandhya Rani	-	41.44
Narasimha Raju.K.A **	79.60	56.06
Hansraj Singh Rajput	5.43	-
Remuneration paid to Independent Directors		
Dr. D.Nageshwar Reddy	12.00	12.00
Mr. S P Singh	12.00	12.00
Mr. Satyanarayana Murthy Chavali	12.00	12.00
Dr. Manjula Anagani	12.00	9.00

NOTES TO THE STANDALONE FINANCIAL STATEMENTS

for the year ended March 31, 2023

(All amounts in Indian Rupees in lakhs, except for share data or as otherwise stated)

30. Related parties (Contd..)

(c) Amounts due (to)/ from related parties

Particulars	As at March 31, 2023	As at March 31, 2022
Rent payable		
Vijaya Hospitals Private Limited		9.22
B Vishnu Priya	-	0.14
Rental deposits		
Vijaya Hospitals Private Limited	34.95	34.95
Dr. S Surendranath Reddy	113.35	114.14
S Suprita Reddy	38.15	38.15
K Sunil Chandra	31.81	33.00
S Geetha Reddy	129.82	130.17
B Vishnu Priya	0.72	0.72
Trade receivables		
Medinova Diagnostic Services Limited	3.30	26.62
Park Health Systems Private Limited	7.05	3.31
Loans outstanding		
Medinova Diagnostic Services Limited	575.00	575.00
Doctors Lab Medical Services Private Limited	-	104.97
Other receivables		
Medinova Diagnostic Services Limited	16.00	33.31
Remuneration payable to Independent Directors		
Dr. D.Nageshwar Reddy	2.70	-
Mr. S P Singh	2.70	-
Mr. Satyanarayana Murthy Chavali	2.70	-
Dr. Manjula Anagani	2.70	-
Salaries payable to KMP		
Anusha Kanumuru	-	1.10
Narasimha Raju.K.A	4.11	3.48
Hansraj Singh Rajput	1.64	-

Note:

- (i) All transactions with these related parties are at arm's length basis and resulting outstanding receivables and payables including financial assets and financial liabilities balances are settled in cash. None of the balances are secured. (All the amounts of transactions and balances disclosed in this note are gross and undiscounted)
- (ii) *The remuneration to key Managerial personnel does not include provision for gratuity and leave encashment, as they are determined for the Company as a whole.
- ** In addition to the remuneration, certain employee stock options were exercised, whose perquisite value is Rs 33.76 lakhs (previous year: Rs. Nil).
- (iii) #Amounts paid as dividends to promoters and their relatives in the capacity of shareholders are not considered as related party transactions.

NOTES TO THE STANDALONE FINANCIAL STATEMENTS

for the year ended March 31, 2023

(All amounts in Indian Rupees in lakhs, except for share data or as otherwise stated)

31. Ratio Analysis

Ratio	Numerator	Denominator	March 31, 2023	March 31, 2022	Variance (in %)	Reason for variance
Current Ratio (in times)	Current assets	Current liabilities	4.17	4.17	0%	
Debt-Equity Ratio (in times)	Total debt	Shareholder's equity	-	-	-	
Debt Service Coverage Ratio (in times)	Earnings available for debt service	Debt service	-	-	-	
Return on Equity Ratio (in %)	Net Profits after taxes	Average shareholder's equity	16.40%	26.03%	-37%	refer note (i)
Inventory Turnover Ratio (in times)	Cost of goods sold	Average inventory	19.11	20.90	-9%	
Trade Receivables Turnover Ratio (in times)	Net credit sales	Average trade receivables	2.63	2.69	-2%	
Trade Payables Turnover Ratio (in times)	Net credit purchases	Average trade payables	8.07	8.94	-10%	
Net Capital Turnover Ratio (in times)	Revenue	Working capital	2.19	2.24	-2%	
Net Profit Ratio (in %)	Net Profit	Revenue	18.51%	23.98%	-23%	
Return on Capital Employed (in %) (Pre cash)	Earnings before interest and taxes	Capital employed	21.66%	31.53%	-31%	refer note (ii)

Reasons for variance of more than 25%

- (i) There is a decrease in return on equity ratio in the current year on account of decrease in profits for the year.
- (ii) There is a decrease in return on capital employed ratio in the current year on account of decrease in profits for the year and increase in capital employed.

Definitions:

- (a) Earnings available for debt service = Net profit after taxes + Non-cash operating expenses such as depreciation and amortisation + Interest + other adjustments like loss on sale of fixed assets etc.
- (b) Debt service = Interest + Lease Payments + Principal Repayments
- (c) Average inventory = (Opening inventory balance + Closing inventory balance) / 2
- (d) Average trade receivables = (Opening trade receivables balance + Closing trade receivables balance) / 2
- (e) Average trade payables = (Opening trade payables balance + Closing trade payables balance) / 2
- (f) Working Capital = Current assets - Current liabilities
- (g) Earnings before interest and taxes = Profit before tax + Finance costs - Other income
- (h) Capital Employed = Total assets - Total liabilities - Intangible assets + Deferred tax liabilities

NOTES TO THE STANDALONE FINANCIAL STATEMENTS

for the year ended March 31, 2023

(All amounts in Indian Rupees in lakhs, except for share data or as otherwise stated)

32. Capital management

The Company's policy is to maintain a stable and strong capital structure with a focus on equity so as to provide returns to shareholders, benefits to other stakeholders, creditors and to sustain future development and growth of the business. In order to maintain the capital structure, the Company monitors the return on capital as well as debt to total equity ratio. The Company aims to manage its capital efficiently so as to safeguard its ability to continue as a going concern and to optimise returns to all its shareholders. For the purpose of debt to total equity, debt includes its long-term and short-term borrowings. Total equity comprises of issued share capital and all other equity reserves.

Gearing ratio:

Particulars	March 31, 2023	March 31, 2022
Total debt	-	-
Total equity	54,508.80	46,998.04
Debt equity ratio	-	-

The Company's bank balances as at March 31, 2023 is Rs. 11,142.56 lakhs (March 31, 2022: Rs 18,605.50 lakhs) and debt outstanding is Rs Nil (March 31, 2022: Rs. Nil).

33. Financial instruments

A. Accounting classifications and fair values

The following table shows the carrying amounts and fair values of financial assets and financial liabilities, including their levels in the fair value hierarchy.

Particulars	Note	March 31, 2023		March 31, 2022		Fair value level
		Amortised cost	Fair value	Amortised cost	Fair value	
Financial assets						
Investments (other than in subsidiary Companies and LLP)						
- in mutual funds - FVTPL	6 (a)	-	12,907.13	-	5,423.55	Level 1
- in equity instruments - FVOCI	6 (a)	-	4.00	-	4.00	Level 3
- in bonds - FVTPL	6 (a)		992.20	-	-	Level 1
Trade receivables	6 (b)	885.13	-	948.67	-	
Loans	6 (c)	575.00	-	679.97	-	
Cash and cash equivalents	6 (d)	2,328.97	-	1,039.02	-	
Other bank balances	6 (e)	8,813.59	-	17,566.48	-	
Other financial assets	6 (f)	1,204.14	-	1,275.98	-	
Total financial assets		13,806.83	13,903.33	21,510.12	5,427.55	
Financial liabilities						
Lease liabilities	4(c)	24,755.90	-	18,282.80	-	
Trade payables	11 (a)	2,719.24	-	2,039.26	-	
Other financial liabilities	11 (b)	1,369.72	-	2,451.38	-	
Total financial liabilities		28,844.86	-	22,773.45	-	

The fair value of trade receivables, loans, other financial assets, cash and cash equivalents, other bank balances, borrowings, trade payables and other financial liabilities approximate their carrying amount largely due to short-term nature of these instruments. Investments in mutual funds, which are classified as FVTPL are measured using net assets value at the reporting date multiplied by the quantity held.

Investment in subsidiaries have been accounted at historical cost. Since, these are scoped out of Ind AS 109 for the purpose of measurement, the same are not disclosed in the table above.

NOTES TO THE STANDALONE FINANCIAL STATEMENTS

for the year ended March 31, 2023

(All amounts in Indian Rupees in lakhs, except for share data or as otherwise stated)

33. Financial instruments (Contd..)

B. Measurement of fair values

i. Valuation techniques and significant unobservable inputs

Investment in equity instruments: The fair value of investment in equity instruments approximate to its carrying value. Hence, no fair value gain/ (loss) accounted in OCI.

Name of financial asset	Valuation technique	Significant unobservable inputs
Investment in unquoted equity shares	Discounted cash flow method was used to capture the present value of the expected future economic benefits that will flow to the Company arising from the investments in financial assets	Long term growth rate, discount rate, revenue multiple

ii. Transfer between Level 1 and 2

There have been no transfers from Level 2 to Level 1 or vice-versa in the current year and no transfers in either direction in previous year.

iii. Level 3 fair values

Particulars	FVOCI equity securities	
	March 31, 2023	March 31, 2022
Balance as at the beginning of the year	4.00	4.00
Investment made	-	-
Net change in fair value (unrealised)	-	-
Balance as at the end of the year	4.00	4.00

C. Financial risk management

The Company activities expose it to market risk, liquidity risk and credit risk. This note explains the sources of risk which the entity is exposed to and how the entity manages the risk.

Risk	Exposure arising from	Measurement	Management
Credit risk	Trade receivables, security deposits, bank deposits and loans.	Ageing analysis, Credit score of customers/ entities.	Monitoring the credit limits of customers and obtaining security deposits

The Company's risk management is carried out by the Senior Management under policies approved by the Board of Directors. The Board of Directors provides guiding principles for overall risk management, as well as policies covering specific areas such as credit risk and liquidity risk.

i. Credit risk

Credit risk is the risk of financial loss to the Company if a customer or counterparty to a financial instrument fails to meet its contractual obligations, and arises principally from the Company's receivables from customers and loans.

The Company has no significant concentration of credit risk with any counterparty.

Trade receivables and loans:

Customer credit risk is managed by the respective department subject to Company's established policy, procedures and control relating to customer credit risk management. Credit quality of a customer is assessed based on individual credit limits as defined by the Company. Outstanding customer receivables are regularly monitored. All the trade receivables are non interest bearing.

NOTES TO THE STANDALONE FINANCIAL STATEMENTS

for the year ended March 31, 2023

(All amounts in Indian Rupees in lakhs, except for share data or as otherwise stated)

33. Financial instruments (Contd..)

Expected credit loss (ECL) assessment for individual customers:

As per simplified approach, the Company makes provision of expected credit losses on trade receivable using a provision matrix to mitigate the risk of default payment and make appropriate provision at each reporting date.

Trade receivables	As at March 31, 2023				As at March 31, 2022			
	ECL Rate	Gross amount	ECL amount	Net amount	ECL Rate	Gross amount	ECL amount	Net amount
Not due	0.00%	80.85	-	80.85	0.00%	76.16	-	76.16
below 90 days past due	3.75%	541.09	20.29	520.80	3.73%	458.98	17.14	441.84
91 to 180 days past due	7.27%	233.84	17.00	216.84	6.69%	173.43	11.60	161.83
181 to 270 days past due	11.39%	41.72	4.75	36.97	9.34%	202.11	18.89	183.22
271 to 360 days past due	20.66%	17.82	3.68	14.14	16.21%	76.54	12.41	64.13
361 to 450 days past due	39.78%	12.92	5.14	7.78	29.90%	20.13	6.02	14.11
451 to 540 days past due	63.08%	11.01	6.95	4.06	50.96%	9.82	5.01	4.81
541 to 630 days past due	75.68%	11.56	8.75	2.81	63.04%	4.67	2.94	1.73
631 to 720 days past due	89.66%	8.58	7.70	0.88	75.84%	3.46	2.62	0.84
above 720 days past due	100.00%	97.29	97.29	-	100.00%	74.92	74.92	-
Total		1,056.68	171.55	885.13		1,100.22	151.54	948.67

The ageing analysis of the receivables has been considered from the date the invoice falls due.

Particulars	< 180 days	> 180 days	Provision	Total
March 31, 2023	855.77	200.91	(171.55)	885.13
March 31, 2022	860.12	240.10	(151.55)	948.67

Management believes that the unimpaired amounts that are past due by more than 180 days are still collectible in full, based on historical payment behaviour and extensive analysis of customer credit risk.

The movement in the allowance for impairment in respect of trade receivables is as follows:	March 31, 2023	March 31, 2022
Balance at the beginning of the year	151.55	151.55
Add: Allowance measured at lifetime expected credit loss	20.00	-
Less: Amounts written off	-	-
Balance at the end of the year	171.55	151.55

The Company has an exposure of Rs. 575.00 lakhs as at March 31, 2023 (March 31, 2022: Rs. 679.97 lakhs) for loans given to subsidiaries. Such loans are classified as financial asset measured at amortised cost. The Company did not have any amounts that were past due but not impaired at March 31, 2023 or March 31, 2022. The Company has no collateral in respect of these loans.

Credit risk on cash and cash equivalents, deposits with banks is generally low as the said deposits have been made with the banks who have been assigned high credit rating by credit rating agencies. Investments of surplus funds are made only with approved financial institutions. Investments primarily include investments in subsidiaries and mutual funds.

ii. Liquidity risk

Liquidity risk is the risk that the Company will encounter difficulty in meeting the obligations associated with its financial liabilities that are settled by delivering cash or another financial asset. The Company's approach to managing liquidity is to ensure, as far as possible, that it will have sufficient liquidity to meet its liabilities when they are due, under both normal and stressed conditions, without incurring unacceptable losses or risking damage to the Company's reputation.

NOTES TO THE STANDALONE FINANCIAL STATEMENTS

for the year ended March 31, 2023

(All amounts in Indian Rupees in lakhs, except for share data or as otherwise stated)

33. Financial instruments (Contd..)

The finance team monitors rolling forecasts of the Company's liquidity position and cash and cash equivalents on the basis of expected cash outflows on trade payables and other financial liabilities and any excess/ short liquidity is managed in the form of current borrowings, bank deposits and investment in mutual funds as per the approved frame work.

Exposure to liquidity risk

The following are the remaining contractual maturities of financial liabilities at the reporting date. The amounts are gross and undiscounted, and include estimated interest payments and exclude the impact of netting agreements.

March 31, 2023	Carrying amount	Total	Contractual cash flows			
			Less than 1 year	1-2 years	2-5 years	More than 5 years
Lease liabilities	24,755.90	40,491.46	3,501.80	3,641.09	9,325.27	24,023.30
Trade payables	2,719.24	2,719.24	2,719.24	-	-	-
Deferred capital creditors - on purchase of medical equipments	-	-	-	-	-	-
Capital creditors	768.36	768.36	768.36	-	-	-
Other financial liabilities	601.36	601.36	601.36	-	-	-
	28,844.86	44,580.42	7,590.76	3,641.09	9,325.27	24,023.30

March 31, 2022	Carrying amount	Total	Contractual cash flows			
			Less than 1 year	1-2 years	2-5 years	More than 5 years
Lease liabilities	18,282.80	28,464.75	2,703.68	2,703.57	7,473.54	15,583.96
Trade payables	2,039.26	2,039.26	2,039.26	-	-	-
Deferred capital creditors - on purchase of medical equipments	23.39	23.39	23.39	-	-	-
Capital creditors	1,644.77	1,644.77	1,644.77	-	-	-
Other financial liabilities	783.22	783.22	783.22	-	-	-
	22,773.45	32,955.39	7,194.32	2,703.57	7,473.54	15,583.96

Except for these financial liabilities, it is not expected that cash flows included in the maturity analysis could occur significantly.

iii. Market risk

Market risk is the risk that results from changes in market prices - such as foreign exchange rates, interest rates and others - will affect the Company's income. The objective of market risk management is to manage and control market risk exposures within acceptable parameters, while optimizing the return.

34. Other statutory information

- The Company does not have any Benami property, where any proceeding has been initiated or pending against the Company for holding any Benami property.
- 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 during the financial year.
- The Company has not traded or invested in Crypto Currency or Virtual Currency during the financial year.
- The Company does not have any charges or satisfaction which is yet to be registered with Registrar of Companies (ROC) beyond the statutory period.

NOTES TO THE STANDALONE FINANCIAL STATEMENTS

for the year ended March 31, 2023

(All amounts in Indian Rupees in lakhs, except for share data or as otherwise stated)

34. Other statutory information (Contd..)

- v. The Company has 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:
- 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 to or on behalf of the Ultimate Beneficiaries
- vi. The Company has 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 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 Party (Ultimate Beneficiaries) or
 - provide any guarantee, security or the like on behalf of the Ultimate Beneficiaries
- vii. The Company has not entered into any 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).
- viii. The Company has not been declared as wilful defaulter by any bank or financial institution or other lender.

35. The Company has received a letter dated July 5, 2021, March 14, 2022 and September 16, 2022 under section 37 of the Foreign Exchange Management Act, 1999 read with section 133(6) of the Income Tax Act, 1961 from the Directorate of Enforcement, Government of India ("ED") requesting certain information for the purpose of their investigation. The Company has responded to the ED letter by letter dated August 5, 2021, March 31, 2022 and September 29, 2022 by providing the information requested for. The letter has only sought certain information, which has been complied with, and it is not a show cause notice or demand letter at this stage, and there is no impact to the financial statements.

36. Comparative figures

The Comparative figures for the previous year have been re-arranged to conform with the current year presentation of the accounts.

37. Subsequent events

Subsequent to March 31, 2023, the Board of Directors of the Company at its meeting held on 29 May 2023 has recommended a final dividend of Re. 1/- per equity share which is subject to approval at the ensuing Annual General Meeting of the Company and hence was not recognised as a liability.

As per our report of even date attached

For B S R & Associates LLP

Chartered Accountants

ICAI Firm registration number: 116231W/ W-100024

Amit Kumar Bajaj

Partner

Membership Number: 218685

Place: Hyderabad

Date: May 29, 2023

For and on behalf of the Board of Directors of

Vijaya Diagnostic Centre Limited

CIN:L85195TG2002PLC039075

Dr. S. Surendranath Reddy

Executive Chairman

DIN Number: 00108599

Place: Hyderabad

Date: May 29, 2023

S. Suprita Reddy

Chief Executive Officer

DIN Number: 01409332

Narasimha Raju K.A.

Chief Financial Officer

DIN Number: 01409332

K. Sunil Chandra

Executive Director

DIN Number: 01409332

Hansraj Singh Rajput

Company Secretary

Membership No:F11438

INDEPENDENT AUDITOR'S REPORT

To the Members of
Vijaya Diagnostic Centre Limited

Report on the Audit of the Consolidated Financial Statements

Opinion

We have audited the consolidated financial statements of Vijaya Diagnostic Centre 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 31 March 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 auditors on separate/consolidated financial statements of such subsidiaries as were audited by the other auditors, 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 31 March 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 auditors 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 Matters

Key audit matters are those matters that, in our professional judgment and based on the consideration of reports of other auditors on separate/consolidated financial statements of components 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.

Revenue recognition

Refer note 3A of the summary of significant accounting policies and note 14 to the consolidated financial statements

The key audit matter	How the matter was addressed in our audit
<p>Revenue from diagnostics services is recognised at a point in time when the tests are conducted and samples are processed.</p> <p>The Group's revenue relates to sales through large number of diagnostic centres with high volume of sales that are made primarily on cash and carry basis which increases the risk of revenue being recognised inappropriately and which highlights the criticality of sound internal processes of summarising and recording sales revenue to mitigate error and fraud risk.</p>	<p>In view of the significance of the matter we applied the following audit procedures in this area, among others to obtain sufficient and appropriate audit evidence:</p> <ol style="list-style-type: none"> 1. We obtained an understanding of the systems, processes and controls implemented by the Group. We evaluated the design and implementation and the operating effectiveness of key internal financial controls with respect to revenue recognition including those related to the reconciliation of sales to cash / credit card receipts. 2. We tested the reconciliation of revenue generated through cash / credit card and the amount deposited into the bank statements.

The key audit matter	How the matter was addressed in our audit
<p>There is also risk of unapproved sales price being charged to patients, on account of high volume of transactions which may result into misstatement in revenue recognition.</p> <p>In view of the above, we identified revenue recognition as a key audit matter.</p>	<ol style="list-style-type: none"> 3. We performed substantive testing on samples selected using statistical sampling of revenue transactions recorded during the year by testing the underlying documents to assess whether criteria for revenue recognitions are met. Further, we verified the accuracy of the sales price by comparing the rates with the approved price list and discount policy. 4. We tested the periodic reconciliation of revenue as per the billing system to the revenue recorded as per the accounting records. Further, we tested the reconciliation of revenue recognised with statutory filings (Goods and Services Tax returns) 5. We tested sample journal entries affecting revenue recognised during the year selected based on specified risk-based criteria, to identify unusual items. 6. We carried out analytical procedures on revenue recognised during the year to identify unusual variances. 7. We assessed the adequacy of disclosures in respect of revenue in the consolidated financial statements.

Property, plant and equipment ('PPE')

Refer note 3D of the summary of significant accounting policies and note 4(a) to the consolidated financial statements

The key audit matter	How the matter was addressed in our audit
<p>During the year ended 31 March 2023, the Group has made significant capital expenditure. The Group has incurred Rs. 13,548.47 lakhs towards additions of PPE, including expanding its operations by opening new centres.</p> <p>This has been determined as a key audit matter due to:</p> <ul style="list-style-type: none"> • the significance of the capital expenditure during the year; and • judgement involved in determining the eligibility of costs for capitalisation as per the criteria set out in Ind AS 16 Property, Plant and Equipment. 	<p>In view of the significance of the matter, we applied the following audit procedures in this area:</p> <ol style="list-style-type: none"> 1. We obtained an understanding of the systems, processes and controls implemented by the Group 2. Evaluated the design, implementation and the operating effectiveness of key internal financial controls in relation to PPE process. 3. We performed substantive testing on a sample basis wherein, we: <ol style="list-style-type: none"> a. inspected the approvals for the costs incurred; b. checked direct and indirect costs capitalised with underlying documents to assess the nature of costs; c. analysed the nature of the costs incurred meets the criteria for capitalisation in accordance with the relevant standard; d. evaluated other costs debited to statement of profit and loss are eligible for capitalisation; e. assessed the costs capitalised are classified in accordance with the relevant Indian Accounting Standards; 4. Evaluated the adequacy of disclosures made in the consolidated financial statements.

Change in method of depreciation

Refer note 3D(ii) of the summary of significant accounting policies and note 4(a)(i) to the consolidated financial statements

The key audit matter	How the matter was addressed in our audit
<p>Effective from 01 January 2023, the Group has revised the method of depreciation of property, plant and equipment assets from Written Down Value (WDV) method to Straight Line Method (SLM). Such change is based upon the technical assessment performed by the Group to reflect the future economic benefits arising from these assets.</p> <p>The Group has accounted for the change in method of depreciation prospectively with effect from 01 January 2023. The carrying value of Property, plant and equipment as at 31 December 2022 will be depreciated over the remaining useful life of each such asset.</p> <p>We identified the change in the method of depreciation of property, plant and equipment as a key audit matter because the assessment process involves significant estimates by the Group. It is based on the Group's expectation of the pattern of consumption of the future economic benefits arising from these assets.</p>	<p>In view of the significance of the matter, we applied the following audit procedures in this area:</p> <ol style="list-style-type: none"> 1. Checked the technical assessment performed by the Group and analysed: <ol style="list-style-type: none"> a. past trends of technological obsolescence of property, plant and equipment b. capacity and tests performed by such assets. 2. Challenged the Group's assessment underlying the change in expected pattern of consumption of the future economic benefits arising from property, plant and equipment. 3. Inquired about the Group's discussions with the vendors of the property, plant and equipment in this regard. 4. Compared the method of depreciation applied by the Group with other companies in the same industry; 5. Examined the accounting treatment and underlying computation in accordance with the relevant guidance under the Indian Accounting Standards. 6. Verified the correctness of the computation of depreciation expense for the period post change in the method of depreciation. 7. Evaluated the disclosures made in the consolidated financial statements in relation to such change in method of depreciation in accordance with the relevant Indian Accounting Standards.

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 Holding Company's annual report, but does not include the financial statements and auditor's report thereon. The Holding Company's 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 Holding Company's annual report, if we conclude that there is a material misstatement therein, we are required to communicate the matter to those charged with governance and take actions as applicable under the applicable laws and regulations.

Management's and Board of Directors'/Designated Partners' 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 Section 133 of the Act. The respective Management and Board of Directors of the companies/ Designated Partners of the Limited Liability Partnership (LLPs) 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/LLP 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/ Designated Partners of the LLPs included in the Group are responsible for assessing the ability of each company/LLP 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/Designated Partners either intends to liquidate the Company/LLP or to cease operations, or has no realistic alternative but to do so.

The respective Board of Directors of the companies/ Designated Partners of the LLPs included in the Group are responsible for overseeing the financial reporting process of each company/LLP.

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 information 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 information 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 auditors, such other auditors remain responsible for the direction, supervision and performance of the audits carried out by them. We remain solely responsible for our 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 Matters

- a. We did not audit the financial statements of five subsidiaries, whose financial statements reflect total assets (before consolidation adjustments) of Rs.1,312.02 lakhs as at 31 March 2023, total revenues (before consolidation adjustments) of Rs.1,002.30 lakhs and net cash flows (before consolidation adjustments) amounting to Rs.22.73 lakhs for the year ended on that date, as considered in the consolidated financial statements. These financial statements have been audited by other auditors 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 auditors.

Our opinion on the consolidated financial statements, and our report on Other Legal and Regulatory Requirements below, is not modified in respect of this matter with respect to our reliance on the work done and the reports of the other auditors.

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 auditors on separate/consolidated financial statements of such subsidiaries, as were audited by other auditors, 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 books and the reports of the other auditors.
 - 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 as on 01 April 2023 taken on record by the Board of Directors of the Holding Company and the reports of the statutory auditors 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".
- 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 auditors on separate/ consolidated financial statements 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 22 to the consolidated financial statements.
 - b. The Group did not have any long-term contracts including derivative contracts for which there were any material foreseeable losses.
 - 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 management of the Holding Company and its subsidiary companies incorporated in India whose financial statements have been audited under the Act have represented to us and the other auditors of such subsidiary companies that, to the best of their knowledge and belief, as disclosed in the Note 33 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 management of the Holding Company and its subsidiary companies incorporated in India whose financial statements have been audited under the Act have represented to us and the other auditors of such subsidiary companies that, to the best of their knowledge and belief, as disclosed in the Note 33 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 that have been considered reasonable and appropriate in the circumstances performed by us and that performed by the auditors of the subsidiary companies incorporated in India whose financial statements have been audited under the Act, nothing has come to our or other auditors notice that has caused us or the other auditors 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 final dividend paid by the Holding Company during the year, in respect of the same declared for the previous year, is in accordance with Section 123 of the Act to the extent it applies to payment of dividend.

As stated in Note 36 to the consolidated financial statements, the Board of Directors of the Holding Company has proposed final dividend for the year which is subject to the approval of the members at the ensuing Annual General Meeting. The dividend declared is in accordance with Section 123 of the Act to the extent it applies to declaration of dividend.

- 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 reports of the statutory auditors 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

Amit Kumar Bajaj

Partner

Place: Hyderabad
Date: 29 May 2023

Membership No. 218685
ICAI UDIN:23218685VGXHIS5439

ANNEXURE A

to the Independent Auditor's Report on the Consolidated Financial Statements of Vijaya Diagnostic Centre 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, there are no qualifications or adverse remarks by the respective auditors in the Companies (Auditor's Report) Order, 2020 reports of the companies incorporated in India and included in the consolidated financial statements.

For **B S R & Associates LLP**

Chartered Accountants

Firm's Registration No. 116231W/W-100024

Amit Kumar Bajaj

Partner

Membership No. 218685

ICAI UDIN:23218685VGXHIS5439

Place: Hyderabad

Date: 29 May 2023

ANNEXURE B

to the Independent Auditor's Report on the consolidated financial statements of Vijaya Diagnostic Centre 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 Vijaya Diagnostic Centre 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 auditors on internal financial controls with reference to financial statements of subsidiary companies, as were audited by the other auditors, 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 auditors of the relevant subsidiary companies in terms of their reports referred to in the Other Matters 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 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 Matters

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 three subsidiary companies, which are companies incorporated in India, is based on the corresponding reports of the auditors of such companies incorporated in India.

Our opinion is not modified in respect of this matter.

For **B S R & Associates LLP**

Chartered Accountants

Firm's Registration No. 116231W/W-100024

Amit Kumar Bajaj

Partner

Membership No. 218685

ICAI UDIN:23218685VGXHIS5439

Place: Hyderabad

Date: 29 May 2023

CONSOLIDATED BALANCE SHEET

as at March 31, 2023

(All amounts in Indian Rupees in lakhs, except for share data or as otherwise stated)

Particulars	Notes	As at 31 March 2023	As at 31 March 2022
ASSETS			
I Non-current assets			
(a) Property, plant and equipment	4 (a)	29,403.95	19,661.08
(b) Capital work-in-progress	4 (b)	2,710.61	3,409.88
(c) Right-of-use assets	4 (C)	22,233.92	16,715.25
(d) Other intangible assets	5	219.63	135.68
(e) Intangible assets under development	5	63.06	6.84
(f) Goodwill on consolidation	5	533.75	533.75
(g) Financial assets			
(i) Investments	6 (a)	4.00	4.00
(ii) Other financial assets	6 (e)	899.92	754.71
(h) Deferred tax assets, (net)	7	824.91	885.81
(i) Non-current tax assets, (net)	21 (d)	19.31	22.57
(j) Other non-current assets	9	861.51	2,227.81
Total non-current assets		57,774.57	44,357.38
II Current assets			
(a) Inventories	8	204.86	427.67
(b) Financial assets			
(i) Investments	6 (a)	13,899.32	5,423.55
(ii) Trade receivables	6 (b)	948.87	977.09
(iii) Cash and cash equivalents	6 (C)	2,417.69	1,104.99
(iv) Bank balances other than (iii) above	6 (d)	9,224.54	18,130.69
(v) Other financial assets	6 (e)	362.04	514.53
(c) Other current assets	9	508.80	410.18
Total current assets		27,566.12	26,988.70
TOTAL ASSETS (I + II)		85,340.69	71,346.08
EQUITY AND LIABILITIES			
I Equity			
(a) Equity share capital	10 (a)	1,020.71	1,019.66
(b) Other equity	10 (b)	53,452.23	45,802.27
Equity attributable to owners of the Company		54,472.94	46,821.93
Non-controlling interest		190.14	132.31
Total equity		54,663.08	46,954.24
Liabilities			
II Non-current liabilities			
(a) Financial liabilities			
(i) Lease liabilities	4 (C)	23,303.01	17,025.97
(b) Provisions	12	711.66	741.84
(c) Other non-current liabilities	13	46.07	11.65
Total non-current liabilities		24,060.74	17,779.46
III Current liabilities			
(a) Financial liabilities			
(i) Borrowings	11 (C)	-	63.46
(ii) Lease liabilities	4 (C)	1,452.89	1,256.83
(iii) Trade payables	11 (b)		
- Total outstanding dues of micro enterprises and small enterprises; and		51.84	16.76
- Total outstanding dues of creditors other than micro enterprises and small enterprises		2,719.64	2,147.11
(iv) Other financial liabilities	11 (C)	1,398.87	2,480.30
(b) Provisions	12	395.02	208.63
(c) Current tax liabilities, net	21 (d)	240.90	90.30
(d) Other current liabilities	13	357.71	348.99
Total current liabilities		6,616.87	6,612.38
Total liabilities (II + III)		30,677.61	24,391.84
TOTAL EQUITY AND LIABILITIES (I + II + III)		85,340.69	71,346.08
Corporate information	1		
Basis of preparation and measurement and Summary of significant accounting policies	2 & 3		

The notes referred to above form an integral part of the consolidated financial statements.

As per our report of even date attached

For and on behalf of the Board of Directors of

For B S R & Associates LLP

Chartered Accountants

ICAI Firm registration number: 116231W/ W-100024

Vijaya Diagnostic Centre Limited

CIN:L85195TG2002PLC039075

Amit Kumar Bajaj

Partner

Membership Number: 218685

Dr. S. Surendranath Reddy

Executive Chairman

DIN Number: 00108599

S. Suprita Reddy

Chief Executive Officer

K. Sunil Chandra

Executive Director

DIN Number: 01409332

Place: Hyderabad

Date: May 29, 2023

Place: Hyderabad

Date: May 29, 2023

Narasimha Raju K.A.

Chief Financial Officer

Hansraj Singh Rajput

Company Secretary

Membership No:F11438

CONSOLIDATED STATEMENT OF PROFIT AND LOSS

for the year ended March 31, 2023

(All amounts in Indian Rupees in lakhs, except for share data or as otherwise stated)

Particulars	Notes	For the year ended 31 March 2023	For the year ended 31 March 2022
I Income			
(a) Revenue from operations	14	45,922.27	46,236.99
(b) Other income	15	1,415.07	1,283.06
Total income		47,337.34	47,520.05
II Expenses			
(a) Cost of materials consumed	16	5,888.16	7,149.91
(b) Employee benefits expense	17	7,847.74	7,065.94
(c) Finance costs	19	2,094.79	1,645.03
(d) Depreciation and amortisation expense	18	6,172.01	5,268.61
(e) Other expenses	20	13,983.64	11,652.13
Total expenses		35,986.34	32,781.62
III Profit Before Tax (PBT) [I - II]		11,351.00	14,738.43
IV Tax expense	21		
(a) Current tax		2,776.18	3,954.73
(b) Deferred tax, net		54.12	(283.06)
Tax expenses		2,830.30	3,671.67
V Profit for the year [III-IV]		8,520.70	11,066.76
VI Other comprehensive income			
Items that will not be reclassified to profit or loss			
(i) Remeasurement gain on defined benefit liability / asset		26.94	27.62
(ii) Income tax relating to items that will not be reclassified to profit or loss	21	(6.78)	(6.96)
Other comprehensive income for the year, net of tax		20.16	20.66
VII Total comprehensive income for the year [V+VI]		8,540.86	11,087.42
Profit for the period attributable to:			
Owners of the Company		8,463.16	10,968.06
Non controlling interests		57.54	98.70
Other comprehensive income attributable to:			
Owners of the Company		19.87	20.07
Non controlling interests		0.29	0.59
Total comprehensive income attributable to:			
Owners of the Company		8,483.03	10,988.13
Non controlling interests		57.83	99.29
Earnings per equity share (face value of Re. 1 each fully paid up)	23		
- Basic (in Rs.)		8.29	10.76
- Diluted (in Rs.)		8.26	10.69
Corporate information	1		
Basis of preparation and measurement and Summary of significant accounting policies	2 & 3		

The notes referred to above form an integral part of the consolidated financial statements.

As per our report of even date attached

For and on behalf of the Board of Directors of

For B S R & Associates LLP

Chartered Accountants

ICAI Firm registration number: 116231W/ W-100024

Vijaya Diagnostic Centre Limited

CIN:L85195TG2002PLC039075

Amit Kumar Bajaj

Partner

Membership Number: 218685

Dr. S. Surendranath Reddy

Executive Chairman

DIN Number: 00108599

S. Suprita Reddy

Chief Executive Officer

DIN Number: 01409332

K. Sunil Chandra

Executive Director

DIN Number: 01409332

Place: Hyderabad

Date: May 29, 2023

Place: Hyderabad

Date: May 29, 2023

Narasimha Raju K.A.

Chief Financial Officer

Membership No:F11438

Hansraj Singh Rajput

Company Secretary

Membership No:F11438

CONSOLIDATED STATEMENT OF CASH FLOWS

for the year ended March 31, 2023

(All amounts in Indian Rupees in lakhs, except for share data or as otherwise stated)

Particulars	For the year ended 31 March 2023	For the year ended 31 March 2022
A. Cash flow from operating activities		
Profit before tax	11,351.00	14,738.43
<i>Adjustments to reconcile profit before tax to net cash flows:</i>		
Depreciation and amortisation expense	6,172.01	5,268.61
Net gain on sale/ retirement of property, plant and equipment	(8.60)	(39.79)
Interest income under the effective interest method	(828.00)	(979.86)
Profit on sale of mutual fund investments (net)	(86.49)	(47.62)
Provision for doubtful receivables	23.28	-
Provision for doubtful advances	20.00	43.63
Fair value gain on investments measured at FVTPL	(385.44)	(136.25)
Liabilities no longer required, written back	(90.00)	(21.35)
Equity-settled share-based payment transactions (ESOP)	71.67	113.56
Finance costs	1,942.46	1,521.49
Working capital adjustments:		
Decrease / (Increase) in inventories	222.82	(163.24)
Decrease / (Increase) in trade receivables	4.94	(306.64)
Decrease / (Increase) in other financial assets	261.82	(287.92)
(Increase) in other assets	(205.03)	(551.05)
Increase / (Decrease) in trade payables	697.60	(30.97)
Increase in provisions and other liabilities	101.52	174.90
(Decrease) / Increase in other financial liabilities	(182.07)	496.35
Cash generated from operating activities	19,083.49	19,792.28
Income tax paid, net	(2,622.32)	(3,992.41)
Net cash flow generated from operating activities	16,461.17	15,799.87
B. Cash flows from investing activities		
Acquisition of property, plant and equipment, Capital work-in-progress (CWIP), Other Intangible assets and Intangible assets under development (including capital advances and capital creditors)	(12,484.26)	(12,234.85)
Proceeds from sale of property, plant and equipment	25.42	142.03
Purchase of further stake from NCI in subsidiary	-	(170.00)
Investment in liquid mutual funds/bonds, net	(8,003.84)	(2,476.94)
Deposits redeemed having original maturity of more than 3 months, net	8,868.52	1,207.81
Interest received	636.92	1,225.72
Net cash used in investing activities	(10,957.24)	(12,306.23)
C. Cash flows from financing activities		
Repayment of long-term borrowings	-	(327.45)
Repayments of short-term borrowings, net	(63.46)	(56.23)
Payment of lease liabilities	(3,221.17)	(2,471.67)
Interest paid	(1.39)	(201.86)
Proceeds from issue of equity shares under ESOP	115.90	-
Dividend paid	(1,021.11)	-
Net cash used in financing activities	(4,191.23)	(3,057.21)
Net increase in cash and cash equivalents (A + B + C)	1,312.70	436.43
Cash and cash equivalents at the beginning of the year	1,104.99	668.56
Cash and cash equivalents at end of the year	2,417.69	1,104.99

Note:

- (a) The above Statement of Cash Flows has been prepared under the "Indirect Method" as set out in the Indian Accounting Standard (Ind AS-7) - Statement of Cash Flows.

CONSOLIDATED STATEMENT OF CASH FLOWS

for the year ended March 31, 2023

(All amounts in Indian Rupees in lakhs, except for share data or as otherwise stated)

(b) Cash and cash equivalents as per above comprise of the following:

Particulars	As at March 31, 2023	As at March 31, 2022
Cash on hand	56.05	54.93
Balances with banks		
- in current accounts	1,159.67	1,035.80
- unpaid dividend accounts	0.47	-
- in deposit accounts having maturity less than three months	1,201.50	14.26
Total cash and cash equivalents (refer note 6(c))	2,417.69	1,104.99

(c) Reconciliation of movements of liabilities to cash flows arising from financing activities:

Particulars	As at March 31, 2023	As at March 31, 2022
Movement in financial liabilities:		
1 Opening balance		
Non-current borrowings (including current maturities)	-	327.45
Current borrowings	63.46	119.69
Lease liabilities	18,282.80	13,657.46
Interest accrued but not due on borrowings	-	145.69
Movement		
Cash flows	(3,286.02)	(3,057.21)
Interest expense	1,891.05	1,471.59
Other non-cash movements		
- Additions / Disposals to lease liabilities (net)	7,804.61	5,673.25
Closing balance		
Non-current borrowings (including current maturities)	-	-
Current borrowings	-	63.46
Lease liabilities	24,755.90	18,282.80
Interest accrued but not due on borrowings	-	-

The notes referred to above form an integral part of the consolidated financial statements.

As per our report of even date attached

For and on behalf of the Board of Directors of

For B S R & Associates LLP

Chartered Accountants

ICAI Firm registration number: 116231W/ W-100024

Vijaya Diagnostic Centre Limited

CIN:L85195TG2002PLC039075

Amit Kumar Bajaj

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Chief Executive Officer

K. Sunil Chandra

Executive Director

DIN Number: 01409332

Place: Hyderabad

Date: May 29, 2023

Place: Hyderabad

Date: May 29, 2023

Narasimha Raju K.A.

Chief Financial Officer

Hansraj Singh Rajput

Company Secretary

Membership No:F11438

CONSOLIDATED STATEMENT OF CHANGES IN EQUITY

for the year ended March 31, 2023

(All amounts in Indian Rupees in lakhs, except for share data or as otherwise stated)

Particulars	Equity share capital	Reserves and surplus			Retained earnings	Total attributable to owners of the Company	Total attributable to Non-controlling interest	Total
		General reserve	Securities premium	Share based payments reserve				
As at April 1, 2021	453.19	493.20	5,156.75	82.73	29,714.77	35,900.64	22.62	35,923.26
Total comprehensive income for the year ended March 31, 2022								
Profit for the year	-	-	-	-	10,968.06	10,968.06	98.70	11,066.76
Other comprehensive income for the year	-	-	-	-	20.07	20.07	0.59	20.66
Total comprehensive income for the year	-	-	-	-	10,988.13	10,988.13	99.29	11,087.42
Bonus issue of shares (refer note 10(a) (v))	566.47	-	(566.47)	-	-	-	-	-
On account of Share based payments (refer note 28)	-	-	-	113.56	-	113.56	-	113.56
Adjustment on consolidation	-	-	-	-	(180.40)	(180.40)	10.40	(170.00)
As at March 31, 2022	1,019.66	493.20	4,590.28	196.29	40,522.50	46,821.93	132.31	46,954.24
Total comprehensive income for the year ended March 31, 2023								
Profit for the year	-	-	-	-	8,463.16	8,463.16	57.54	8,520.70
Other comprehensive income for the year	-	-	-	-	19.87	19.87	0.29	20.16
Total comprehensive income for the year	-	-	-	-	8,483.03	8,483.03	57.83	8,540.86
On account of Share based payments (refer note 28)	-	-	-	71.67	-	71.67	-	71.67
Transfer on account of employee share options lapsed/forfeited	-	45.00	-	(45.00)	-	-	-	-
Transfer on account of employee share options exercised	-	30.52	-	(30.52)	-	-	-	-
Proceeds from issue of shares under ESOP plan	1.05	-	115.90	-	-	116.95	-	116.95
Payment of dividend (refer note 10(b) (iv))	-	-	-	-	(1,020.64)	(1,020.64)	-	(1,020.64)
As at March 31, 2023	1,020.71	568.72	4,706.18	192.44	47,984.89	54,472.94	190.14	54,663.08

As per our report of even date attached

For B S R & Associates LLP

Chartered Accountants

ICAI Firm registration number: 116231W/ W-100024

Amit Kumar Bajaj

Partner

Membership Number: 218685

Place: Hyderabad

Date: May 29, 2023

For and on behalf of the Board of Directors of

Vijaya Diagnostic Centre Limited

CIN:L85195TG2002PLC039075

Dr. S. Surendranath Reddy

Executive Chairman

DIN Number: 00108599

Place: Hyderabad

Date: May 29, 2023

S. Suprita Reddy

Chief Executive Officer

Narasimha Raju K.A.

Chief Financial Officer

K. Sunil Chandra

Executive Director

DIN Number: 01409332

Hansraj Singh Rajput

Company Secretary

Membership No:F11438

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

for the year ended March 31, 2023

(All amounts in Indian Rupees in lakhs, except for share data or as otherwise stated)

1. Corporate information

Vijaya Diagnostic Centre Limited ('the Company' or 'the Parent Company') together with its subsidiaries ('collectively, 'the Group') is engaged in the business of providing comprehensive range of diagnostic services, spanning pathological investigations, basic and high end radiology, nuclear medicine and related healthcare services.

The Company is domiciled and incorporated in India on June 05, 2002 and has its registered and corporate office at # 6-3-883/F, Ground Floor, Family Planning Association of India, Panjagutta, Hyderabad - 500 082, India.

The Company got listed on Bombay Stock Exchange (BSE) and National Stock Exchange (NSE) on september 14, 2021 through Offer for sale of the Equity shares by certain shareholders of the Company.

2. Basis of preparation and measurement

(i) Statement of compliance

The consolidated financial statements have been prepared in accordance with the Indian Accounting Standards (referred to as 'Ind AS') as per Companies (Indian Accounting Standards) Rules, 2015 notified under section 133 of the Companies Act, 2013.

The consolidated financial statements were approved by the Board of Directors and authorised for issue on May 29, 2023.

(ii) Change in accounting estimates

The Group has charged depreciation on Property, Plant and Equipment based on Written Down Value ("WDV") method from 01 April 2022 to 31 December 2022. With effect from 01 January 2023, the Group has changed its method of depreciation from WDV to Straight Line Method ("SLM") based on the technical assessment of the expected pattern of consumption of future economic benefits embodied in the assets as per Ind AS 16.

As per Ind AS 8, the effect of change in accounting estimate has to be given prospectively in the financial statements, accordingly, the Company has changed the method of depreciation w.e.f 01 January 2023. Due to this change in accounting estimate, the depreciation expense is lower and the profit before tax is higher by Rs.904.34 lakhs for the year ended 31 March 2023. Refer note 4(a)(i) for change in accounting estimate.

(iii) Functional and presentation currency

These consolidated financial statements are presented in Indian Rupees (Rs.), which is also the Group's functional currency. All amounts have been rounded to the nearest lakhs, unless otherwise indicated.

(iv) Basis of measurement

These consolidated financial statements have been prepared under the historical cost basis except for the following items, which are measured on an alternative basis on each reporting date.

Item Basis	Measurement
Certain financial assets and liabilities	Fair Value or Amortised Cost
Equity securities at FVOCI	Fair Value
Net defined benefit (asset)/ liability	Fair value of plan assets less present value of defined benefit obligations (refer note 28)
Equity settled share based payments	Fair Value

(v) Use of estimates and judgements

In preparing these consolidated financial statements, management has made judgements and estimates that affect the application of accounting policies and the reported amounts of assets, liabilities, income and expenses. Actual results may differ from these estimates.

Estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to estimates are recognised prospectively.

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 3(J), 20 - lease term; whether the Group is reasonably certain to exercise extended options

Assumptions and estimation uncertainties

Information about assumptions and estimation uncertainties at the reporting date that have a significant risk of resulting in a material adjustment to the carrying amounts of assets and liabilities within the next financial year are included in the following notes:

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

for the year ended March 31, 2023

(All amounts in Indian Rupees in lakhs, except for share data or as otherwise stated)

- Note 3(H) – Impairment testing for goodwill generated on consolidation;
- Note 27 – measurement of defined benefit obligations: key actuarial assumptions;
- Notes 12 – recognition and measurement of provisions and contingencies: key assumptions about the likelihood and magnitude of an outflow of resources;
- Note 6 (b) – impairment of financial assets;
- Note 4 and Note 5 - determining an asset's expected useful life and the expected residual value at the end of its life
- Note 28 - Employee share based payments, equity settled

(vi) Measurement of fair values

A number of the accounting policies and disclosures require the measurement of fair values, for both financial and non-financial assets and liabilities.

The Group has an established control framework with respect to the measurement of fair values.

Fair value is the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date. The fair value measurement is based on the presumption that the transaction to sell the asset or transfer the liability takes place either:

- In the principal market for the asset or liability or
- In the absence of a principal market, in the most advantageous market for the asset or liability

The principal or the most advantageous market must be accessible by the Group. The fair value of an asset or a liability is measured using the assumptions that market participants would use when pricing the asset or liability, assuming that market participants act in their economic best interest.

The Group uses valuation techniques that are appropriate in the circumstances and for which sufficient data is available to measure fair value, maximising the use of relevant observable inputs and minimising the use of unobservable inputs.

Significant valuation issues are reported to the Group's audit committee.

Fair values are categorised into different levels in a fair value hierarchy based on the inputs used in the valuation techniques as follows.

Level 1: quoted prices (unadjusted) in active markets for identical assets or liabilities.

Level 2: inputs other than quoted prices included in Level 1 that are observable for the asset or liability, either directly (i.e. as prices) or indirectly (i.e. derived from prices).

Level 3: inputs for the asset or liability that are not based on observable market data (unobservable inputs).

When measuring the fair value of an asset or a liability, the Group uses observable market data as far as possible. If the inputs used to measure the fair value of an asset or a liability fall into different levels of the fair value hierarchy, then the fair value measurement is categorised in its entirety in the same level of the fair value hierarchy as the lowest level input that is significant to the entire measurement.

The Group recognises transfers between levels of the fair value hierarchy at the end of the reporting period during which the change has occurred.

Further information about the assumptions made in the measuring fair values is included in the following notes:

- Note 28: Share based payments.
- Note 31: Financial Instruments.

(vii) Principles of consolidation

a. Subsidiaries

Subsidiaries are entities controlled by the Group. Control is achieved when the Group is exposed, or has rights, to variable returns from its involvement with the investee and has the ability to affect those returns through its power over the investee. Specifically, the Group controls an investee if, and only if, the Group has:

- (i) Power over the investee (i.e. existing rights that give it the current ability to direct the relevant activities of the investee);
- (ii) Exposure, or rights, to variable returns from its involvement with the investee; and the ability to use its power over the investee to affect its returns.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

for the year ended March 31, 2023

(All amounts in Indian Rupees in lakhs, except for share data or as otherwise stated)

- (iii) The ability to use its power over the investee to affect its returns.

Generally, there is a presumption that a majority of voting rights result in control. To support this presumption and when the Group has less than a majority of the voting or similar rights of an investee, the Group considers all relevant facts and circumstances in assessing whether it has power over an investee, including:

- (i) The contractual arrangement with the other vote holders of the investee;
- (ii) Rights arising from other contractual arrangements;
- (iii) The Group's voting rights and potential voting rights;
- (iv) The size of the group's holding of voting rights relative to the size and dispersion of the holdings of the other voting rights holders.

The Group re-assesses whether or not it controls an investee if facts and circumstances indicate that there are changes to one or more of the three elements of control. Consolidation of a subsidiary begins when the Group obtains control over the subsidiary and ceases when the Group loses control of the subsidiary. Assets, liabilities, income and expenses of a subsidiary acquired or disposed of during the year are included in the consolidated financial statements from the date the Group gains control until the date the Group ceases to control the subsidiary.

Consolidated financial statements are prepared using uniform accounting policies for like transactions and other events in similar circumstances. If a member of the Group uses accounting policies other than those adopted in the consolidated financial statements for like transactions and events in similar circumstances, appropriate adjustments are made to that Group member's financial statements in preparing the consolidated financial statements to ensure conformity with the Group's accounting policies.

The financial statements of all entities used for the purpose of consolidation are drawn up to same reporting date as that of the Parent Company, i.e. year ended on March 31.

b. Consolidation procedures:

- a. Combine like items of assets, liabilities, equity, income, expenses and cash flows of the parent with those of its subsidiaries. For this purpose, income and expenses of the subsidiary are based on the amounts of the assets and liabilities recognized in the consolidated financial statements at the acquisition date.
- b. Offset (eliminate) the carrying amount of the parent's investment in each subsidiary and the parent's portion of equity of each subsidiary. Business combinations policy explains how to account for any related goodwill.
- c. Eliminate in full intragroup assets and liabilities, equity, income, expenses and cash flows relating to transactions between entities of the Group (profits or losses resulting from intragroup transactions that are recognized in assets, such as inventory and property, plant and equipment and intangible assets, are eliminated in full). Intragroup losses may indicate an impairment that requires recognition in the consolidated financial statements. Ind AS 12 Income Taxes applies to temporary differences that arise from the elimination of profit and losses resulting from intragroup transactions.

c. Non-controlling interests (NCI)

NCI are measured at their proportionate share of the acquiree's net identifiable assets at the date of acquisition.

Changes in the Group's equity interest in a subsidiary that do not result in a loss of control are accounted for as equity transactions.

d. Loss of control

A change in the ownership interest of a subsidiary, without a loss of control, is accounted for as an equity transaction.

If the Group loses control over a subsidiary, it:

- (i) Derecognises the assets (including goodwill) and liabilities of the subsidiary.
- (ii) Derecognises the carrying amount of any non-controlling interests.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

for the year ended March 31, 2023

(All amounts in Indian Rupees in lakhs, except for share data or as otherwise stated)

- (iii) Derecognises the cumulative translation differences recorded in equity.
- (iv) Recognises the fair value of the consideration received.
- (v) Recognises the fair value of any investment retained.
- (vi) Recognises any surplus or deficit in profit or loss.
- (vii) Reclassifies the parent's share of components previously recognized in OCI to profit or loss or retained earnings, as appropriate, as would be required if the Group had directly disposed of the related assets or liabilities.

e. Subsidiaries considered in the consolidated financial statements:

S. No.	Name of the entity	Relationship	Country of incorporation	Ownership interest in %	
				March 31, 2023	March 31, 2022
1	Medinova Diagnostic Services Limited	Subsidiary	India	62.14%	62.14%
2	VDC Diagnostic (Karnataka) LLP	Subsidiary	India	100.00%	100.00%
3	Doctors Lab Diagnostic Centre Private Limited	Subsidiary	India	100.00%	100.00%
4	Medinova Millennium MRI Services LLP*	Step down subsidiary	India	100.00%	100%
5	Namrata Diagnostic Centre Private Limited**	Step down subsidiary	India	100.00%	100.00%

*Subsidiary of Medinova Diagnostic Services Limited

**Subsidiary of Doctors Lab Diagnostic Centre Private Limited

(vii) Current and non-current classification:

The Group classifies an asset as current when:

- it expects to realise the asset, or intends to sell or consume it, in its normal operating cycle;
- it expects to realise the asset within twelve months after the reporting period;
- it holds the asset primarily for the purpose of trading; or
- the asset is cash or cash equivalent unless the asset is 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 classified as a current when-

- it is expected to be settled in the Group's normal operating cycle;
- the liability is due to be settled within twelve months from the reporting period;
- it is held primarily for the purposes of being trading;
- it does not hold an unconditional right to defer settlement of the liability for at least twelve months after the reporting period. Terms of a liability that

could, at the option of the counter party, result in its settlement by the issue of equity instruments do not affect its classification.

All other liabilities are classified as non-current.

The operating cycle is the time between the acquisition of assets for processing and realisation in cash or cash equivalents. The Group's normal operating cycle is twelve months.

3. Significant accounting policies

A. Revenue from contracts with customers

Revenue is measured based on the consideration specified in a contract with a customer. The Group recognises revenue when it transfers control over a good or service to a customer.

i) Diagnostic services

Revenue from diagnostic 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, however for institutional / organizational customers billing is done fortnightly / monthly

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

for the year ended March 31, 2023

(All amounts in Indian Rupees in lakhs, except for share data or as otherwise stated)

based on the agreement, which is consistent with market practice.

The Group recognises revenue when the amount of revenue can be reliably measured, it is probable that future economic benefits will flow to the entity and when the underlying tests are conducted, samples are processed for requisitioned diagnostic tests. Each 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 standalone selling. 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 transfer services to the customer, a contract liability is recognised when the payment is made. Contract liabilities are recognised as revenue when the Group performs under the contract.

ii) Sale of Privilege cards

The Group operates a discount scheme where certain 'Privilege cards' are sold to the customers against which specified discounts are given on the future diagnostic services availed by the customer for a specified period. The Group recognises revenue from the sale of such cards over the period for which the card is valid. The difference in sale consideration received and revenue recognised is recognised as deferred revenue.

B. Recognition of dividend income, interest income or expense and rental income

Dividend income

Dividend are recognised in statement of profit and loss on the date on which the Group's right to receive payment is established.

Interest income or expense

Interest income or expense is recognized using the effective interest method.

The 'effective interest rate' is the rate that exactly discounts estimated future cash payments or receipts through the expected life of the financial instrument to:

- the gross carrying amount of the financial asset; or
- the amortised cost of the financial liability.

In calculating interest income and expense, the effective interest rate is applied to the gross carrying amount of the asset (when the asset is not credit-impaired) or to the amortised cost of the liability. However, for financial assets that have become credit-impaired subsequent to initial recognition, interest income is calculated by applying the effective interest rate to the amortised cost of the financial asset. If the asset is no longer credit-impaired, then the calculation of interest income reverts to the gross basis.

Rental income:

Rental income from Investment property is recognised as part of Other income in statement profit and loss on the date on which the Group's right to receive payment is established

C. Financial instruments

A financial instrument is any contract that gives rise to a financial asset of one entity and financial liability or equity instrument of another entity.

i) Initial recognition and measurement

Trade receivables issued are initially recognised when they are originated. All other financial assets or financial liabilities are initially recognised when the Group becomes a party to the contractual provision of the instrument.

A financial asset (unless it is a trade receivable without a significant financing component) or financial liability is initially measured at fair value plus or minus, for an item not at fair value through profit and loss (FVTPL), transaction costs that are directly attributable to its acquisition or issue.

A trade receivable without a significant financing component is initially measured at the transaction price

ii) Classification and subsequent measurement

Financial assets

All financial assets are initially measured at fair value plus, for an item not at fair value through profit and loss (FVTPL), transaction costs that are directly attributable to its acquisition or issue.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

for the year ended March 31, 2023

(All amounts in Indian Rupees in lakhs, except for share data or as otherwise stated)

On initial recognition, a financial asset is classified as measured at:

- Amortised cost;
- Fair Value through Other Comprehensive Income (FVOCI) – equity investment; or
- Fair Value through Profit or Loss (FVTPL)

Financial assets are not reclassified subsequent to their initial recognition, except if and in the period the Group changes its business model for managing financial assets, in which case all affected financial assets are reclassified on the first day of the first reporting period following the change in the business model.

A financial asset is measured at amortised cost if it meets both of the following conditions and is not designated as at FVTPL:

- It is held within a business model whose objective is to hold assets to collect contractual cash flows; and
- Its contractual terms of the financial asset give rise on specified dates to cash flows that are solely payments of principal and interest on the principal amount outstanding.

On initial recognition of an equity investment that is not held for trading, the Group may irrevocably elect to present subsequent changes in the investment's fair value in OCI (designated as FVOCI – equity investment). This election is made on an investment-by-investment basis.

All financial assets not classified as measured at amortised cost or FVOCI as described above are measured at FVTPL. On initial recognition, the Group may irrevocably designate a financial asset that otherwise meets the requirements to be measured at amortised cost or at FVOCI as at FVTPL if doing so eliminates or significantly reduces an accounting mismatch that would otherwise arise.

Subsequent measurement

Financial assets at FVTPL: These assets are subsequently measured at fair value. Net gains and losses, including any interest or dividend income, are recognised in profit or loss.

Financial assets at amortised cost: These assets are subsequently measured at amortised cost using the effective interest method. The amortised cost is reduced by impairment losses. Interest income, foreign exchange gains and losses and impairment are recognised in profit or loss. Any gain or loss on derecognition is recognised in profit or loss.

Equity investments at FVOCI: These assets are subsequently measured at fair value. Dividends are recognised as income in profit or loss unless the dividend clearly represents a recovery of part of the cost of the investment. Other net gains and losses are recognised in OCI and are not reclassified to profit or loss.

Financial liabilities:

Financial liabilities are classified as measured at amortised cost or FVTPL. A financial liability is classified as at FVTPL if it is classified as held-for-trading, or it is a derivative or it is designated as such on initial recognition. Financial liabilities at FVTPL are measured at fair value and net gains and losses, including any interest expense, are recognised in statement of profit or loss. Other financial liabilities are subsequently measured at amortised cost using the effective interest method. Interest expense and foreign exchange gains and losses are recognised in statement of profit or loss.

iii) Derecognition

Financial assets

The Group derecognises a financial asset when:

- the contractual rights to the cash flows from the financial asset expire; or
- it transfers the rights to receive the contractual cash flows in a transaction in which either:
 - substantially all of the risks and rewards of ownership of the financial asset are transferred; or
 - the Group neither transfers nor retains substantially all of the risks and rewards of ownership and it does not retain control of the financial asset.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

for the year ended March 31, 2023

(All amounts in Indian Rupees in lakhs, except for share data or as otherwise stated)

If the Group enters into transactions whereby it transfers assets recognised on its balance sheet, but retains either all or substantially all of the risks and rewards of the transferred assets, the transferred assets are not derecognised.

Financial liabilities

The Group derecognises a financial liability when its contractual obligations are discharged or cancelled, or expired.

The Group also derecognises a financial liability when its terms are modified and the cash flows under the modified terms are substantially different. In this case, a new financial liability based on the modified terms is recognised at fair value. On derecognition of a financial liability, the difference between the carrying amount extinguished and the consideration paid (including any non-cash assets transferred or liabilities assumed) is recognised in profit or loss.

iv) Offsetting

Financial assets and financial liabilities are offset and the net amount presented in the balance sheet when, and only when, the Group currently has a legally enforceable right to set off the amounts and it intends either to settle them on a net basis or to realise the asset and settle the liability simultaneously.

D. Property, plant and equipment

i) Recognition and measurement

The cost of an item of property, plant and equipment shall be recognised as an asset if, and only if it is probable that future economic benefit associated with the item will flow to the Group and the cost of the item can be measured reliably. Items of property, plant and equipment (including capital-work-in progress) are measured at cost, which includes capitalised borrowing costs, less accumulated depreciation and any accumulated impairment losses. Freehold land is carried at historical cost less any accumulated impairment losses.

Cost of an item of property, plant and equipment comprises its purchase price, including non-

refundable purchase taxes, after deducting trade discounts and rebates, any directly attributable cost of bringing the items to its working conditions for its intended use and estimated costs of dismantling and removing the item and restoring the site on which it is located.

The cost of a self-constructed item of property, plant and equipment comprises the cost of materials and direct labour, any other costs directly attributable to bringing the item to working condition for its intended use, and estimated costs of dismantling and removing the item and restoring the site on which it is located.

Any gain or loss on disposal of an item of property, plant and equipment is recognised in profit or loss.

An item of property, plant and equipment is derecognised upon disposal or when no future economic benefits are expected to arise from the continued use of asset

Subsequent expenditure is capitalized 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.

ii) Depreciation

Depreciation is recognised so as to write off the cost of assets (other than freehold land) less their residual values over their useful lives. The Group has charged depreciation on Property, Plant & Equipment (PPE) based on Written Down Value ("WDV") method upto 31 December 2022. With effect from 01 January 2023, the Group has changed its method of depreciation from WDV to Straight Line Method ("SLM") based upon the technical assessment of expected pattern of consumption of the future economic benefits embodied in the assets.

Depreciation is charged over the useful lives of the assets as estimated by the Management based on technical evaluation, which coincide with the useful live prescribed in Schedule II to the Act. Depreciation on additions and deletions are restricted to the period of use.

The estimated useful lives of items of property, plant and equipment are as follows:

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for the year ended March 31, 2023

(All amounts in Indian Rupees in lakhs, except for share data or as otherwise stated)

Asset category	Management estimate of useful life	Useful life as per Schedule II
Buildings	60 years	60 years
Plant and equipment:		
– Medical and diagnostic equipment	5 years - 13 years	13 years
– Other equipment	7 years - 15 years	15 years
Electrical equipment	10 years	10 years
Furniture and fixtures	5 years - 10 years	10 years
Office equipment	3 years - 5 years	5 years
Computers		
– Servers and networks	6 years	6 years
– End user devices such as laptops, etc.	3 years - 5 years	3 years
Vehicles	8 years	8 years

In case of Building on leasehold land, the depreciation is charged based on useful life of the building or the lease period whichever is lower. In the case of lease hold building improvements, the depreciation is charged based on useful life of the improvements which is 10 years or lease period including expected renewal period which ever is lower.

Residual value is considered to be 5% on all the assets, as technically estimated by the management.

Assets costing below Rs. 5,000 are depreciated using depreciation rate at 100%.

Depreciation methods, useful lives and residual values are reviewed at each reporting date and adjusted if appropriate.

E. Intangible assets

i) Recognition and measurement

Intangible assets that are acquired, are recognized at cost initially and carried at cost less accumulated amortization and accumulated impairment loss, if any. Subsequent expenditure is capitalised only when it increases the future

economic benefits embodied in the specific asset to which it relates.

ii) Amortisation

Amortisation is calculated to write off the cost of intangible assets less their estimated residual values over their estimated useful lives using the Straight Line Method (SLM) and is included in depreciation and amortisation expense in statement of profit and loss.

The estimated useful lives are as follows:

- Software - 5 years

Amortisation method, useful lives and residual values are reviewed at each reporting date and adjusted if appropriate.

F. Goodwill on consolidation

Goodwill acquired in business combination is allocated, at acquisition, to the cash generating units (CGUs) that are expected to benefit from that business combination. The carrying amount of goodwill had been allocated as follows:

Goodwill on consolidation	As at March 31, 2023	As at March 31, 2022
Medinova Diagnostic Services Limited	533.75	533.75

The Group's goodwill on consolidation are tested for impairment annually or more frequently if there are indications that goodwill might be impaired.

An impairment loss recognized for goodwill is not reversed in subsequent periods.

Further information about the assumptions made in testing impairment is included in the following notes:

- Note 5 - Goodwill

G. Inventories

Inventories comprise of diagnostic kits, reagents, laboratory chemicals and consumables, these are measured at lower of cost and net realisable value. The cost of inventories is based on the first-in, first-out formula and includes expenditure incurred in acquiring the inventories and other costs incurred in bringing them to their present location and condition.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

for the year ended March 31, 2023

(All amounts in Indian Rupees in lakhs, except for share data or as otherwise stated)

Net realisable value is the estimated selling price in the ordinary course of business, less estimated costs of completion and the estimated costs necessary to make the sale.

The comparison of cost and net realisable value is made on an item-by-item basis.

H. Impairment of assets

i) Impairment of financial instruments

The Group recognises loss allowances for expected credit losses on financial assets measured at amortised cost. At each reporting date, the Group assesses whether financial assets carried at amortised cost are credit-impaired. A financial asset is 'credit-impaired' when one or more events that have a detrimental impact on the estimated future cash flows of the financial asset have occurred.

Evidence that a financial asset is credit-impaired includes the following observable data:

- significant financial difficulty of the debtor;
- a breach of contract such as a default or being more than 90 days past due;
- it is probable that the debtor will enter bankruptcy or other financial reorganisation; or
- the disappearance of an active market for a security because of financial difficulties.

The Group measures loss allowances at an amount equal to lifetime expected credit losses.

Loss allowances for trade receivables are always measured at an amount equal to lifetime expected credit losses.

Lifetime expected credit losses are the expected credit losses that result from all possible default events over the expected life of a financial instrument.

12 months expected credit losses are the portion of expected credit losses that result from default events that are possible within 12 months after the reporting date (or a shorter period if the expected life of the instrument is less than 12 months).

In all cases, the maximum period considered when estimating expected credit losses is the maximum contractual period over which the Group is exposed to credit risk.

When determining whether the credit risk of a financial asset has increased significantly since initial recognition and when estimating expected credit losses, the Group considers reasonable and supportable information that is relevant and available without undue cost or effort. This includes both quantitative and qualitative information and analysis, based on the Group's historical experience and informed credit assessment and including forward-looking information.

Measurement of expected credit losses

Expected credit losses are a probability-weighted estimate of credit losses. Credit losses are measured as the present value of all cash shortfalls (i.e. the difference between the cash flows due to the Group in accordance with the contract and the cash flows that the Group expects to receive). 'Expected credit losses' are discounted at the effective interest rate of the financial statement.

Presentation of allowance for expected credit losses in the balance sheet

Loss allowances for financial assets measured at amortised cost are deducted from the gross carrying amount of the assets.

Write-off

The gross carrying amount of a financial asset is written off when the Group has no reasonable expectations of recovering asset in its entirety or a portion thereof. This is generally the case when the Group determines that the debtor does not have assets or sources of income that could generate sufficient cash flows to repay the amounts subject to the write-off. However, financial assets that are written off could still be subject to enforcement activities in order to comply with the Group's procedures for recovery of amounts due.

ii) Impairment of non-financial assets

At each reporting date, the Group reviews the carrying amount of non-financial assets, other than inventories and deferred tax assets, to determine whether there is any indication of impairment. If any such indication exists, then the asset's recoverable amount is estimated.

For impairment testing, assets that do not generate independent cash inflows are grouped together into cash-generating units (CGUs). Each

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CGU represents the smallest group of assets that generates cash inflows that are largely independent of the cash inflows of other assets or CGUs.

The recoverable amount of a CGU (or an individual asset) is the higher of its value in use and its fair value less costs to sell. Value in use is based on the estimated future cash flows, 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 CGU (or the asset).

An impairment loss is recognised if the carrying amount of an asset or CGU exceeds its estimated recoverable amount. Impairment losses are recognised in the statement of profit and loss.

In respect of assets for which impairment loss has been recognised in prior periods, the Group reviews at each reporting date whether there is any indication that the loss has decreased or no longer exists. An impairment loss is reversed if there has been a change in the estimates used to determine the recoverable amount. Such a reversal is made only to the extent that the asset's carrying amount does not exceed the carrying amount that would have been determined, net of depreciation or amortisation, if no impairment loss has been recognised.

I. Employee benefits

(i) Short-term employee benefits

Short term employee benefits are measured on an undiscounted basis and expensed as the related service is provided. A liability is recognised for the amount expected to be paid under short-term cash bonus, if the Group has a present legal or constructive obligation to pay this amount as a result of past service provided by the employee and the obligation can be estimated reliably.

(ii) Defined contribution plans

A defined contribution plan is a post-employment benefit plan where the Group's legal or constructive obligation is limited to the amount that it contributes to a separate legal entity.

The Group makes specified monthly contributions towards Government administered provident fund

scheme and Employees' State Insurance ('ESI') scheme.

Obligations for contributions to defined contribution plans are expensed as an employee benefits expense in statement of profit and loss in the period in which the related services are rendered by employees.

(iii) Defined benefit plans

A defined benefit plan is a post-employment benefit plan other than a defined contribution plan. The Group's net obligation in respect of defined benefit plans is calculated separately for each plan by estimating the amount of future benefits that employees have earned in the current and prior periods, discounting that amount and deducting the fair value of any plan assets. The defined benefit obligation is calculated annually by a qualified actuary using the projected unit credit method.

Remeasurements of the net defined benefit liability, which comprise actuarial gains and losses, the return on plan assets (excluding interest) and the effect of the asset ceiling (if any, excluding interest), are recognised immediately in OCI. They are included in retained earnings in the statement of changes in equity and in the balance sheet. The Group determines the net interest expense (income) on the net defined benefit liability (asset) for the period by applying the discount rate determined by reference to market yields at the end of the reporting period on government bonds. This rate is applied on the net defined benefit liability (asset), both as determined at the start of the annual reporting period, taking into account any changes in the net defined benefit liability (asset) during the period as a result of contributions and benefit payments. Net interest expense and other expenses related to defined benefit plans are recognised in profit or loss.

Changes in the present value of the defined benefit obligation resulting from plan amendments or curtailments are recognised immediately in profit or loss as past service cost. The Group recognises gain and losses on settlement of a defined benefit plan when the settlement occurs.

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(iv) Other long-term employee benefits - compensated absences

Accumulated absences expected to be carried forward beyond twelve months is treated as long-term employee benefit for measurement purposes. The Group's net obligation in respect of other long-term employee benefit of accumulating compensated absences is the amount of future benefit that employees have accumulated at the end of the year. That benefit is discounted to determine its present value. The obligation is measured annually by a qualified actuary using the projected unit credit method. Remeasurements are recognised in profit or loss in the period in which they arise.

The obligations are presented as current liabilities in the balance sheet if the Group does not have an unconditional right to defer the settlement for at least twelve months after the reporting date.

(v) Share based payments

The grant date fair value of equity-settled share-based payment arrangements granted to employees is generally recognised as an employee benefits expense, with a corresponding increase in equity, over the vesting period of the options. The amount recognised as an expense is adjusted to reflect the number of options for which the related service and non-market performance conditions are expected to be met, such that the amount ultimately recognised is based on the number of options that meet the related service and non-market performance conditions at the vesting date. For share-based payment options with non-vesting conditions, the grant date fair value of the share-based payment is measured to reflect such conditions and there is no true-up for differences between expected and actual outcomes.

J. Leases

At inception of a contract, the Group assesses whether a contract is, or contains, a lease. 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. Lease contracts entered by the Group majorly pertains for buildings taken on lease to conduct its business in the ordinary course.

As a Lessor:

Leases for which the Group is a lessor are classified as a finance or operating lease. Whenever the terms of a lease transfer substantially all the risks and rewards of ownership to the lessee, the contract is classified as a finance lease. All other leases are classified as operating leases. Rental income from operating leases are recognised on straight line basis over the term of relevant lease as part of other income.

As a Lessee:

At commencement or on modification of a contract that contains a lease component, the Group allocates the consideration in the contract to each lease component on the basis of its relative stand-alone prices. The Group recognises a right-of-use asset and a lease liability at the lease commencement date. The right-of-use asset is initially measured at cost, which comprises the initial amount of the lease liability adjusted for any lease payments made at or before the commencement date, plus any initial direct costs incurred and an estimate of costs to dismantle and remove the underlying asset or to restore the underlying asset or the site on which it is located, less any lease incentives received.

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 a 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 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. 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

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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.

The Group determines its incremental borrowing rate by obtaining interest rates from various external financing sources and makes certain adjustments to reflect the terms of the lease and type of the asset leased.

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.
- 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, if the Group changes its assessment of whether it will exercise a purchase, extension or termination option or if there is a revised in-substance fixed lease payment.

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.

Short-term leases and leases of low-value assets

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 term.

K. Income-tax

Income-tax expenses comprises current and deferred tax. It is recognised in profit or loss except to the extent that it relates to an item recognised directly in equity or in other comprehensive income.

(i) Current tax

Current tax comprises the expected tax payable or receivable on the taxable income or loss for the year and any adjustment to the tax payable or receivable in respect of previous years. The amount of current tax reflects the best estimate of the tax amount expected to be paid or received after considering the uncertainty, if any, related to income taxes. It is measured using tax rates (and tax laws) enacted or substantively enacted at the reporting date.

Tax assets and liabilities are offset only if there is a legally enforceable right to set off the recognised amounts, and it is intended to realise the asset and settle the liability on a net basis or simultaneously.

(ii) Deferred tax

Deferred tax is recognised in respect of temporary differences between the carrying amounts of assets and liabilities for financial reporting purposes and the corresponding amounts used for taxation purposes. Deferred tax is not recognised for:

- temporary differences arising on the initial recognition of assets or liabilities in a transaction that is not a business combination and that affects neither accounting nor taxable profit or loss at the time of the transaction; and
- temporary differences in relation to a right-of-use asset and a lease liability for a specific lease are regarded as a net package (the lease) for the purpose of recognising deferred tax

Deferred tax assets are recognised to the extent that it is probable that future taxable profits will be available against which they can be used. The existence of unused tax losses is strong evidence that future taxable profit may not be available. Therefore, in case of a history of recent losses, the Group recognises a deferred tax asset only to the extent that it has

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sufficient taxable temporary differences or there is convincing other evidence that sufficient taxable profit will be available against which such deferred tax asset can be realised. Deferred tax assets – unrecognised or recognised, are reviewed at each reporting date and are recognised/ reduced to the extent that it is probable/ no longer probable respectively that the related tax benefit will be realised.

Deferred tax is measured at the tax rates that are expected to apply to the period when the asset is realised or the liability is settled, based on the laws that have been enacted or substantively enacted by the reporting date.

The measurement of deferred tax reflects the tax consequences that would follow from the manner in which the Group expects, at the reporting date, to recover or settle the carrying amount of its assets and liabilities.

Deferred tax assets and liabilities are offset if there is a legally enforceable right to offset current tax liabilities and assets, and they relate to income taxes levied by the same tax authority on the same taxable entity, or on different tax entities, but they intend to settle current tax liabilities and assets on a net basis or their tax assets and liabilities will be realised simultaneously.

L. Provision, contingent liabilities and contingent assets

Provisions are recognised when the Group 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. Expected future operating losses are not provided for.

Provisions are determined by discounting the expected future cash flows at a pre-tax rate that reflects current market assessments of the time value of money and the risks specific to the liability. The unwinding of the discount is recognised as finance cost.

The Group records a provision for decommissioning costs. Decommissioning costs are provided at the present value of expected costs to settle the obligation using estimated cash flows and are recognized as part of the cost of the particular asset. The cash flows are discounted at a current pre-tax rate that reflects the risks specific to the decommissioning liability. The unwinding of the discount is expensed as incurred and recognized in the statement of profit and

loss as a finance cost. The estimated future costs of decommissioning are reviewed annually and adjusted as appropriate.

Contingencies:

Provision in respect of loss / contingencies relating to claims, litigations, assessments, fines and penalties are recognised when it is probable that a liability has been incurred and the amount can be estimated reliably.

Contingent liabilities and contingent assets:

Contingent liability is a possible obligation arising from past events and whose existence will be confirmed only by the occurrence or non-occurrence of one or more uncertain future events not wholly within the control of the entity or a present obligation that arises from past events but is not recognized because it is not probable that an outflow of resources embodying economic benefits will be required to settle the obligation or the amount of the obligation cannot be measured with sufficient reliability. The Group does not recognize a contingent liability but discloses its existence in the consolidated financial statements.

Contingent asset is not recognised in consolidated financial statements since this may result in the recognition of income that may never be realised. However, when the realisation of income is virtually certain, then the related asset is not a contingent asset and is recognized.

Provisions, contingent liabilities and contingent assets are reviewed at each Balance Sheet date

M. Earnings per share

Basic Earnings per share

Basic Earnings Per Share ('EPS') is calculated by dividing the profit attributable to the equity shareholders of the Group by the weighted average number of equity shares outstanding during the year.

Diluted Earnings per share

Diluted earnings per share is computed by dividing the profit (considered in determination of basic earnings per share) after considering the effect associated with dilutive potential equity shares by the weighted average number of equity shares considered for deriving basic earnings per share adjusted for the weighted average number of equity shares that would have been issued upon conversion of all dilutive potential equity shares.

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N. Cash flow statement

Cash flows are reported using the indirect method, whereby profit for the year is adjusted for the effects of transactions of a non-cash nature, any deferrals or accruals of past or future cash receipts or payments and item of income or expenses associated with investing or financing cash flows. The cash flows are segregated into operating, investing and financing activities. The Group considers all highly liquid investments that are readily convertible to known amounts of cash to be cash equivalents.

O. Cash and cash equivalents

Cash and cash equivalents in the balance sheet and cash flow statement consists of cash on hand, deposits held at call with financial institutions, other short-term, highly liquid investments with original maturities less than three months which are readily convertible to known amounts of cash and which are subject to insignificant risk of changes in value.

P. Investments in subsidiaries

Investments in subsidiaries carried at cost less any provision for impairment. Investments are reviewed for impairment if events or changes in circumstances indicate that the carrying amount may not be recoverable.

Q. Dividend

The Group recognises a liability for any dividend declared but not distributed at the end of the reporting period, when the distribution is authorised and the distribution is no longer at the discretion of the Group on or before the end of the reporting period.

R. 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 financial statements. Otherwise, events after the balance sheet date of material size or nature are only disclosed.

S. Recent pronouncements

Ministry of Corporate Affairs ("MCA") notifies new standard 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) Amendment Rules, 2022, applicable from April 01, 2023, as below:

Ind AS 1 – Presentation of Financial Statements

The amendments 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. The Group does not expect this amendment to have any significant impact in its financial statements.

Ind AS 12 – Income Taxes

The amendments 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 8 – Accounting Policies, Changes in Accounting Estimates and Errors

The amendments 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. The Group does not expect this amendment to have any significant impact in its financial statements.

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4 (a) Property, plant and equipment

Particulars	Freehold land	Buildings	Building on leasehold land	Leasehold improvements	Plant and equipment - Medical	Plant and equipment - others	Electrical equipment	Furniture and fixtures	Office equipment	Computers	Vehicles	Total
A. Gross value (at cost)												
As at April 01, 2021	205.41	617.84	1,416.77	2,517.41	16,423.73	2,365.24	1,066.31	1,511.62	232.10	568.16	354.74	27,279.33
Additions	4,413.67	243.87	-	710.56	2,628.41	360.76	394.43	409.62	89.79	149.81	69.85	9,470.77
Disposals	-	-	-	(12.33)	(198.90)	(4.79)	(2.57)	(0.60)	(0.32)	-	(150.47)	(369.98)
As at March 31, 2022	4,619.08	861.71	1,416.77	3,215.64	18,853.24	2,721.21	1,458.17	1,920.64	321.57	717.97	274.12	36,380.12
Additions	-	-	-	1,556.19	8,392.03	628.43	698.76	1,375.89	139.91	366.89	390.37	13,548.47
Disposals	-	-	-	(99.57)	(78.31)	(12.17)	(42.67)	(17.98)	(0.31)	-	(70.52)	(321.53)
As at March 31, 2023	4,619.08	861.71	1,416.77	4,672.26	27,166.96	3,337.47	2,114.26	3,278.55	461.17	1,084.86	593.97	49,607.06
B. Accumulated depreciation												
As at April 01, 2021	-	112.58	574.02	1,422.67	7,795.51	1,565.99	599.83	808.61	176.25	422.40	224.64	13,702.50
For the year	-	28.81	77.00	380.16	2,027.75	177.70	159.64	224.03	59.50	113.41	36.28	3,284.28
Disposals	-	-	-	(11.18)	(152.31)	(2.71)	(2.33)	(0.46)	(0.28)	-	(98.47)	(267.74)
As at March 31, 2022	-	141.39	651.02	1,791.65	9,670.95	1,740.98	757.14	1,032.18	235.47	535.81	162.45	16,719.04
For the year	-	29.37	58.56	499.00	2,161.88	194.16	230.11	338.12	88.70	154.76	28.44	3,783.10
Disposals	-	-	-	(100.53)	(66.57)	(8.88)	(42.66)	(17.99)	(0.28)	-	(62.12)	(299.03)
As at March 31, 2023	-	170.76	709.58	2,190.12	11,766.26	1,926.26	944.59	1,352.31	323.89	690.57	128.77	20,203.11
C. Net carrying value (A-B)												
As at March 31, 2023	4,619.08	690.95	707.19	2,482.14	15,400.70	1,411.21	1,169.67	1,926.24	137.28	394.29	465.20	29,403.95
As at March 31, 2022	4,619.08	720.32	765.75	1,423.99	9,182.29	980.23	701.03	888.46	86.10	182.16	111.67	19,661.08

Notes:

Refer to note 22 for disclosure of contractual commitments for the acquisition of property, plant and equipment.

Note 4(a)(i)

The depreciation on Property, plant and equipment is charged based on Written Down Value ("WDV") method upto December 31, 2022. Based upon the technical assessment of expected pattern of consumption of the future economic benefits embodied in the assets, with effect from January 01, 2023 the depreciation method is changed to Straight Line Method (SLM) hence the carrying value of the assets as on December 31, 2022 has been depreciated as per SLM method over the remaining useful lives of the assets. Due to this change in accounting estimate, the depreciation expense is lower and the profit before tax is higher by Rs.904.34 lakhs for the year ended 31 March 2023.

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Note 4(a)(i) (Contd..)

The impact, on account of this change in method of depreciation, on the future periods is given below:

Particulars	For the year ended 31 March 2024	For the year ended 31 March 2025	For the year ended 31 March 2026	Later years
(Decrease) / Increase in depreciation expense	(2,825.47)	(1,610.13)	(773.31)	5,208.90

Note 4(a)(ii)

Title deeds for Freehold land and Buildings

Description	March 31, 2023	March 31, 2022
Title deeds held in the name of	Group	Group
Whether title deed holder is a promoter, director or relative of promoter/director or employee of promoter/director	No	No
Reason for not being held in the name of the company	Not applicable	Not applicable

4 (b) (i) Capital work in progress (CWIP)

Particulars	As at 31 March 2023	As at 31 March 2022
As at the beginning of the year	3,409.88	818.21
Additions during the year	12,849.20	12,062.44
Less: Capitalised during the year	(13,548.47)	(9,470.77)
Balance at the end of the year	2,710.61	3,409.88

(ii) The Group does not have any CWIP which is overdue or has exceeded its cost compared to its original plan and hence CWIP completion schedule is not applicable.

(iii) 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	2,427.57	283.04	-	-	2,710.61
	2,427.57	283.04	-	-	2,710.61

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	3,409.88	-	-	-	3,409.88
Total	3,409.88	-	-	-	3,409.88

(iv) There are no CWIP which is temporarily suspended as at March 31, 2023 and March 31, 2022.

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4 (c) Right of use assets and Lease Liabilities

The Group 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 recognized as an expense on a straight-line basis over the lease term except inflation adjustment.

The Group uses the incremental borrowing rate to discount its lease payments. The rate applied is 8.50% p.a.

(i) Movement in Right of use assets ('ROU') and Lease liabilities is given below:

Description	Right of use assets (Buildings)
Gross ROU asset	
As at April 01, 2021	15,608.03
Additions	6,133.07
Disposals	(129.98)
As at March 31, 2022 (A)	21,611.12
Additions	8,051.35
Disposals	(417.80)
As at March 31, 2023 (C)	29,244.67
Accumulated depreciation	
As at April 1, 2021	3,007.96
Depreciation charge for the year	1,912.82
Disposals	(24.91)
As at March 31, 2022 (B)	4,895.87
Depreciation charge / Adjustment for the year	2,369.37
Disposals	(254.49)
As at March 31, 2023 (D)	7,010.75
Net carrying amount as at March 31, 2023 (C)- (D)	22,233.92
Net carrying amount as at March 31, 2022 (A)- (B)	16,715.25

Set out below are the carrying amounts of lease liabilities and the movements during the year:

Particulars	As at 31 March 2023	As at 31 March 2022
Balance as at the beginning of the year	18,282.80	13,657.46
Additions during the year	7,956.26	5,777.29
Disposal during the year	(151.65)	(104.04)
Accretion of interest	1,889.66	1,423.76
Payment of lease liabilities	(3,221.17)	(2,471.67)
Balance as at the end of the year	24,755.90	18,282.80

Lease liabilities

Particulars	As at 31 March 2023	As at 31 March 2022
- Current lease liabilities	1,452.89	1,256.83
- Non Current lease liabilities	23,303.01	17,025.97

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4 (c) Right of use assets and Lease Liabilities (Contd..)

(ii) Payments recognised as expenses and income

Particulars	For the year ended March 31, 2023	For the year ended March 31, 2022
Short term leases (refer note 20)	45.03	62.56
	45.03	62.56

(iii) Contractual maturities of lease liabilities on undiscounted basis

Particulars	As at 31 March 2023	As at 31 March 2022
Less than one year	3,501.80	2,703.68
One to five years	12,966.36	10,177.11
More than five years	24,023.30	15,583.96
	40,491.46	28,464.75

Note: All the leases are entered in the name of the Group

5 Intangible assets under development, Other intangible assets and Goodwill

Particulars	Intangible assets under development	Other intangible assets	Goodwill
A. Gross carrying value (at cost)			
As at April 01, 2021	123.63	268.23	533.75
Additions	30.35	147.14	-
(Disposals) / Capitalisation	(147.14)	-	-
As at March 31, 2022	6.84	415.37	533.75
Additions	284.40	228.18	-
(Disposals) / Capitalisation	(228.18)	-	-
As at March 31, 2023	63.06	643.55	533.75
B. Accumulated amortization			
As at April 01, 2021	-	208.18	-
Amortisation charge for the year	-	71.51	-
Disposals	-	-	-
As at March 31, 2022	-	279.69	-
Amortisation charge for the year	-	144.23	-
Disposals	-	-	-
As at March 31, 2023	-	423.92	-
C. Net carrying value (A-B)			
As at March 31, 2023	63.06	219.63	533.75
As at March 31, 2022	6.84	135.68	533.75

- (i) 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.

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5 Intangible assets under development, Other intangible assets and Goodwill (Contd..)

(ii) Impairment testing for cash generating unit containing goodwill

The Group performed its annual impairment test for years ended March 31, 2022 and March 31, 2023.

The recoverable amount of the CGU, has been determined based on a value in use calculation using cash flow projections from financial budgets approved by the Management covering a five year period. The pre-tax discount rate applied to cash flow projections for impairment testing during the years is stated in the below table and cash flows beyond the five year period are extrapolated using a long term growth rate as stated in the below table that is the same as the long-term average growth rate for the Diagnostic service industry.

The following table sets out the key assumption for the Cash Generating Unit ("CGU") for performing the annual impairment test:

Particulars	31-Mar-23	31-Mar-22
Discount rate	10%	10%
Terminal growth rate	5%	5%

The discount rate is based on the Weighted Average Cost of Capital (WACC) which represents the weighted average return attributable to all the assets of the CGU.

There is no impairment noted in the above CGUs based on the assessment performed by the Management. Management has performed sensitivity analysis around the base assumption and have concluded that no reasonable possible change in key assumptions would cause the recoverable amount of the CGU lower than the carrying amount of CGU.

No impairment on goodwill was recognized during the current year or earlier years.

(iii) Intangible assets under development ageing schedule

As on March 31, 2023

Particulars	Amount in Intangible asset under development for period of				Total
	Less than 1 year	1-2 Years	2-3 Years	More Than 3 Years	
Projects in progress	63.06	-	-	-	63.06
Total	63.06	-	-	-	63.06

As on March 31, 2022

Particulars	Amount in Intangible asset under development for period of				Total
	Less than 1 Year	1-2 Years	2-3 Years	More Than 3 Years	
Projects in progress	6.84	-	-	-	6.84
Total	6.84	-	-	-	6.84

(iv) There are no Intangible assets under development which are temporarily suspended as at March 31, 2023 and March 31, 2022

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

for the year ended March 31, 2023

(All amounts in Indian Rupees in lakhs, except for share data or as otherwise stated)

6 Financial assets

Particulars	As at March 31, 2023	As at March 31, 2022
(a) Investments		
Non-current		
Investment in Equity Instruments - carried at FVOCI		
Unquoted		
C.R Broadcasting Hyderabad Limited [40,000 (March 31, 2022: 40,000) equity shares of Rs. 10 each fully paid up]	4.00	4.00
	4.00	4.00
Aggregate book value of unquoted investments	4.00	4.00
Aggregate book value of impairment in value of investments	-	-
Current		
Investments at fair value through profit or loss - quoted		
Mutual Funds		
Aditya Birla Sunlife Floating Rate Fund - 1,12,481.50 (March 31, 2022: 1,12,481.50) units	336.98	318.94
Aditya Birla Sunlife Low Duration Fund - 73,574.67 (March 31, 2022: 73,574.67) units	449.87	425.53
ABSL Money Manager Fund- 3,47,967.47 (March 31, 2022: 2,72,525.25) units	1,100.25	814.61
ABSL Saving Fund-1,60,099.92 (March 31, 2022: 1,60,099.92) units	752.88	712.94
Axis Money Market Fund- G-Direct- 79,560.23 (March 31, 2022: 79,560.23) units	968.73	916.36
HDFC Balanced Advantage Fund - Reg - Growth - 3,12,765.36 (March 31, 2022: NIL) units	1,011.18	-
HDFC Low Duration Fund - 805,643.61 (March 31, 2022: 805,643.61) units	423.13	401.12
Bandhan Low Duration Fund - NIL (March 31, 2022: 17,30,608.49) units (formerly IDFC mutual fund)	-	551.38
Bandhan Banking & PSU Debt Fund Growth - 48,65,969.99 (March 31, 2022: NIL) units (formerly IDFC mutual fund)	1,039.03	-
Bandhan Low Duration Fund D- Growth - 42,00,260.34 (March 31, 2022: NIL) units (formerly IDFC mutual fund)	1,406.31	-
Kotak Low Duration Fund - 12,724.06 (March 31, 2022: 12,724.06) units	389.44	369.20
Kotak Money Market Fund-DP-Growth 15,810.84 (March 31, 2022: NIL) units	605.29	-
Nippon India Interval Fund - Quarterly Plan- NIL (March 31, 2022: 14,22,201.68) units	-	403.94
Nippon India Money Market Fund- G-Direct- 24,136.90 (March 31, 2022: 15,207.19) units	856.26	509.53
SBI Magnum Ultra Short Duration Fund (DG)- 7,941 (March 31, 2022: NIL) units	409.63	-
SBI Savings Fund-DP-Growth-21,49,800.57 (March 31, 2022: NIL) units	807.71	-
TATA Treasury Advantage Fund-D-Growth -33,517.07 (March 31, 2022: NIL) units	1,144.93	-
Tata Money Market Fund-DP-Growth-29,779.82 (March 31, 2022: NIL) units	1,205.50	-
Investments in Bonds		
Axis Finance Limited - 83 Bonds having face value of Rs.10,00,000 each (March 31, 2022: NIL)	992.20	-
	13,899.32	5,423.55
Aggregate book value of quoted investments	13,899.32	5,423.55
Aggregate market value of quoted investments	13,899.32	5,423.55

No strategic investments were disposed off during the year ended 31 March 2023, and there were no transfers of any cumulative gain or loss within equity relating to these investments.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

for the year ended March 31, 2023

(All amounts in Indian Rupees in lakhs, except for share data or as otherwise stated)

6 Financial assets (Contd..)

(b) Trade receivables

Particulars	As at March 31, 2023	As at March 31, 2022
Trade receivables- considered good- Unsecured *	1,064.57	1,069.51
Less: Allowance for expected credit loss	(115.70)	(92.42)
Trade receivables- considered good- Unsecured	948.87	977.09
Trade receivables- credit impaired- Unsecured	60.40	60.40
Less: Allowance for credit impaired	(60.40)	(60.40)
Trade receivables- credit impaired- Unsecured	-	-

*Includes amount receivable from related parties (refer note 29)

Trade receivables ageing schedule

As at March 31, 2023

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	80.85	824.15	61.92	46.13	42.33	9.19	1,064.57
(ii) Undisputed trade receivables – which have significant increase in credit risk		-	-	-	-	-	-
(iii) Undisputed trade receivables – credit impaired		-	-	-	-	-	-
(iv) Disputed trade receivables– considered good		-	-	-	-	-	-
(v) Disputed trade receivables – which have significant increase in credit risk		-	-	-	-	-	-
(vi) Disputed trade receivables – credit impaired		-	-	-	-	60.40	60.40
Total (A)	80.85	824.15	61.92	46.13	42.33	69.59	1,124.97
Allowance for expected credit loss							115.70
Allowance for credit impairment							60.40
Total (B)							176.10
Total (A-B)	80.85	824.15	61.92	46.13	42.33	69.59	948.87

As at March 31, 2022

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	76.16	635.79	302.32	33.74	15.11	6.39	1,069.51
(ii) Undisputed trade receivables – which have significant increase in credit risk		-	-	-	-	-	-
(iii) Undisputed trade receivables – credit impaired		-	-	-	-	-	-
(iv) Disputed trade receivables– considered good		-	-	-	-	-	-

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

for the year ended March 31, 2023

(All amounts in Indian Rupees in lakhs, except for share data or as otherwise stated)

6 Financial assets (Contd..)

Particulars	Outstanding for following periods from due date of payment						Total
	Not due	Less than 6 months	6 months - 1 year	1-2 years	2-3 years	More than 3 years	
(v) Disputed trade receivables – which have significant increase in credit risk		-	-	-	-	-	-
(vi) Disputed trade receivables – credit impaired		-	-	-	-	60.40	60.40
Total (A)	76.16	635.79	302.32	33.74	15.11	66.79	1,129.91
Allowance for expected credit loss							92.42
Allowance for credit impairment							60.40
Total (B)							152.82
Total (A-B)	76.16	635.79	302.32	33.74	15.11	66.79	977.09

Particulars	As at March 31, 2023	As at March 31, 2022
(c) Cash and cash equivalents		
Cash on hand	56.05	54.93
Balances with banks		
- in current accounts	1,159.67	1,035.80
- unpaid dividend accounts	0.47	-
- in deposit accounts having maturity less than 3 months or less	1,201.50	14.26
	2,417.69	1,104.99
(d) Other bank balances		
Current		
Deposits with maturity less than twelve months* [@]	9,224.54	18,130.69
	9,224.54	18,130.69
[@] Fixed deposit of Rs. 10.10 lakhs (March 31, 2022: Rs. 2,144.13 lakhs) under lien.		
*These deposits are made with banks comprise of time deposits, which are available at call.		
(e) Other financial assets		
(Unsecured, considered good)		
Non-current		
Balances with bank held as margin money	12.37	12.37
Fixed deposit with banks, with remaining maturity of more than 12 Months	39.54	1.91
Security deposits (rental/electricity deposits)*	848.01	740.43
	899.92	754.71
*Includes amount receivable from related parties (refer note 29)		
Current		
Interest accrued on bank deposits and others	318.53	188.94
Security deposits (rental/electricity deposits) *	8.68	28.94
Share issue expenses receivable	-	294.32
Other receivables	34.83	2.33
	362.04	514.53

*Includes amount receivable from related parties (refer note 29)

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

for the year ended March 31, 2023

(All amounts in Indian Rupees in lakhs, except for share data or as otherwise stated)

7 Deferred tax assets/(liabilities), net

Particulars	As at March 31, 2023	As at March 31, 2022
Deferred tax assets		
- Decommissioning liability on property, plant and equipment (refer note 12)	171.23	139.44
- Leases	853.42	598.05
- Employee benefits	96.42	89.34
- Credit impaired debts	43.18	38.14
- Property, plant and equipment	31.07	35.37
- Others	80.79	80.61
Sub total (A)	1,276.11	980.95
Deferred tax liabilities		
- Fair value gain / loss from investments	139.57	42.56
- Property, plant and equipment and Intangible assets	311.63	52.58
Sub total (B)	451.20	95.14
Deferred tax asset/(liability), net (A-B)	824.91	885.81

Movement in deferred tax assets/ (liabilities)

On account of	Property, plant and equipment including decommissioning liability	Provision for employee benefits	Leases	Fair value gain or loss from investments	Others	Total
As at April 01, 2021	60.66	82.90	392.42	(8.27)	82.00	609.71
(Charged)/ credited:						
- to profit and loss	61.57	13.40	205.63	(34.29)	36.75	283.06
- to OCI	-	(6.96)	-	-	-	(6.96)
As at March 31, 2022	122.23	89.34	598.05	(42.56)	118.75	885.81
(Charged)/credited:						
- to profit and loss	(231.56)	13.86	255.37	(97.01)	5.22	(54.12)
- to OCI	-	(6.78)	-	-	-	(6.78)
As at March 31, 2023	(109.33)	96.42	853.42	(139.57)	123.97	824.91

There are no unrecognized deferred tax assets and liabilities as at March 31, 2023 and March 31, 2022.

8 Inventories

(Valued at lower of cost and net realisable value)

Particulars	As at March 31, 2023	As at March 31, 2022
Reagents, chemicals, digital imaging films and consumables (net of provision of Rs. 34 lakhs - March 31,2022 : Rs. Nil))	204.86	427.67
	204.86	427.67

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

for the year ended March 31, 2023

(All amounts in Indian Rupees in lakhs, except for share data or as otherwise stated)

9 Other assets

(Unsecured, considered good)

Particulars	As at March 31, 2023	As at March 31, 2022
Non-current		
Capital advances	651.45	2,015.50
Less: Provision for doubtful advances	(63.63)	(43.63)
Prepaid expenses	273.69	255.94
	861.51	2,227.81
Current		
Advances other than capital advances		
- Advance to suppliers	214.02	145.52
- Advance to employees	13.56	13.30
Prepaid expenses	281.22	251.36
	508.80	410.18

10 Equity

Particulars	As at March 31, 2023	As at March 31, 2022
Authorised share capital		
120,500,000 equity shares of Re. 1 each (March 31, 2022: 120,500,000 equity shares of Re. 1 each)	1,205.00	1,205.00
Equity share capital		
(a) Issued, subscribed and fully paid up capital		
102,071,175 equity shares of Re. 1 each (March 31, 2022: 101,965,926 equity shares of Re. 1 each), fully paid-up	1,020.71	1,019.66
	1,020.71	1,019.66

i) Reconciliation of equity shares outstanding at the beginning and at the end of the reporting year

Particulars	March 31, 2023		March 31, 2022	
	Number of shares	Amount	Number of shares	Amount
Shares outstanding at the beginning of the year	10,19,65,926	1,019.66	4,53,18,190	453.19
Bonus shares issued (refer note v)	-	-	5,66,47,736	566.47
Issue under Employee Stock Option Plan (refer note 28)	1,05,249	1.05	-	-
Shares outstanding at the end of the year	10,20,71,175	1,020.71	10,19,65,926	1,019.66

ii) Terms and rights attached to equity shares

The Company has only one class of equity shares having a par value of Re. 1 per share (March 31, 2022: Re. 1 per share). Each holder of equity shares is entitled to one vote per share. The shareholders are entitled to dividends in Indian Rupees, proposed by the Board of Directors and subject to the approval of the shareholders in the Annual General Meetings. 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.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

for the year ended March 31, 2023

(All amounts in Indian Rupees in lakhs, except for share data or as otherwise stated)

10 Equity (Contd..)

iii) Details of shareholders holding more than 5% equity shares in the Company

Particulars	March 31, 2023		March 31, 2022	
	Number of shares	% holding	Number of shares	% holding
Equity Shares:				
Dr S.Surendranath Reddy	3,37,22,899	33.04%	3,34,22,899	32.78%
S Suprita Reddy	91,76,933	8.99%	91,76,933	9.00%
K Sunil Chandra	91,06,933	8.92%	91,06,933	8.93%
Axis Mutual Fund Trustee Limited	49,77,072	4.88%	67,60,585	6.63%
Nippon Life India Trustee Limited	58,67,208	5.75%	22,52,077	2.21%

iv) Shares held by promoters at the end of the period/year:

Promoter's Name	March 31, 2023			March 31, 2022		
	No. of Shares	% of holding	% of change	No. of Shares	% of holding	% of change
Dr S.Surendranath Reddy	3,37,22,899	33.04%	0.26%	3,34,22,899	32.78%	(26.39%)
Total	3,37,22,899	33.04%	0.26%	3,34,22,899	32.78%	(26.39%)

(v) During the five years immediately preceding the year, no shares have been bought back, no shares have been issued for consideration other than cash except for equity shares issued by way of bonus as provided below:

Particulars	March 31, 2023	March 31, 2022	March 31, 2021	March 31, 2020	March 31, 2019
Allotted as fully paid up equity shares by way of bonus	-	5,66,47,736	-	-	-
Shares issued for consideration other than cash	-	-	-	-	-

The Company issued bonus shares on May 27, 2021 in proportion of five new equity shares of Re. 1 each for every four existing equity shares of Re. 1 each, resulting in total fully paid-up equity shares of 101,965,926 of Re. 1 each.

(vi) For details of share reserved for issue under Employee Stock Option Plan (ESOP) of the Company, refer note 28.

(b) Other equity

Particulars	As at March 31, 2023	As at March 31, 2022
General reserve	568.72	493.20
Employee share options outstanding	192.44	196.29
Securities premium	4,706.18	4,590.28
Retained earnings	47,984.89	40,522.50
	53,452.23	45,802.27

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

for the year ended March 31, 2023

(All amounts in Indian Rupees in lakhs, except for share data or as otherwise stated)

10 Equity (Contd..)

i) General reserve

Particulars	As at March 31, 2023	As at March 31, 2022
Balance at the beginning of the year	493.20	493.20
Add: Transfer on account of employee share based options lapsed/ forfeited	45.00	-
Add: Transfer on account of exercise of employee share based options	30.52	-
Balance as at the end of the year	568.72	493.20

The general reserve is used from time to time to transfer profits from retained earnings for appropriation purposes. As the general reserve is created by a transfer from one component of equity to another and is not an item of other comprehensive income, items included in the general reserve will not be reclassified subsequently to profit or loss.

ii) Share based payments reserve

Particulars	As at March 31, 2023	As at March 31, 2022
Balance at the commencement of the year	196.29	82.73
Add: Share based payments expense (refer note 17)	71.67	113.56
Less: Transfer to general reserve due to employee share based options lapsed/forfeited	(45.00)	
Less: Transfer to general reserve due to exercise of employee share based options	(30.52)	-
Balance as at the end of the year	192.44	196.29

The Company has established equity settled share based payment plan for employees of the Company (refer note 28 for details)

iii) Securities premium

Particulars	As at March 31, 2023	As at March 31, 2022
Balance at the commencement of the year	4,590.28	5,156.75
Less: Issue of bonus shares	-	(566.47)
Add: Proceeds from exercise of employee share based options (ESOP)	115.90	-
Balance as at the end of the year	4,706.18	4,590.28

Securities premium is used to record the premium on issue of shares. It is utilised in accordance with the provisions of the "Act".

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

for the year ended March 31, 2023

(All amounts in Indian Rupees in lakhs, except for share data or as otherwise stated)

10 Equity (Contd..)

iv) Retained earnings

Particulars	As at March 31, 2023	As at March 31, 2022
Balance at the commencement of the year	40,522.50	29,714.77
Add: Profit for the year	8,463.16	10,968.06
Less: Dividend paid during the year	(1,020.64)	-
Less: Adjustment on consolidation	-	(180.40)
Items of other comprehensive income recognised directly in retained earnings		
- Remeasurement of defined benefit obligations (net of tax)	19.87	20.07
Balance as at the end of the year	47,984.89	40,522.50
Retained earnings are the profits that the Company has earned till date, less any transfers to general reserve, dividends or other distribution to shareholders.		
OCI represents re-measurement on defined employee benefit obligations: Difference between the interest income on plan assets and the return actually achieved, any changes in the liabilities over the year due to changes in actuarial assumptions or experience adjustments within the plans, are recognised in other comprehensive income and subsequently not reclassified to statement of profit and loss.		
Total Other equity (i+ii+iii+iv)	53,452.23	45,802.27

11 Financial liabilities

Particulars	As at March 31, 2023	As at March 31, 2022
(a) Borrowings		
Current		
Secured		
Overdraft from bank	-	63.46
	-	63.46
Note:		
Borrowing represents overdraft facility taken by the subsidiary. The said overdraft facility is secured with underlying Fixed Deposit given by Group and partner in the subsidiary. The loan carries an interest rate 7% - 9% per annum.		
(b) Trade payables		
Total outstanding dues of micro enterprises and small enterprises (MSME) (refer note 24)	51.84	16.76
Total outstanding dues of creditors other than micro enterprises and small enterprises *	2,719.64	2,147.11
	2,771.48	2,163.87

*Includes amount payable to related parties (refer note 29)

As at March 31, 2023

Particulars	Outstanding for following periods from due date of payment					Total
	Not Due	Less than 1 Year	1-2 Years	2-3 Years	More than 3 years	
i) MSME	-	51.84	-	-	-	51.84
ii) Others	1,565.57	1,119.67	8.30	20.37	5.73	2,719.64
iii) Disputed Dues-MSME	-	-	-	-	-	-
iv) Disputed Dues-Others	-	-	-	-	-	-
Total	1,565.57	1,171.51	8.30	20.37	5.73	2,771.48

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

for the year ended March 31, 2023

(All amounts in Indian Rupees in lakhs, except for share data or as otherwise stated)

11 Financial liabilities (Contd..)

As at March 31, 2022

Particulars	Outstanding for following periods from due date of payment					Total
	Not Due	Less than 1 Year	1-2 Years	2-3 Years	More than 3 Years	
i) MSME	-	16.76	-	-	-	16.76
ii) Others	934.14	1,129.86	13.12	5.25	64.74	2,147.11
iii) Disputed Dues-MSME	-	-	-	-	-	-
iv) Disputed Dues-Others	-	-	-	-	-	-
Total	934.14	1,146.62	13.12	5.25	64.74	2,163.87

Particulars	As at March 31, 2023	As at March 31, 2022
(c) Other financial liabilities		
Current		
Employee payables	630.04	812.11
Dividend payable	0.47	-
Deferred credit - medical equipment	-	23.39
Capital creditors	768.36	1,644.80
	1,398.87	2,480.30

12 Provisions

Particulars	As at March 31, 2023	As at March 31, 2022
Non-current		
Provision for employee benefits:		
- Gratuity (refer note 27)	169.90	184.48
- Compensated absences	3.78	109.05
Others:		
- Decommissioning liability	537.98	448.31
	711.66	741.84
Current		
Provision for employee benefits:		
- Gratuity (refer note 27)	102.45	70.75
- Compensated absences	158.63	40.32
Others:		
- Decommissioning liability	133.94	97.56
	395.02	208.63

Note:

i. Movement in Provision for Decommissioning liability

Decommissioning liability	As at March 31, 2023	As at March 31, 2022
Balance as at the beginning of the year	545.87	465.32
Add: Unwinding of interest	51.43	44.39
Add: Provision created during the year	74.62	36.16
Balance as at the end of the year	671.92	545.87

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

for the year ended March 31, 2023

(All amounts in Indian Rupees in lakhs, except for share data or as otherwise stated)

13 Other liabilities

Particulars	As at March 31, 2023	As at March 31, 2022
Non-current		
Deferred revenue - contract liability	46.07	11.65
	46.07	11.65
Current		
Deferred revenue - contract liability	38.66	11.80
Statutory liabilities	289.63	316.01
Advance from customers - contract liability	29.42	21.18
	357.71	348.99

14 Revenue from operations

Particulars	For the year ended 31 March 2023	For the year ended 31 March 2022
Revenue from contracts with customers- Sale of services	45,900.39	46,211.28
Other operating revenue		
- Sale of scrap	18.16	21.99
- Miscellaneous Income	3.72	3.72
	45,922.27	46,236.99

Disclosure as per Ind AS 115 - Revenue from contracts with customers

A. Contract balances

Particulars	As at March 31, 2023	As at March 31, 2022
Contract assets	-	-
Contract liabilities		
- Advances from customers (refer note 13)	29.42	21.18
- Deferred revenue (refer note 13)	84.73	23.45

The revenue recognized during the current year is the balancing number for transactions with customers after adjusting opening and closing balances of contract assets and liabilities.

B. Movement in contract liabilities during the year

Particulars	As at March 31, 2023	As at March 31, 2022
Deferred Revenue		
Balance at the beginning of the year	23.45	20.99
Less: Revenue recognised during the period from above	(30.89)	(12.78)
Add: Addition during the year	92.17	15.24
Balance at the end of the year	84.73	23.45

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

for the year ended March 31, 2023

(All amounts in Indian Rupees in lakhs, except for share data or as otherwise stated)

14 Revenue from operations (Contd..)

C. Reconciliation of Revenue from contract with customers

Particulars	As at March 31, 2023	As at March 31, 2022
Revenue from contract with customer as per the contract price	47,387.57	46,482.01
Adjustments made to contract price on account of :-		
Discount / Rebates	(1,487.18)	(270.73)
Revenue from contract with customer	45,900.39	46,211.28
Other operating revenue	21.88	25.71
Revenue from operations	45,922.27	46,236.99

15 Other income

Particulars	For the year ended March 31, 2023	For the year ended March 31, 2022
Interest income under the effective interest method on:		
Fixed deposits with banks	766.51	928.65
Financial assets carried at amortised cost	61.49	51.21
Profit on sale of mutual fund investments, (net)	86.49	47.62
Fair value gain on investments measured at FVTPL	385.44	136.25
Net gain on sale/ retirement of property, plant and equipment	8.60	40.42
Liabilities no longer required written back	90.00	21.35
Insurance claim received	0.66	27.18
Other non operating income	15.88	30.38
	1,415.07	1,283.06

16 Cost of materials consumed

Particulars	For the year ended March 31, 2023	For the year ended March 31, 2022
Inventory of materials as at the beginning of the year (refer note 8)	427.67	264.43
Add: Purchases during the year	5,665.35	7,313.15
Less: Inventory of materials as at the end of the year (refer note 8)	(204.86)	(427.67)
	5,888.16	7,149.91

17 Employee benefits expense

Particulars	For the year ended March 31, 2023	For the year ended March 31, 2022
Salaries, wages and bonus	7,032.61	6,317.36
Contribution to provident and other funds (refer note 27)	396.43	344.23
Gratuity (refer note 27)	122.24	112.94
Compensated absences	56.45	59.48
Equity-settled share based payment transactions (refer note 28)	71.67	113.56
Staff welfare expenses	168.34	118.37
	7,847.74	7,065.94

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

for the year ended March 31, 2023

(All amounts in Indian Rupees in lakhs, except for share data or as otherwise stated)

18 Depreciation and amortisation expense

Particulars	For the year ended March 31, 2023	For the year ended March 31, 2022
Depreciation on property, plant and equipment (refer note 4(a) & note 4(a)(i))	3,783.10	3,284.28
Amortisation on other intangible assets (refer note 5)	144.23	71.51
Depreciation on right of use assets (refer note 4(c))	2,244.68	1,912.82
	6,172.01	5,268.61

19 Finance costs

Particulars	For the year ended March 31, 2023	For the year ended March 31, 2022
Interest on borrowings measured at amortised cost	1.39	47.83
Interest expense on deferred credit purchases and decommissioning liability	51.41	49.90
Interest expense on lease liabilities (refer note 4(c))	1,889.66	1,423.76
Bank charges	152.33	123.54
	2,094.79	1,645.03

20 Other expenses

Particulars	For the year ended March 31, 2023	For the year ended March 31, 2022
Power and fuel	1,482.64	1,159.67
Rent	45.03	62.56
Testing charges	131.61	148.04
Sample collection charges	303.67	404.87
Repairs and maintenance		
a. Buildings	181.40	119.20
b. Plant and equipment	1,412.03	1,052.45
c. Others	164.98	157.78
House keeping expenses	732.65	581.12
Security charges	452.86	414.87
Insurance	88.58	77.99
Rates and taxes	271.98	100.23
Advertisement, publicity and marketing	335.75	169.12
Business promotion expenses	237.78	291.66
Travelling and conveyance	323.02	217.73
Legal and professional fees (professional fees to doctor consultants and others)	6,890.24	5,907.67
Payment to auditors (refer note (i) below)	87.32	73.16
Remuneration to Independent Directors	56.64	53.76
Postage and communication	177.03	169.96
Printing and stationery	77.74	65.84
Provision for doubtful receivables	23.28	-
Provision for doubtful advances	20.00	43.63
Advances written-off	13.38	-
Loss on sale of assets	-	0.63
Corporate social responsibility expenditure ('CSR') (refer note (ii) below)	225.14	175.50
Donations	10.25	3.32
Miscellaneous expenses	238.64	201.37
	13,983.64	11,652.13

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

for the year ended March 31, 2023

(All amounts in Indian Rupees in lakhs, except for share data or as otherwise stated)

20 Other expenses (Contd..)

Notes:

Particulars	For the year ended March 31, 2023	For the year ended March 31, 2022
i. Payment to auditors (inclusive of taxes)		
As auditors		
- Statutory audit fees	59.00	59.00
- Limited review	21.24	14.16
Reimbursement of expenses	7.08	-
	87.32	73.16
ii. Details of corporate social responsibility expenditure		
(i) Gross amount required to be spent by the Group during the period	225.14	175.50
(ii) Amount approved by the Board to be spent during the period	225.14	175.50
(iii) Amount spent during the period (in cash)		
- construction/ acquisition of any asset	-	-
- on purpose other than above	225.14	175.50
(iv) (Shortfall) / Excess at the end of the period	-	-
(v) Total of previous years shortfall	-	-
(vi) Details of related party transactions	NA	NA
(vii) Where a provision is made with respect to a liability incurred by entering into a contractual obligation, the movements in the provision during the period should be shown separately	NA	NA
(viii) Reason for shortfall: For the year ending March 31, 2023, March 31, 2022: No shortfall		
(ix) Nature of CSR activities:		
a) Skill development		
b) Education		
c) Healthcare		

21 Income-tax expense

Particulars	For the year ended March 31, 2023	For the year ended March 31, 2022
(a) Amount recognised in statement of profit and loss		
Current tax	2,776.18	3,954.73
Deferred tax attributable to temporary differences	54.12	(283.06)
Tax expense	2,830.30	3,671.67
(b) Amount recognised in other comprehensive income		
Deferred tax related to items recognised in OCI		
Deferred tax expense/(income) on remeasurements of defined benefit obligations	6.78	6.96
Income-tax expense/(income) recognised in OCI	6.78	6.96
(c) Reconciliation of effective tax rate:		
Profit before tax	11,351.00	14,738.43
Enacted tax rate in India	25.17%	25.17%
Tax expense at enacted rates	2,856.82	3,709.37
Tax effect of:		
Effect of expenses not deductible for tax purposes	56.66	44.17
Unrecognised deferred taxes	5.67	4.45
Others	(88.85)	(86.32)
Income-tax recognised in the statement of profit and loss	2,830.30	3,671.67

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

for the year ended March 31, 2023

(All amounts in Indian Rupees in lakhs, except for share data or as otherwise stated)

21 Income-tax expense (Contd..)

(d) The following table provides the details of income tax assets and income tax liabilities:

Particulars	As at March 31, 2023	As at March 31, 2022
Non-current tax assets, (net)	19.31	22.57
Current tax liabilities, (net)	(240.90)	(90.30)
	(221.59)	(67.73)

Particulars	For the year ended 31 March 2023	For the year ended 31 March 2022
Net income-tax liability at the beginning of the year	(67.73)	(105.41)
Less: Current income tax expense	(2,776.18)	(3,954.73)
Add: Tax paid during the year	2,622.32	3,992.41
Net income tax liability as at the end of the year	(221.59)	(67.73)

22 Contingent liabilities and commitments (to the extent not provided for)

Contingent liabilities

Particulars	As at March 31, 2023	As at March 31, 2022
Claims against the Group not acknowledged as debts	-	-

The Group based on its legal assessment do not believe that any of the pending claims/litigations if any with statutory authorities/ others require a provision as at the balance sheet date, as the likelihood of the probability of an outflow of resources at this point of time is low.

Capital and other commitments

Particulars	As at March 31, 2023	As at March 31, 2022
Estimated amount of contracts remaining to be executed on capital account not provided for (net of advances)	2,506.90	5,067.60

23 Earnings per share

Particulars	For the year ended 31 March 2023	For the year ended 31 March 2022
Earnings for the year		
Net profit for the year attributable to equity shareholders (A)	8,463.16	10,968.06
Shares		
Weighted average number of equity shares for Basic EPS (B)	10,20,41,263	10,19,65,926
Add: Effect of dilution:		
- On account of outstanding employee based share based options (after bonus issue)	4,40,844	6,00,204
Weighted average number of equity shares for Diluted EPS (C)	10,24,82,108	10,25,66,130
(a) Basic earnings per share of face value of Re. 1 each (A/B)	8.29	10.76
(b) Diluted earnings per share of face value of Re. 1 each (A/C)	8.26	10.69

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

for the year ended March 31, 2023

(All amounts in Indian Rupees in lakhs, except for share data or as otherwise stated)

24 Disclosure required under Clause 22 of Micro, Small and Medium Enterprise Development ('MSMED') Act, 2006

Particulars	As at March 31, 2023	As at March 31, 2022
(a) the principal amount and the interest due thereon remaining unpaid to any supplier at the end of each accounting year;		
- Principal amount due to micro and small enterprises	51.84	16.76
- Interest due on the above	-	-
(b) the amount of interest paid by the buyer in terms of Section 16 of the MSMED Act, 2006 along with the amount of the payment made to the supplier beyond the appointed day during each accounting year;	-	-
(c) 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 period/year) but without adding the interest specified under this MSMED Act, 2006;	-	-
(d) the amount of interest accrued and remaining unpaid at the end of the each accounting year; and	-	-
(e) 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 enterprise, for the purpose of disallowance of a deductible expenditure under Section 23 of the MSMED Act, 2006.	-	-

Note: The above disclosures are provided by the Group based on the information available with the Group in respect of the registration status of its vendors/suppliers.

25 Segment reporting

A. Basis for segmentation

An operating segment is a component of the Group that engages in business activities from which it may earn revenues and incur expenses, including revenues and expenses that relate to transactions with any of the Group's other components, and for which discrete financial information is available. All operating segments results are reviewed regularly by the Group's Chairman and CEO to make decisions about resources to be allocated to the segments and assess their performance.

The Chief Operating Decision Maker ("CODM") who are the Group's Chairman and CEO evaluate the Group's performance and allocates resources based on an analysis of various performance indicators at operational unit level and since there is single operating segment, no segment disclosures of the Group is presented. The Group's operations fall within a single business segment "Diagnostic services".

B. Major customers

Revenue from any single customer of the Group's operating segment does not exceed 10% of the total revenue reported and hence, the Management believes that there are no major customers to be disclosed.

26 Purchase commitments towards reagent kits

The Group has entered into agreements with certain suppliers for purchase of reagents which include the right to use equipment during the life of the agreement in addition to purchase of minimum committed quantities of reagents every year. These agreements are in substance, cost of reagents and services arrangements provided by the supplier on an annual basis and the minimum purchase commitments therein do not result in more than insignificant penalty on termination of the agreement. The cost of reagents which includes the cost of rental of the equipment is recorded as cost of material consumed.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

for the year ended March 31, 2023

(All amounts in Indian Rupees in lakhs, except for share data or as otherwise stated)

27 Employee benefit plans

The Group has following post employment benefit plans:

(a) Defined contribution plans

Contributions were made to provident fund and Employees' State Insurance in India for the employees of the Group as per the regulations. These contributions are made to registered funds administered by the Government of India. The obligation of the Group is limited to the amount contributed and it has no further contractual nor any other constructive obligation. The expense recognised during the year in the consolidated statement of profit and loss towards defined contribution plan is Rs. 396.43 lakhs (March 31, 2022: Rs. 344.23 lakhs).

(b) Defined benefit plan

The Group provides for Gratuity for employees in India as per the Payment of Gratuity Act, 1972. Employees who are in continuous service for a period of 5 years are eligible for Gratuity. The amount of Gratuity payable on retirement/ termination is the employee's last drawn basic salary per month computed proportionately for 15 days salary multiplied for the number of years of service or part thereof in excess of six months, restricted to a sum of Rs. 20 lakhs.

The Gratuity plan of the Parent Company is administered through a Gratuity Scheme with Life Insurance Corporation of India ('LIC'). The Parent Company does not fully fund the liability and maintains a target level of funding to be maintained over a period of time based on estimations of expected gratuity payments. The Gratuity plans of subsidiaries are unfunded.

This defined benefit plans expose the Group to actuarial risks, such as longevity risk, interest rate risk and market (investment) risk.

i. Reconciliation of the net defined benefit (asset)/ liability

The amounts recognised in the balance sheet and the movements in the defined benefit obligation and fair value of plan assets over the year are as follows:

Particulars	March 31, 2023			March 31, 2022		
	Present value of obligation	Fair value of plan assets	Net amount	Present value of obligation	Fair value of plan assets	Net amount
Opening balance	534.23	279.00	255.23	453.13	204.97	248.16
Current service cost	105.81	-	105.81	97.91	-	97.91
Interest expense/ (income)	32.86	(16.43)	16.43	27.64	(12.61)	15.03
Recognised in statement of profit or loss	138.67	16.43	122.24	125.55	12.61	112.94
Remeasurements						
Return on plan assets, excluding amounts included in interest expense	-	1.49	1.49	-	16.85	16.85
Actuarial (gains)/ losses arising from:						
- Changes in demographic assumptions	-	-	-	-	-	-
- Changes in financial assumptions	(28.42)	-	(28.42)	(11.57)	-	(11.57)
- Experience variance (i.e. actual experience vs assumptions)	(0.01)	-	(0.01)	(32.88)	-	(32.88)
Re-measurements recognised in other comprehensive income	(28.43)	1.49	(26.94)	(44.45)	16.85	(27.60)
Contribution paid to the plan	-	75.59	(75.59)	-	74.86	(74.86)
Benefits paid	-	(2.59)	(2.59)	-	(3.41)	(3.41)
Closing balance	644.47	372.12	272.35	534.23	279.00	255.23

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

for the year ended March 31, 2023

(All amounts in Indian Rupees in lakhs, except for share data or as otherwise stated)

27 Employee benefit plans (Contd..)

ii. Plan assets

Plan assets comprises of the following:

Particulars	March 31, 2023	March 31, 2022
Funds managed by Life Insurance Corporation of India	100%	100%

iii. Actuarial assumptions

Principal actuarial assumptions for defined benefit obligation are as follows:

	March 31, 2023	March 31, 2022
Discount rate	7.30%	6.50%
Salary escalation rate	8.00%	8.00%
Attrition rate	10.00% to 15.00%	10.00% to 15.00%

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.

iv. Sensitivity analysis

Reasonably possible changes at the reporting date to one of the relevant actuarial assumptions, holding other assumptions constant, would have affected the defined benefit obligation and current service cost by the amounts shown below:

Particulars	Change in assumption		Impact on defined benefit obligation					
			Increase in assumption			Decrease in assumption		
	March 31, 2023	March 31, 2022	March 31, 2023	March 31, 2022	March 31, 2023	March 31, 2022		
Discount rate	1.00%	1.00%	Decrease by	31.51	30.21	Increase by	35.10	33.78
Salary escalation rate	1.00%	1.00%	Increase by	34.34	32.98	Decrease by	31.67	30.10
Attrition rate	50.00%	50.00%	Decrease by	20.66	26.72	Increase by	31.22	41.55

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 consolidated balance sheet.

The methods and types of assumptions used in preparing the sensitivity analysis did not change compared to the prior period.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

for the year ended March 31, 2023

(All amounts in Indian Rupees in lakhs, except for share data or as otherwise stated)

27 Employee benefit plans (Contd..)

v. Expected contributions to the plan for the next annual reporting period

Expected contribution to post-employment benefit plans for the next year ending March 31, 2024 is Rs. 343.59 lakhs (March 31, 2023: Rs. 327.47 lakhs)

vi. Maturity profile of the defined benefit liability

The weighted average duration of the defined benefit obligation is 6 years (March 31, 2022: 6 years). The expected maturity analysis of defined benefit obligation on an undiscounted basis is as follows:

	Less than 1 year	Between 2-5 years	Between 6-10 years	More than 10 Years
March 31, 2023	102.45	276.00	252.83	322.40
March 31, 2022	70.74	242.67	226.42	283.82

28 Share based payments

VDCL Employee Stock Option Plan 2018 "The Plan" or "ESOP 2018"

The shareholders of the Company approved "VDCPL Employee Stock Option Plan 2018 (ESOP 2018)" at the Extraordinary General Meeting held on May 03, 2018 and subsequently it was amended at the extraordinary general meeting held on March 25, 2021 and August 26, 2021 to grant a maximum of 1,625,000 options to specified categories of employees of the Company. Each option granted and vested under ESOP 2018 shall entitle the holder to acquire one equity share of face value of Rs. 1 each of the Company.

The Plan consists of six schemes with various vesting periods from the grant date subject to satisfaction of vesting conditions. The method of settlement under the Plan is by issue of equity shares of the Company and there are no cash settlement alternatives for the employees.

Vested options can be exercised over a period of ten years from the grant date. The Exercise Price is the fair value of the equity share as on the date of the grant or as decided by the Nomination and remuneration committee. The time and performance based options under Scheme 1, 2, 3, 4, 5 and 6 become vested as below:

The time and performance based options under Scheme 1 become eligible on an annual basis at 30%, 30%, 20% and 20% over a period of four years and vesting starts from second year. The time and performance based options under Scheme 2 become eligible on an annual basis at 25%, 25%, 25% and 25% over a period of four years and vesting starts from third year. The time based options under Scheme 3 become eligible on an annual basis at 25%, 25%, 25% and 25% over a period of four years and vesting starts from third year. The time based options under Scheme 4 become eligible on annual basis at 100% and vest on second year from the grant date. The time based options under Scheme 5 become eligible and vest on an annual basis at 25%, 25%, and 50% over a period of three years. The time based options under Scheme 6 become eligible on an annual basis at 0%, 25%, 50% and 25% over a period of four years and The performance based options under Scheme 6 become eligible on an annual basis at 25%, 25%, 25% and 25% over a period of four years.

The fair value of equity share options is estimated at the date of grant using Black- Scholes model, taking into account the terms and conditions upon which the share options were granted. Based on the historical trends, 50% of stock options are expected to be vested and exercised, accordingly the total compensation cost recognised in the statement of profit and loss is ₹ 71.67 lakhs (March 31, 2022: Rs. 113.56 lakhs).

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

for the year ended March 31, 2023

(All amounts in Indian Rupees in lakhs, except for share data or as otherwise stated)

28 Share based payments (Contd..)

(A) Details of options granted under ESOP 2018 by the Board/Nomination and Remuneration committee are as below:

Grant	Grant date	Number of options granted	Number of options outstanding	Exercise Price (in ₹)	Fair value at grant date (in ₹)
1st Grant	May 10, 2018	4,63,750	-	220.00	222.10
2nd Grant	October 31, 2018	9,000	-	233.90	233.90
3rd Grant	April 01, 2019	75,780	-	236.90	236.90
4th Grant*	March 25, 2021	8,66,853	6,07,513	111.11	111.11

*The aforementioned shares are post subdivision of equity shares and before bonus issue (refer note 10(a)(v)).

(B) The movement of stock options during the period (in No's) :

Particulars	No of stock options
As at April 01, 2021	5,44,508
Forfeited/lapsed during the year before bonus issue (refer note 10(a)(v))	(1,59,230)
Adjustment towards bonus issue	4,81,575
Vested/exercisable during the year	1,11,878
Forfeited/lapsed during the year after bonus issue	(1,06,897)
Exercised during the year	-
As at March 31, 2022	7,59,956
Vested/exercisable during the year	3,01,694
Forfeited/lapsed during the year	(47,194)
Exercised during the year	(1,05,249)
As at March 31, 2023	6,07,513

(C) Disclosures as per IND AS 102 for outstanding options* :

Particulars	As at March 31, 2023	As at March 31, 2022
Weighted average exercise price for outstanding options at year end (in Rs.)	111.11	111.11
Weighted average remaining contractual life for outstanding options at year end	7.99 years	8.99 years
Range of exercise prices for outstanding options at year end (in Rs.)	111.11	111.11

*The aforementioned shares are post subdivision of equity shares and the effect of bonus issue (refer note 10(a)(v)).

(D) The key assumption used to estimate the fair value of stock option as on grant date:

Grant date	Dividend yield	Risk-free interest rate	Expected life of options granted in years	Expected volatility
May 10, 2018	0%	7.95%	5.5 Years to 7 Years	21.32%
October 31, 2018	0%	7.84%	5.5 Years to 7 Years	24.95%
April 01, 2019	0%	7.15%	5.5 Years to 7 Years	29.52%
March 25, 2021	0%	6.12%	5.5 Years to 7 Years	43.78%

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

for the year ended March 31, 2023

(All amounts in Indian Rupees in lakhs, except for share data or as otherwise stated)

29 Related parties

(a) Details of related parties

Description of relationship	Name of the related parties
Person exercising control	Dr. S Surendranath Reddy (Executive Chairman) (also a KMP)
Key Management Personnel (KMP)	Dr. S Surendranath Reddy (Executive Chairman) S Suprita Reddy (Chief Executive Officer) K Sunil Chandra (Executive Director) S Geetha Reddy (Director) Nishanth Sharma (Nominee Director upto 07 March 2022) Narasimha Raju.K.A (Chief Financial Officer w.e.f. 01 May 2021) Sandhya Rani. S (Chief Financial Officer upto 18 April 2021) Hansraj Singh Rajput (Company Secretary w.e.f. 13 Feb 2023) Anusha Kanumuru (Company Secretary w.e.f. 08 Nov 2021 upto 03 Dec 2022) V Sri Lakshmi (Company Secretary upto 08 Nov 2021)
Independent Directors	Dr.D.Nageshwar Reddy (w.e.f 26 May 2021) Mr. S P Singh (w.e.f 26 May 2021) Mr. Satyanarayana Murthy Chavali (w.e.f 26 May 2021) Dr. Manjula Anagani (w.e.f 22 Aug 2021) Mr. P S Narasimha (upto 21 Aug 2021)
Enterprise where KMP has Significance Influence	Vijaya Hospitals Private Limited Summit Nutraceuticals Private Limited Kshetra Agritech Private Limited Trikona Pharmaceuticals Private Limited Trikona Holdings LLP Vijaya Holdings India LLP S Square Properties LLP Park Health Systems Private Limited Asian Institute of Gastroenterology Private Limited IFFCO Kisan SEZ Limited
Relative of KMP	B Vishnu Priya (Wife of K Sunil Chandra)
Controlled Trust	Vijaya Diagnostic Charitable Trust

(b) Details of transactions during the year[#]

Particulars	For the year ended March 31, 2023	For the year ended March 31, 2022
Rent paid		
Dr. S Surendranath Reddy	457.94	433.10
K Sunil Chandra	107.96	105.54
S Suprita Reddy	101.18	70.14
S Geetha Reddy	419.90	374.44
B Vishnu Priya	1.91	1.66
Vijaya Hospitals Private Limited	120.82	112.09
Rental deposits given, net		
Dr. S Surendranath Reddy	(0.80)	-
S Suprita Reddy	-	12.56
K Sunil Chandra	(1.19)	-
S Geetha Reddy	1.50	12.56

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

for the year ended March 31, 2023

(All amounts in Indian Rupees in lakhs, except for share data or as otherwise stated)

29 Related parties (Contd..)

Particulars	For the year ended March 31, 2023	For the year ended March 31, 2022
Purchase of Property, plant and equipment		
Asian Institute of Gastroenterology Private Limited	18.29	-
Sale of Property, plant and equipment		
Park Health Systems Private Limited	11.37	-
Sale of services		
Park Health Systems Private Limited	68.33	55.23
Interest expense		
Dr. S Surendranath Reddy	-	3.50
K Sunil Chandra	-	0.52
Loans Repaid		
Dr. S Surendranath Reddy	-	285.00
K Sunil Chandra	-	42.50
Remuneration to KMP *		
Dr. S Surendranath Reddy	200.00	196.67
K Sunil Chandra	100.00	93.33
S Suprita Reddy	275.00	254.17
Sri Lakshmi.V	-	6.54
Anusha Kanumuru	13.81	5.74
S.Sandhya Rani	-	52.02
Narasimha Raju.K.A **	79.60	56.06
Hansraj Singh Rajput	5.43	-
Independent directors sitting fee/commission		
Dr. D.Nageshwar Reddy	12.00	12.00
Mr. S P Singh	12.00	12.00
Mr. Satyanarayana Murthy Chavali	12.00	12.00
Dr. Manjula Anagani	12.00	9.00

(c) Amounts due (to)/ from related parties

Particulars	As at March 31, 2023	As at March 31, 2022
Rent payable		
Vijaya Hospitals Private Limited	-	9.22
B Vishnu Priya	-	0.14
S Geetha Reddy	0.33	-
Rental deposits		
Vijaya Hospitals Pvt. Ltd.	34.95	34.95
Dr. S Surendranath Reddy	113.35	114.14
S Suprita Reddy	38.15	38.15
K Sunil Chandra	31.81	33.00
S Geetha Reddy	131.67	130.17
B Vishnu Priya	0.72	0.72
Trade receivables		
Park Health Systems Private Limited	7.05	3.31

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

for the year ended March 31, 2023

(All amounts in Indian Rupees in lakhs, except for share data or as otherwise stated)

29 Related parties (Contd..)

Particulars	As at March 31, 2023	As at March 31, 2022
Remuneration payable to Independent Directors		
Dr. D.Nageshwar Reddy	2.70	-
Mr. S P Singh	2.70	-
Mr. Satyanarayana Murthy Chavali	2.70	-
Dr. Manjula Anagani	2.70	-
Salaries payable to KMP		
Anusha Kanumuru	-	1.10
Narasimha Raju K.A	4.11	3.48
Hansraj Singh Rajput	1.64	

Note:

(i) All transactions with these related parties are at arm's length basis and resulting outstanding receivables and payables including financial assets and financial liabilities balances are settled in cash. None of the balances are secured. (All the amounts of transactions and balances disclosed in this note are gross and undiscounted.)

(ii) *The remuneration to key Managerial personnel does not include provision for gratuity and leave encashment, as they are determined for the Company as a whole.

** In addition to the remuneration, certain employee stock options were exercised, whose perquisite value is Rs 33.76 lakhs (previous year: Rs. Nil).

(iii) #Amounts paid as dividends to promoters and their relatives in the capacity of shareholders are not considered as related party transactions.

30 Capital management

The Group's policy is to maintain a stable and strong capital structure with a focus on equity so as to provide returns to shareholders, benefits to other stakeholders, creditors and to sustain future development and growth of the business. In order to maintain the capital structure, the Group monitors the return on capital as well as debt to total equity ratio. The Group aims to manage its capital efficiently so as to safeguard its ability to continue as a going concern and to optimise returns to all its shareholders. For the purpose of debt to total equity, debt includes its long-term and short-term borrowings. Total equity comprises of issued share capital and all other equity reserves.

Particulars	March 31, 2023	March 31, 2022
Total debt	-	63.46
Total equity	54,663.08	46,954.24
Debt equity ratio	-	0.00

The Group's bank balances as at March 31, 2023 is Rs. 11,681.77 lakhs (March 31, 2022: Rs. 19,237.59 lakhs) which are significantly higher than the debt outstanding of Rs. Nil (March 31, 2022: Rs. 63.46 lakhs). Nominal debt is being maintained to establish credit history for any future requirements.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

for the year ended March 31, 2023

(All amounts in Indian Rupees in lakhs, except for share data or as otherwise stated)

31 Financial instruments

A. Accounting classifications and fair values

The following table shows the carrying amounts and fair values of financial assets and financial liabilities, including their levels in the fair value hierarchy.

Particulars	Note	March 31, 2023		March 31, 2022		Fair value level
		Amortised Cost	Fair value	Amortised Cost	Fair value	
Financial assets						
Investments						
- in mutual funds - FVTPL	6 (a)	-	12,907.13	-	5,423.55	Level 1
- in equity instruments - FVOCI	6 (a)	-	4.00	-	4.00	Level 3
- in bonds - FVTPL	6 (a)	-	992.20	-	-	Level 1
Trade receivables	6 (b)	948.87	-	977.09	-	
Cash and cash equivalents	6 (c)	2,417.69	-	1,104.99	-	
Other bank balances	6 (d)	9,224.54	-	18,130.69	-	
Other financial assets	6 (e)	1,261.96	-	1,269.24	-	
Total financial assets		13,853.06	13,903.33	21,482.01	5,427.55	
Financial liabilities						
Borrowings	11 (a)	-	-	63.46	-	
Lease liabilities	4 (c)	24,755.90	-	18,282.80	-	
Trade payables	11 (b)	2,771.48	-	2,163.87	-	
Other financial liabilities	11 (c)	1,398.87	-	2,480.30	-	
Total financial liabilities		28,926.25	-	22,990.43	-	

The fair value of trade receivables, loans, other financial assets, cash and cash equivalents, other bank balances, borrowings, trade payables and other financial liabilities approximate their carrying amount largely due to short-term nature of these instruments. Investments in mutual funds, which are classified as FVTPL are measured using net assets value at the reporting date multiplied by the quantity held.

B. Measurement of fair values

i. Valuation techniques and significant unobservable inputs

Investment in equity instruments: The fair value of investment in equity instruments approximate to its carrying value. Hence, no fair value gain/ (loss) in accounted in OCI.

Name of financial asset	Valuation technique	Significant unobservable inputs
Investment in unquoted equity shares	Discounted cash flow method was used to capture the present value of the expected future economic benefits that will flow to the Group arising from the investments in financial assets	Long term, growth rate, Discount rate Revenue multiple

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

for the year ended March 31, 2023

(All amounts in Indian Rupees in lakhs, except for share data or as otherwise stated)

31 Financial instruments (Contd..)

ii. Transfer between Level 1 and 2

There have been no transfers from Level 2 to Level 1 or vice-versa in the current financial year and no transfers in either direction in the last financial year.

iii. Level 3 fair values

Particulars	FVOCI equity securities	
	March 31, 2023	March 31, 2022
Balance as at the beginning of the year	4.00	4.00
Investment made	-	-
Net change in fair value (Unrealised)	-	-
Balance as at the end of the year	4.00	4.00

C. Financial Risk Management

The Group activities expose it to market risk, liquidity risk and credit risk. This note explains the sources of risk which the entity is exposed to and how the entity manages the risk.

Risk	Exposure arising from	Measurement	Management
Credit Risk	Trade receivables, security deposits, bank deposits and loans.	Ageing analysis. Credit score of customers/ entities.	Monitoring the credit limits of customers and obtaining security deposits.
Liquidity Risk	Borrowings	Cash flow forecasts managed by finance team under the overview of Senior Management.	Working capital management by Senior Management. The excess liquidity is channelised through bank deposits and investment in mutual funds.

The Group's risk management is carried out by the Senior Management under policies approved by the Board of Directors. The Board of Directors provides guiding principles for overall risk management, as well as policies covering specific areas such as credit risk and liquidity risk.

i. Credit risk

Credit risk is the risk of financial loss to the Group if a customer or counterparty to a financial instrument fails to meet its contractual obligations, and arises principally from the Group's receivables from customers and loans.

The Group has no significant concentration of credit risk with any counterparty.

Trade receivables and loans

Customer credit risk is managed by the respective department subject to Group's established policy, procedures and control relating to customer credit risk management. Credit quality of a customer is assessed based on individual credit limits as defined by the Group. Outstanding customer receivables are regularly monitored.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

for the year ended March 31, 2023

(All amounts in Indian Rupees in lakhs, except for share data or as otherwise stated)

31 Financial instruments (Contd..)

Expected credit loss (ECL) assessment for individual customers:

As per simplified approach, the Group makes provision of expected credit losses on trade receivable using a provision matrix to mitigate the risk of default payment and make appropriate provision at each reporting date.

Trade receivables	As at March 31, 2023				As at March 31, 2022			
	ECL Rate	Gross amount	ECL amount	Net amount	ECL Rate	Gross amount	ECL amount	Net amount
Not due	0.00%	80.85	-	80.85	0.00%	76.16	-	76.16
below 90 days past due	3.44%	590.31	20.29	570.02	3.44%	465.80	16.04	449.76
91 to 180 days past due	7.12%	238.62	17.00	221.62	6.69%	173.43	11.60	161.83
181 to 270 days past due	10.77%	44.10	4.75	39.35	7.74%	222.04	17.19	204.85
271 to 360 days past due	20.66%	17.82	3.68	14.14	18.63%	76.54	14.26	62.28
361 to 450 days past due	25.86%	20.42	5.28	15.14	29.66%	23.35	6.93	16.42
451 to 540 days past due	63.08%	11.01	6.95	4.06	58.57%	9.82	5.75	4.07
541 to 630 days past due	75.68%	11.56	8.75	2.81	72.58%	4.67	3.39	1.28
631 to 720 days past due	89.66%	8.58	7.70	0.88	87.31%	3.45	3.01	0.44
above 720 days past due	100.00%	101.70	101.70	-	100.00%	74.65	74.65	-
Total		1,124.97	176.10	948.87		1,129.91	152.82	977.09

The ageing analysis of the receivables has been considered from the date the invoice falls due.

Particulars	Less than 180 days	More than 180 days	Provision	Total
March 31, 2023	905.00	219.97	(176.10)	948.87
March 31, 2022	711.95	417.96	(152.82)	977.09

Management believes that the unimpaired amounts that are past due by more than 180 days are still collectible in full, based on historical payment behaviour and extensive analysis of customer credit risk.

The movement in the allowance for impairment in respect of trade receivables is as follows:	March 31, 2023	March 31, 2022
Balance at the beginning of the year	152.82	153.24
Add: Allowance measured at lifetime expected credit loss	23.28	-
Less: Amounts written off	-	(0.42)
Balance at the end of the year	176.10	152.82

Credit risk on cash and cash equivalents, deposits with banks is generally low as the said deposits have been made with the banks who have been assigned high credit rating by credit rating agencies. Investments of surplus funds are made only with approved financial institutions. Investments primarily include investments in mutual funds.

The security deposit pertains to rent deposit given to lessors. The Company does not expect any losses from non-performance by these counter-parties

ii. Liquidity risk

Liquidity risk is the risk that the Group will encounter difficulty in meeting the obligations associated with its financial liabilities that are settled by delivering cash or another financial asset. The Group's approach to managing liquidity is to ensure, as far as possible, that it will have sufficient liquidity to meet its liabilities when they are due, under both normal and stressed conditions, without incurring unacceptable losses or risking damage to the Group's reputation.

The finance team monitors rolling forecasts of the Group's liquidity position and cash and cash equivalents on the basis of expected cash outflows on trade payables and other financial liabilities and any excess/ short liquidity is managed in the form of current borrowings, bank deposits and investment in mutual funds as per the approved frame work.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

for the year ended March 31, 2023

(All amounts in Indian Rupees in lakhs, except for share data or as otherwise stated)

31 Financial instruments (Contd..)

Exposure to liquidity risk

The following are the remaining contractual maturities of financial liabilities at the reporting date. The amounts are gross and undiscounted, and include estimated interest payments and exclude the impact of netting agreements.

March 31, 2023	Carrying amount	Total	Contractual cash flows			
			Less than 1 year	1-2 years	2-5 years	More than 5 years
Borrowings (including current maturities of long-term borrowings)	-	-	-	-	-	-
Lease liabilities	24,755.90	40,491.46	3,501.80	3,641.09	9,325.27	24,023.30
Trade payables	2,771.48	2,771.48	2,771.48	-	-	-
Deferred payment liabilities - on purchase of medical equipments	-	-	-	-	-	-
Capital creditors	768.36	768.36	768.36	-	-	-
Other financial liabilities	630.04	630.04	630.04	-	-	-
	28,925.78	44,661.35	7,671.68	3,641.09	9,325.27	24,023.30

March 31, 2022	Carrying amount	Total	Contractual cash flows			
			Less than 1 year	1-2 years	2-5 years	More than 5 years
Borrowings (including current maturities of long-term borrowings)	63.46	63.46	63.46	-	-	-
Lease liabilities	18,282.80	28,464.75	2,703.68	2,703.57	7,473.54	15,583.96
Trade payables	2,163.87	2,163.87	2,163.87	-	-	-
Deferred payment liabilities - on purchase of medical equipments	23.39	23.39	23.39	-	-	-
Capital creditors	1,644.80	1,774.63	1,774.63	-	-	-
Other financial liabilities	812.11	808.39	808.39	-	-	-
	22,990.43	33,298.49	7,537.42	2,703.57	7,473.54	15,583.96

Except for these financial liabilities, it is not expected that cash flows included in the maturity analysis could occur significantly earlier, or at significantly different amounts.

iii. Market risk

Market risk is the risk that results from changes in market prices - such as foreign exchange rates, interest rates and others - will affect the Group's income. The objective of market risk management is to manage and control market risk exposures within acceptable parameters, while optimizing the return.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

for the year ended March 31, 2023

(All amounts in Indian Rupees in lakhs, except for share data or as otherwise stated)

31 Financial instruments (Contd..)

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 changes in Market interests rate. The Group's main interest rate risk arises from short-term borrowings with variable rates, which exposes the Group to cash flow interest rate risk. The Group has no debt exposure during the current year. The exposure of the Group's borrowing to interest rate changes at the end of the reporting period are as follows

Particulars	As at	As at
	March 31, 2023	March 31, 2022
Overdraft from bank	-	63.46
Sensitivity		
	Impact on profit and loss	
Particulars	March 31, 2023	March 31, 2022
1% increase in interest rate	-	(0.63)
1% decrease in interest rate	-	0.63

The interest rate sensitivity is based on the closing balance of loans from banks.

32 Additional information as required under para 2 of General Instruction for the preparation of Consolidated Financial Statements of Schedule III to the Act.

S No	Name of Company	March 31, 2023							
		Net assets, i.e., total assets minus total liabilities		Share in profit/ (loss)		Share in other comprehensive income / (loss)		Share in total comprehensive income / (loss)	
		Amount	As % of consolidated net assets	Amount	As % of consolidated profit/ (loss)	Amount	As % of consolidated net assets	Amount	As % of consolidated profit/ (loss)
	Parent								
	Vijaya Diagnostic Centre Limited	54,508.80	99.72%	8,323.39	97.68%	19.39	96.18%	8,342.78	97.68%
	Subsidiaries (including step down subsidiaries)								
1	Medinova Diagnostic Services Limited	(283.09)	-0.52%	63.00	0.74%	0.77	3.84%	63.77	0.75%
2	VDC Diagnostic (Karnataka) LLP	435.63	0.80%	22.53	0.26%	-	0.00%	22.53	0.26%
3	Doctors Lab Diagnostic Centre Private Limited	125.37	0.23%	8.48	0.10%	-	0.00%	8.48	0.10%
4	Medinova Millennium MRI Services LLP	66.33	0.12%	103.53	1.22%	-	0.00%	103.53	1.21%
5	Namrata Diagnostic Centre Private Limited	(125.16)	-0.23%	(0.22)	0.00%	-	0.00%	(0.22)	0.00%
	Non-controlling interest in all subsidiaries	190.14	0.35%	57.54	0.68%	0.29	1.44%	57.83	0.68%
	Total	54,918.02	100.47%	8,578.25	100.68%	20.45	101.46%	8,598.70	100.68%
	Consolidation adjustments	(254.94)	-0.47%	(57.55)	-0.68%	(0.29)	-1.46%	(57.84)	-0.68%
	Net amount	54,663.08	100.00%	8,520.70	100.00%	20.16	100.00%	8,540.86	100.00%

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

for the year ended March 31, 2023

(All amounts in Indian Rupees in lakhs, except for share data or as otherwise stated)

32 Additional information as required under para 2 of General Instruction for the preparation of Consolidated Financial Statements of Schedule III to the Act. (Contd..)

S No	Name of Company	March 31, 2022							
		Net assets, i.e., total assets minus total liabilities		Share in profit/ (loss)		Share in other comprehensive income / (loss)		Share in total comprehensive income / (loss)	
		Amount	As % of consolidated net assets	Amount	As % of consolidated profit/ (loss)	Amount	As % of consolidated net assets	Amount	As % of consolidated profit/ (loss)
	Parent								
	Vijaya Diagnostic Centre Limited	46,998.04	100.09%	10,810.47	97.68%	19.10	92.45%	10,829.57	97.67%
	Subsidiaries (including step down subsidiaries)								
1	Medinova Diagnostic Services Limited	(346.84)	-0.74%	206.89	1.87%	2.09	10.14%	208.99	1.88%
2	VDC Diagnostic (Karnataka) LLP	413.09	0.88%	17.67	0.16%	-	0.00%	17.67	0.16%
3	Doctors Lab Diagnostic Centre Private Limited	116.89	0.25%	1.75	0.02%	-	0.00%	1.75	0.02%
4	Medinova Millennium MRI Services LLP	(37.19)	-0.08%	30.64	0.28%	-	0.00%	30.64	0.28%
5	Namrata Diagnostic Centre Private Limited	(124.94)	-0.27%	(1.25)	-0.01%	-	0.00%	(1.25)	-0.01%
	Non-controlling interest in all subsidiaries	132.31	0.28%	98.70	0.89%	0.59	2.86%	99.29	0.90%
	Total	47,151.36	100.42%	11,164.87	100.89%	21.78	105.44%	11,186.66	100.89%
	Consolidation adjustments	(197.12)	-0.42%	(98.12)	-0.89%	(1.12)	-5.44%	(99.24)	-0.90%
	Net amount	46,954.24	100.00%	11,066.76	100.00%	20.66	100.00%	11,087.42	100.00%

Note:

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. Based on the group structure, the Management is of the view that the above disclosure is appropriate under requirements of the Act.

33 Other statutory information

- The Group does not have any Benami property, where any proceeding has been initiated or pending against the Group for holding any Benami property.
- 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 during the financial year.
- The Group has not traded or invested in Crypto Currency or Virtual Currency during the financial year.
- The Group does not have any charges or satisfaction which is yet to be registered with Registrar of Companies (ROC) beyond the statutory period.
- The Group has 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:
 - 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 to or on behalf of the Ultimate Beneficiaries
- The Group has 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 Group shall:
 - 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
 - provide any guarantee, security or the like on behalf of the Ultimate Beneficiaries

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

for the year ended March 31, 2023

(All amounts in Indian Rupees in lakhs, except for share data or as otherwise stated)

33 Other statutory information (Contd..)

vii. The Group has not entered into any 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).

viii. The Group has not been declared as wilful defaulter by any bank or financial institution or other lender.

34 The Parent has received a letter dated July 5, 2021, March 14, 2022 and September 16, 2022 under section 37 of the Foreign Exchange Management Act, 1999 read with section 133(6) of the Income Tax Act, 1961 from the Directorate of Enforcement, Government of India ("ED") requesting certain information for the purpose of their investigation. The Parent has responded to the ED letter by letter dated August 5, 2021, March 31, 2022 and September 29, 2022 by providing the information requested for. The letter has only sought certain information, which has been complied with, and it is not a show cause notice or demand letter at this stage, and there is no impact to the financial statements.

35 Comparative figures

The Comparative figures for the previous year have been re-arranged to conform with the current year presentation of the accounts.

36 Subsequent events

Subsequent to March 31, 2023, the Board of Directors of the Company at its meeting held on 29 May 2023 has recommended a final dividend of Re. 1/- per equity share which is subject to approval at the ensuing Annual General Meeting of the Company and hence was not recognised as a liability.

As per our report of even date attached

For B S R & Associates LLP

Chartered Accountants

ICAI Firm registration number: 116231W/ W-100024

Amit Kumar Bajaj

Partner

Membership Number: 218685

Place: Hyderabad

Date: May 29, 2023

For and on behalf of the Board of Directors of

Vijaya Diagnostic Centre Limited

CIN:L85195TG2002PLC039075

Dr. S. Surendranath Reddy

Executive Chairman

DIN Number: 00108599

Place: Hyderabad

Date: May 29, 2023

S. Suprita Reddy

Chief Executive Officer

Narasimha Raju K.A.

Chief Financial Officer

K. Sunil Chandra

Executive Director

DIN Number: 01409332

Hansraj Singh Rajput

Company Secretary

Membership No:F11438



VIJAYA®
DIAGNOSTIC
CENTRE

Vijaya Diagnostic Centre Limited

Registered Office

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Email: ir@vijayadiagnostic.in

Customer Care No: 040 – 2100 0000

