MedPlus

ACCELERATING WITH PASSION. DELIVERING WITH PURPOSE.

MedPlus Health Services Limited

ANNUAL REPORT 2021-22

ACROSS THE PAGES

Investor Information

Market Capitalisation as on 31st March, 2022
₹ 12,103.56 crore

CIN
L85110TG2006PLC051845

BSE Code
543427

NSE Symbol
MEDPLUS

AGM Date
26th September, 2022

For more investor-related information, please visit https://www.medplusindia.com/corporate.jsp

Scan this QR code which will navigate you to our corporate website.

Disclaimer:

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

ACCELERATING WITH PASSION. DELIVERING WITH PURPOSE.

A successful business is often driven by one thing, ***passion.*** *And when this same passion is propelled with the right team, capabilities and* ***purpose,*** *meeting goals and expectations becomes a by-product.*

At MedPlus, we set on this journey in the pharma retail segment more than a decade and a half ago, with a handful of stores. Right since then, we have been consistently driven by our passion for serving our customers with high standards of quality, transparency and honesty. We have grown to being one of India's leading pharma retail entities in a short span. We have grown from 48 stores in 2006 to 2,748 today, and are gradually including more offerings under the realm of healthcare, including products for babies' needs, personal care, health & nutrition, OTC and diagnostics, amongst others. This testifies to our determination, preparedness and farsightedness. We have remained true to our purpose of delivering the best, while creating an environment of trust for our customers. The same passion and purpose fuels us to grow, excel, and establish ourselves as a prominent player in the pharma retail space.

MEDPLUS AT A GLANCE

MedPlus Health Services Limited ('We' or 'the Company' or 'MedPlus') started in 2006 with an intent to deliver genuine medicines at a better value proposition to the customers, with definite availability. With a strong integrated supply chain and warehouse infrastructure, the Company offers a wide and diverse range of pharmaceutical, wellness and FMCG products. The products include medicines, vitamins, medical devices and test kits, home and personal care products, toiletries, baby care products, soaps and detergents, and sanitisers.

Strong Base

MedPlus started in 2006 with 48 stores in Hyderabad. Over a period of 16 years, we have built a network of 2,748 stores across Southern India (except Kerala), Odisha, Maharashtra and West Bengal. In this journey, we have followed a cluster-based store expansion strategy and believe in a deeper rather than a wider approach.

Tech-enabled

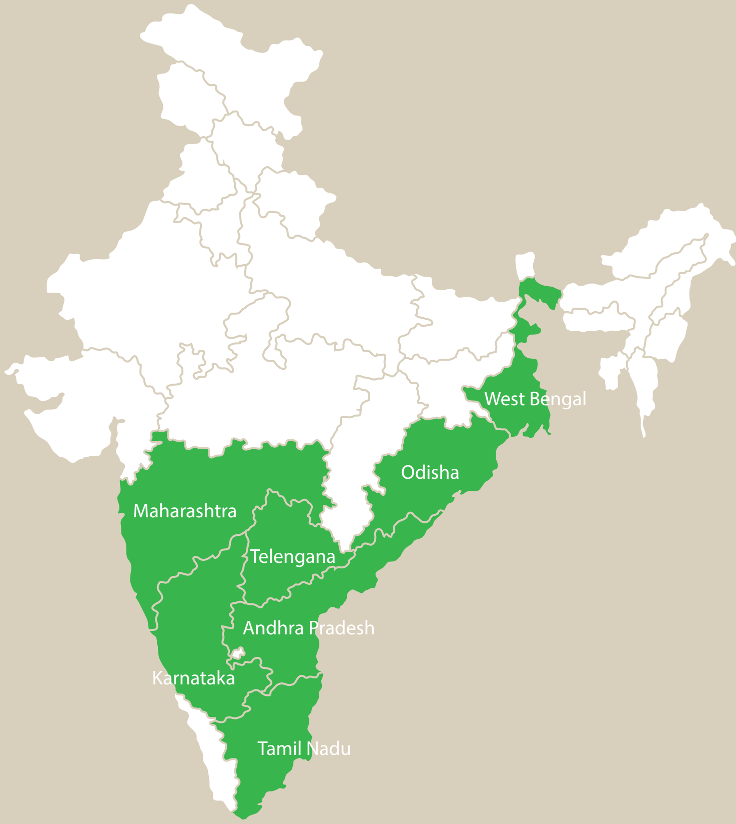
Since the inception of the Company, all our stores and warehouses have been integrated – enabling our stores' interaction with our warehouse or neighbouring stores on a real-time basis. This, in turn, helps us offer product availability to our customers. In 2015, the Company launched an online platform – www.medplusmart.com – enabling customers to order digitally. This helped facilitate product delivery and the option to pick up the order from a MedPlus store at customers' convenience. We strive to consistently analyse our data to improve our product availability, while also optimising our inventory levels at stores and warehouses.

Constant Development

MedPlus believes in modern business practices, process upgradation and cultural enhancement. We are continually working to make all of these happen in sync. And thereby, achieving a greater market share while ensuring a better brand recall. We constantly seek to deepen and extend our customer reach for our stores and online platform. And thus provide 'convenience' as a core customer value proposition – retaining customers within our ecosystem.

MedPlus has expanded presence across seven Indian states with a targeted cluster-based strategy backed by data analytics.

MedPlus' Presence across India



This map is a generalised illustration only for the ease of the reader to understand the locations, and is not intended to be used for reference purposes. The representation of political boundaries and the names of geographical features/ states do not necessarily reflect the actual position. The Company or any of its directors, officers or employees, cannot be held responsible for any misuse or misinterpretation of any information or design thereof. The Company does not warrant or represent any kind of connection to its accuracy or completeness.

OUR POTENTIAL IN NUMBERS

Marked Presence of 16 Years with 2,748 Physical Stores

Second Largest Pharma Retailer in the Country in Terms of Store Strength

Wide Geographical Presence In 7 States Covering 338 Cities

Empowered with 43K+ SKUs Across Pharma and Non-Pharma Segments with 10 Regional Warehouses and 18K+ Employee Strength

The First Entity in the Country to Introduce an Omnichannel Presence with Digital and Neighbourhood Stores

2-Hour Home Delivery

AWARDS AND RECOGNITION

Optival Health Solutions Pvt. Ltd. (Medplus)' was conferred with 2 awards – A.C.E Retailer of The Year and S.T.A.R. Retailer of The Year– in the Skill Award Category (Powered by RASCI) in the TRRAIN Awards - 2022.

These awards have been conferred to us based on our performance in hiring apprentices, assessing, moving them to regular roles and nurturing them to grow professionally – during the last financial year.

MANAGEMENT MESSAGE

*Over the years, **MedPlus** has created a strong base for the Company's business. We are currently operating in a market where organised retail has a low market share. **We aim to be the best-value provider for our range of healthcare products and services.** We seek to bring accessibility and affordability to our customers.*

To,

My fellow Shareholders,

I want to begin my first address to you by thanking you for your support in MedPlus' successful business journey. Our IPO in December 2021, was subscribed 53 times. Our successful IPO has led to this maiden version of our Annual Report as a publicly listed enterprise.

The previous two years were quite significant for the pharma industry in the manufacturing and retail segments. I send out my salute to our medical fraternity and frontline forces for their undying assistance and efforts.

The financial year 2021-22 started with yet another pandemic attack – deadlier than the previous one. The team at MedPlus worked through this phase to successfully deliver an essential service, from our stores and through our home delivery channel. I want to thank the efforts of our team for their sincerity and efforts beyond the call of duty.

With increasing affordability and accessibility to healthcare in India, the industry is poised for growth. Further, we operate in a market where organised retail has a low market share. The shift of pharma retailing, from unorganised to organised, is expected to continue into the near future. Against this backdrop, over the years, we have created a strong base for our business. Our Company aims to be the best-value provider for our range of healthcare products and services. We seek to bring accessibility and affordability to our customers. With this goal in mind, we will explore opportunities for widening our private label basket.

We have a widespread network of 2,748 stores and growing omnichannel presence. We will continue to enhance our position in the regions we operate. Through a proven business model that is supported by capital, we are well on track to grow. We have plans to add 1,000+ stores in the near future. Store expansion is critical to our Company for building the scale of operations. In addition to being points of sale, our stores are crucial in effectively positioning our brand to customers and controlling our marketing costs.

With an eye on the long term, we are working towards positioning MedPlus as a healthcare brand. We will explore adding services and offerings. Our recent investment in the diagnostics space has helped us widen our spectrum of services.

During the financial year:

- We registered ₹ 37,792.8 million revenue from operations in 2021- 22, recording a 23.1% growth as compared to the previous year's revenue of ₹ 30,692.7 million
- Our EBITDA stood at ₹ 3,037.3 million in 2021-22, which has grown by 27.5% compared to the previous year when it stood at ₹ 2,382.1 million
- PAT grew up a whopping 50.1% and stood at ₹ 947.2 million in 2021- 22 compared to ₹ 631.1 million in 2020-21

With this, I would like to conclude my statement by appreciating my fellow Board and team members across stores, warehouses, diagnostic centres, collection centres, business operations, and business support functions for their strong support and belief. Their faith has enabled our Company to scale new heights and we are grateful for it.

Thanks and Regards,

Gangadi Madhukar Reddy
Managing Director & CEO

DIN: 00098097

LUCRATIVE PHARMA INDUSTRY

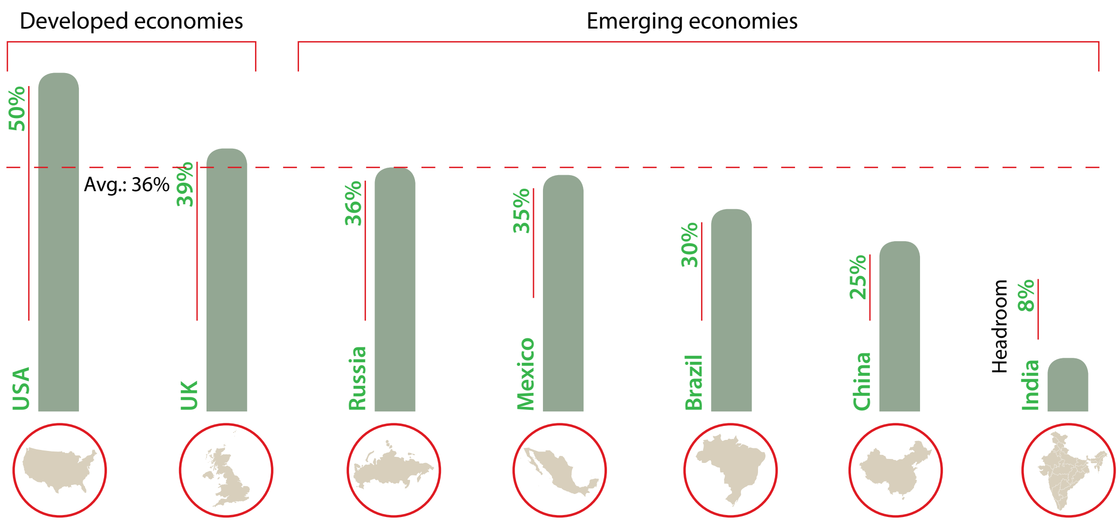
Operating Context

The organised pharma retail market in India is evolving. *The market is currently dominated by numerous neighbouring drug stores, which can be classified under the unorganised sector. In developed countries, the penetration of* ***organised players is more than 30% in pharma retail space, whereas in India, it is under 10%. This clearly indicates the significant headroom*** *for the expansion of the organised retail in our country.*

Increasing affordability, access to healthcare and urbanisation is expected to help the organised pharma retail grow at an accelerated pace. This will enable MedPlus to serve the customer by offering prompt delivery of medicines, better value proposition and most importantly, genuine medicines.

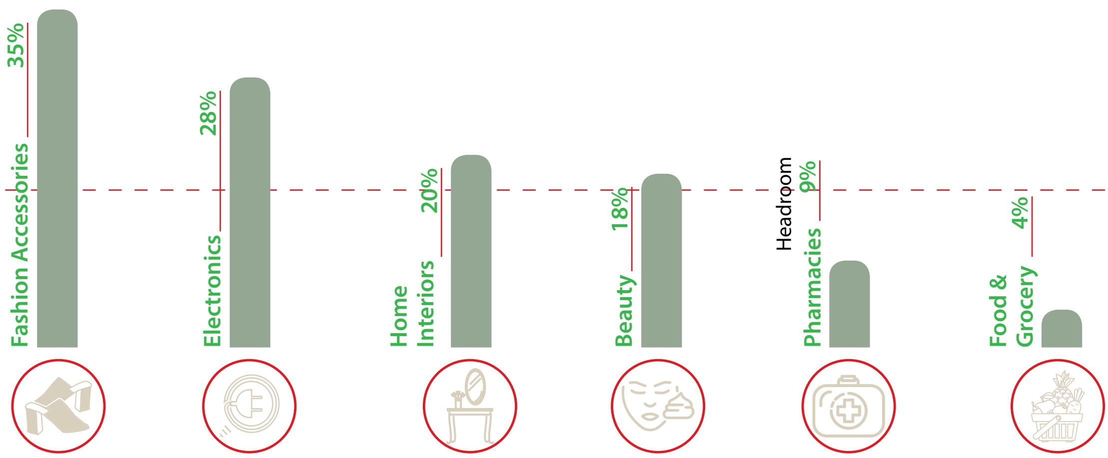
Key Growth Drivers

Percentage share of organised players



Pharma retail remains more unorganised relative to other key retail segments

Percentage share of organised players



MedPlus' Take

MedPlus commands a leadership position in the Indian pharma retail market. Leveraging the Company's position, we intend to increase our presence in the untapped regions. To achieve this, we use our cluster-based approach to drive our store network extension, driven by our understanding of catchment demographics, market dynamics, and ability to support store expansion. This is done through our back-end infrastructure, such as warehouses and distribution centres. Thereby, supporting the Company in increasing market share in the cities that we operate within while replicating the same in adjacent areas or clusters, to retain our leadership position.

Furthermore, to keep up with industry trends and practices, MedPlus has adopted an omnichannel approach to better serve the Company's customers. With this, the customers can fetch their medicines by visiting MedPlus stores and placing an order through the dedicated mobile application or website.

OUR GROWTH PILLARS

*We are **building a strong foundation to ensure the sustainable development** of the Company over the long run. To this end, we have identified **five specific areas that will help us achieve our future goals.***

- Going deeper into core markets
- Omnichannel presence
- Increasing private level offerings
- Offering adjacent services to customers
- Automation of back-end operations

Going Deeper into Core Markets

By capitalising on the transformation in the Indian pharma retail market from unorganised to organised, MedPlus seeks to bolster the Company's market position. To do this, we are looking to increase our store presence and customer reach in our existing clusters, while creating new ones in other states and cities. By utilising the economies of scale – derived from the proven technology framework that we can replicate cost-effectively throughout the cities we expand to – we will be able to multiply our retail network in the country at a reduced incremental cost.

Omnichannel Presence

In addition to servicing the customers through our neighbourhood stores, MedPlus continues to serve the customer through digital channels. We offer 2-hour delivery to our customers by leveraging our extensive store network.

Increasing the Private Offerings

We consider ourselves in an excellent position to add more private label products. Our increase in the private label share will materialise with the introduction of private label FMCG items in the nutrition and wellness segment and private label pharma products in the therapeutic areas, catering to sub-chronic and chronic diseases. Additionally, this will allow us to improve the SKU mix we offer to our consumers.

Offering Adjacent Services to Customers

We want to improve our sales volume and consumer wallet share by continuing investment in our technology infrastructure, including spending on enhancing our user-facing features in mobile applications and websites. This will help us better understand our customers' needs, establish a lasting relationship with them, and increase customer retention, while also increasing sales. We think that this initiative will help us two-fold. Firstly, it will enable us to analyse and manage customer interactions better. Secondly, it will help generate relevant data and insights for further improvement in customer servicing.

Automation of Back-end Operations

A key component of our consistent progress is improving our supply chain module and strengthening our operational efficiency through infrastructural development. We will be able to run more efficient, cost-effective operations, mainly for our investment in the automation of our warehouses. Direct product purchases from pharmaceutical companies will also aid in achieving higher gross margins. Together, these initiatives will enable us to improve our profitability, ultimately assisting us in our future endeavours.

THE OMNICHANNEL PRESENCE OF MEDPLUS

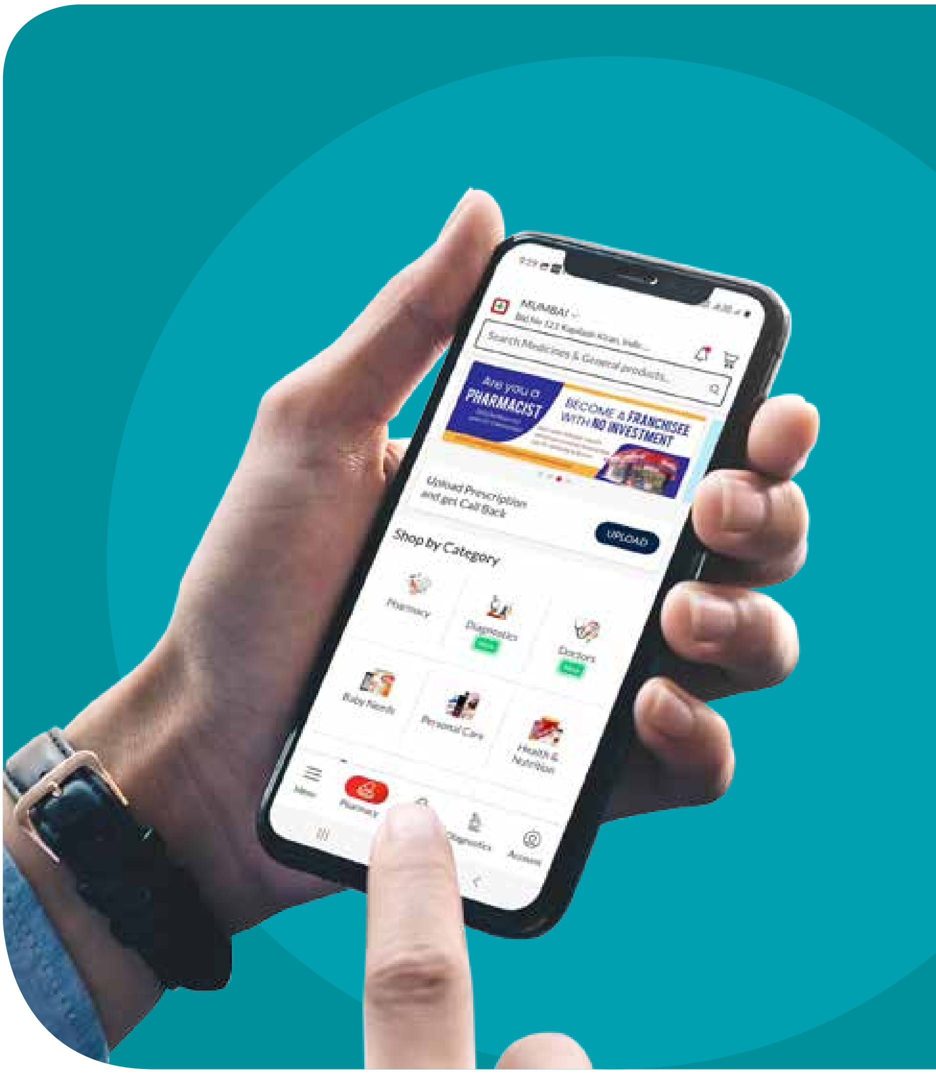
*The **pharma** retail market is **witnessing** the adoption of **varied ordering and delivery channels by the customers.** Especially during the pandemic, customers adopted online ordering and home delivery.*

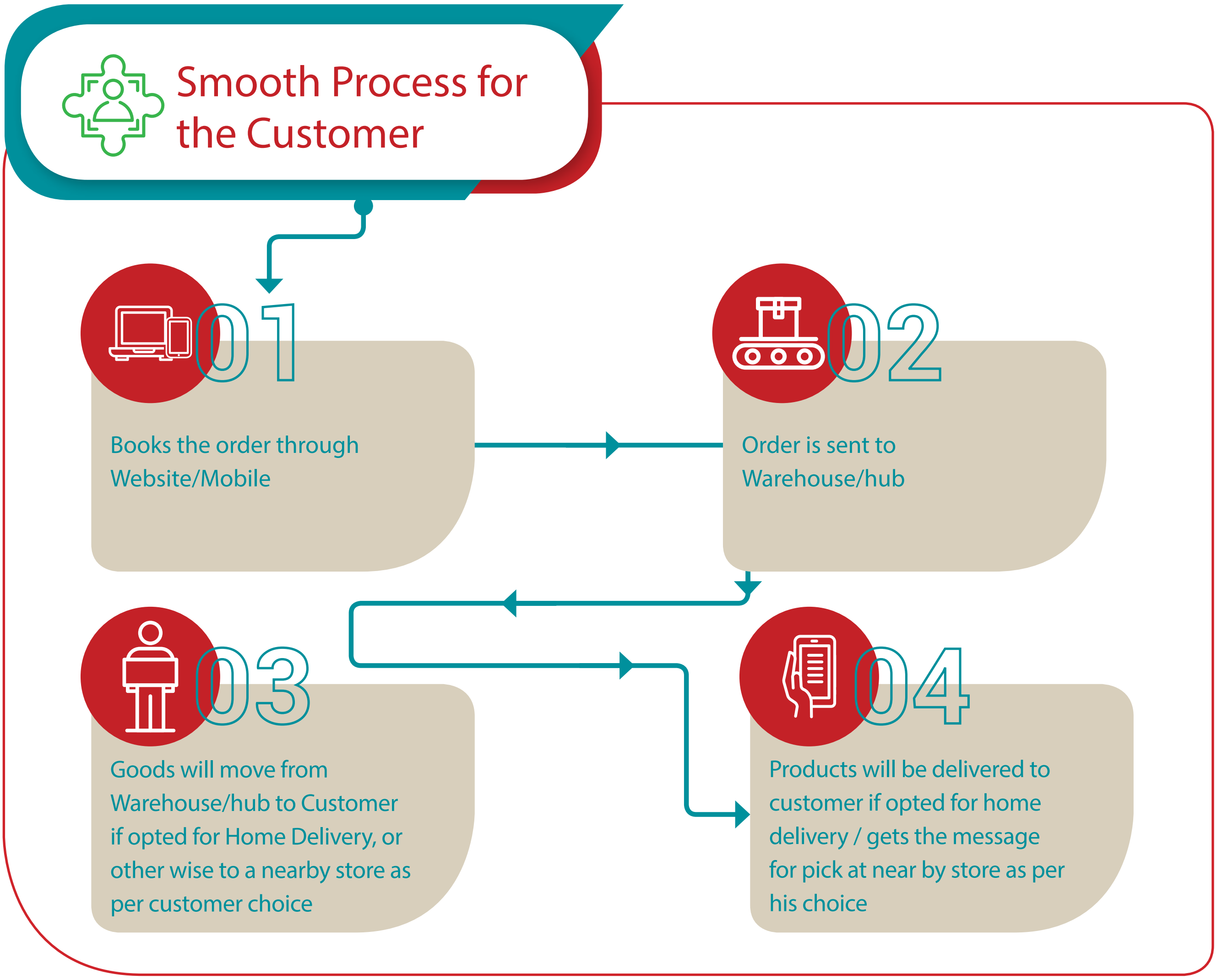
MedPlus is one of the few established omnichannel pharma players in India. In order to further strengthen the Company's competitive position, MedPlus has extended its 2-hour delivery strategy to the last mile of the service area.

> *MedPlus offers a vast selection of products for online ordering and home delivery, by utilising the Company's home-grown, robust omnichannel infrastructure.*

The MedPlus Convenience

With our omnichannel model of business, our customers can now either visit the store or just order their needs via an exclusive mobile app or dedicated website of MedPlus. Also, the Company has introduced 'Click and Pick' system to offer more ease to customers. Customers can place an order using the mobile app and pick it up at their convenience from any MedPlus store.



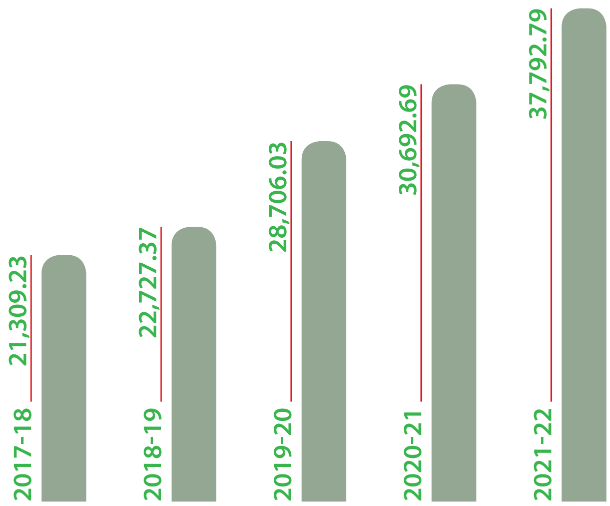


Value Proposition

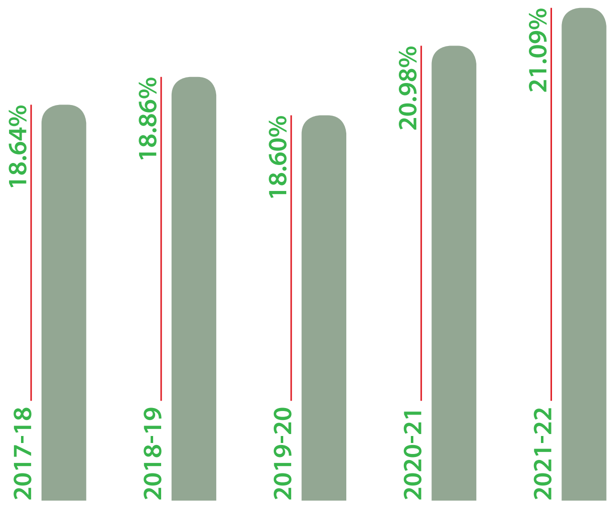
MedPlus' omnichannel proposition leverages the Company's existing store networks, supply chain and distribution network to offer a differentiated offering to the customers. The omnichannel proposition allows MedPlus to:

- Deepen and extend the customer reach and enlarge the total addressable market for each of the stores
- Enhance customer convenience as one of the core customer value propositions for the Company
- Lower the incremental cost of operations for online deliveries, with the stores acting as branding sites and also decreasing the cost of online customer acquisition
- Retain offline and online customers within the Company's customer ecosystem

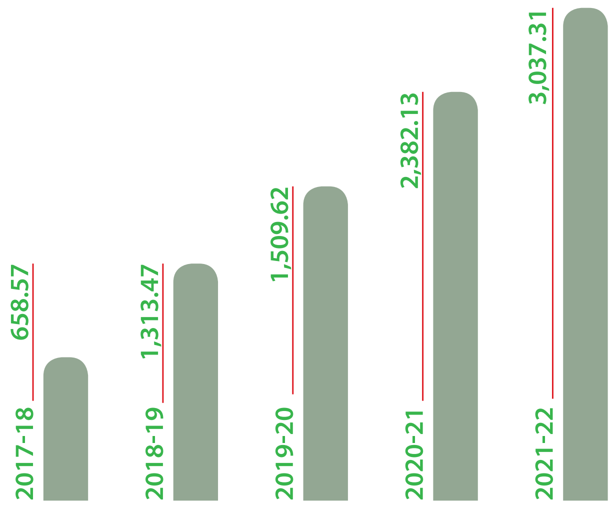
OUR FINANCIAL SNAPSHOT



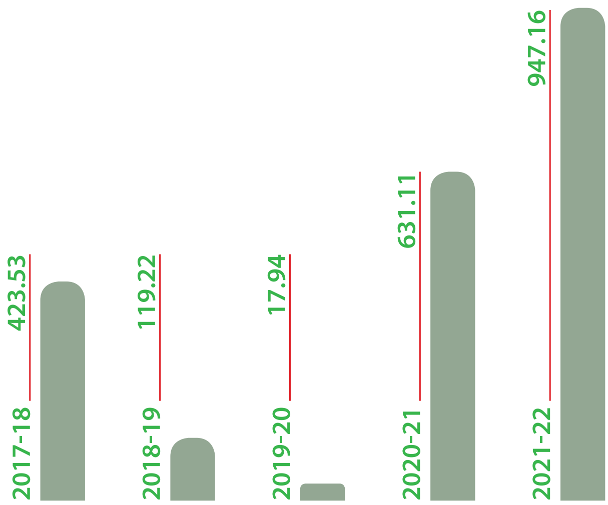
Revenue (₹ in million)



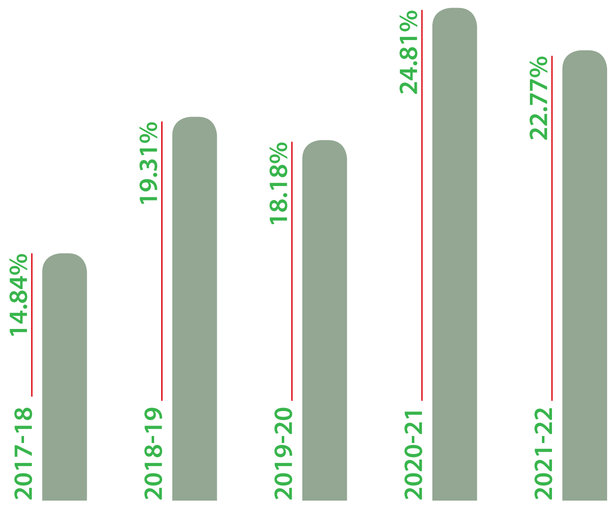
Gross Margin (%)



EBITDA (₹ in million)



PAT (₹ in million)



ROCE (₹ in million)

THE BOARD AND MANAGEMENT TEAM IN ACTION

Mr. Gangadi Madhukar Reddy

Managing Director and Chief Executive Officer

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

Mr. Atul Gupta

Non-Executive Nominee Director

Mr. Atul Gupta holds a Bachelor's degree in Technology from the Indian Institute of Technology, Bombay and a Master's degree in Business Administration from the Walter A. Haas School of Business, University of California, Berkeley. He is employed as an Investment Partner at Prazim Trading and Investment Company Private Limited. He has over 13 years of experience in the Investment industry.

Mr. Anish Kumar Saraf

Non-Executive Nominee Director

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

Mr. Murali Sivaraman

Non-Executive Independent Director

Mr. Murali Sivaraman is a Cost Accountant with the Institute of Cost and Works Accountants of India and a Chartered Accountant with the Institute of Chartered Accountants of India. He holds a Post-Graduate Diploma in Management from the Indian Institute of Management, Ahmedabad. He is an accomplished Business Leader who has worked with global multinational companies, including Philips and Akzo Nobel in India, Singapore, China, Canada and UK. He is currently the Chairman of Huhtamaki India Limited and Independent Director on the Boards of Bharat Forge Limited and ICICI Lombard General Insurance Company Limited.

Mr. Madhavan Ganesan

Non-Executive Independent Director

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

Ms. Hiroo Mirchandani

Non-Executive Independent Director

Ms. Hiroo Mirchandani holds a Bachelor's degree in Commerce from Shri Ram College of Commerce and an MBA from Faculty of Management Studies, Delhi University. She is a Chevening Gurukul scholar from the London School of Economics. She has held Sales, Marketing and P&L management roles in companies like Pfizer, Dabur and Asian Paints. She brings experience of corporate governance, consumer insights and financial acumen to her presence on boards. Her exposure to sectors like healthcare, consumer goods, financial services, telecom and hospitality has broadened her perspective, adding value to the boards and board committees she serves.

Mr. Cherukupalli Bhaskar Reddy
Chief Operating Officer - Pharmacy Operations

Mr. Surendranath Mantena
Chief Operating Officer, MedPlus Mart

Mr. Lakshman Kandarpa
Chief Retail Officer

Mr. Venugopal Siripuram
Chief Technology Officer

Mr. Kandasamy
Head of Supply Chain

Mr. Chetan Dikshit
Chief Strategy Officer

CORPORATE INFORMATION

Registered & Corporate Office:

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

Note: with effect from 2nd May 2022, the Company has changed its registered office from 707, 7th Floor, 5-9-13 Taramandal Commercial Complex, Saifabad, Hyderabad – 500004 to H-11-6-56, Survey No: 257 & 258/1, Opp: IDPL Railway Siding Road, Moosapet, Kukatpally, Hyderabad – 500037.

Statutory Auditors:

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

E-mail Address:

cs@medplusindia.com

Website:

www.medplusindia.com

Secretarial Auditors:

R&A Associates
T 202, Technopolis, 1-10-74/B Above Ratnadeep
Super Market, Chikoti Gardens, Begumpet,
Hyderabad - 500016, India
+91 40-4003 2244 – 47
info@rna-cs.com
www.rna-cs.com

Registrar & Share Transfer Agent:

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

Internal Auditors:

Deloitte Touche Tohmatsu India LLP
KRB Towers, Plot No. 1 to 4 & 4A
1st, 2nd & 3rd Floor, Jubilee Enclave
Madhapur, Hyderabad, Telangana - 500 081.
Tel/Main:+914071253600
www.deloitte.com

Notice

The Sixteenth Annual General Meeting of MedPlus Health Services Limited will be held on Monday, the 26th of September 2022 (4:00 PM IST), through Video Conferencing ("VC")/ Other Audio-Visual Means ("OAVM") facility to transact the following businesses-

ORDINARY BUSINESS:

1. To receive, consider and adopt the Audited Standalone Financial Statements of the Company for the Financial Year ended 31st March, 2022 and the Reports of the Board of Directors and Auditors thereon.

2. To receive, consider and adopt the Audited Consolidated Financial Statements of the Company for the Financial Year ended 31st March, 2022 and the Report of the Auditors thereon.

3. To appoint a Director in place of Mr. Anish Kumar Saraf (DIN : 00322784) who retires by rotation and, being eligible, offers himself for re-appointment.

SPECIAL BUSINESS:

4. Alteration in Articles of Association of the Company.

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

"**RESOLVED THAT** pursuant to provisions of section 14 of the Companies Act, 2013 (including any amendments thereto or re-enactment thereof) (the "Act") approval of shareholders be and is hereby accorded for deletion of following Clauses of the Articles of Association ("AOA") of the Company as under:

Clause	Description
99 to 119 of Part B	Annexure to AOA in pursuance to Shareholders' Agreement dated 24th December, 2020
Annexure I	Terms of CCPS
Annexure II	Investor reserved matters
Annexure III	Drag along right process
Annexure IV	Encumbrance of shares by promoters

"**RESOLVED FURTHER THAT** the Company Secretary be and is hereby authorised on behalf of the Company to sign and file all requisite e-Forms along with such other documents as may be required, with registrar of Companies Hyderabad and other authorities and to do all acts, deeds and things that may be necessary, proper, expedient or incidental for the purpose of giving effect to the aforesaid Resolution."

5. Ratification of MedPlus Employees Stock Option and Shares Plan 2009.

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

"RESOLVED THAT pursuant to Regulation 12 of SEBI (Share Based Employee Benefits and Sweat Equity) Regulations, 2021 ('SEBI SBEB & SE Regulations, 2021') and pursuant to provisions of Section 62(1)(b) of the Companies Act, 2013 and other applicable provisions, if any, (including statutory modifications and re-enactments thereof for the time being in force) as amended from time to time, the Articles of Association of the Company, the consent of the Members of the Company be and is hereby accorded to ratify the ESOP scheme already in existence, being implemented and administered by MedPlus Employee Benefit Trust namely "MedPlus Employees Stock Option and Shares Plan 2009" ('ESOP Scheme 2009') as originally approved by the shareholders of the Company on 16th November 2009 and as amended with effect from 17th February 2011, 9th August 2021 and further amended with effect from 23rd November 2021, prior to the initial public offer of the Company, to create, offer, issue, reissue, grant not more than 105 Stock Options exercisable into equity shares not exceeding 48,380 equity shares (which shall be up to 0.04% of the paid-up equity share capital of the Company) from time to time for the benefits of the employee(s) of the Company and to issue fresh options, re-issue options that may have lapsed / cancelled / surrendered, already granted under the ESOP Scheme 2009."

Notice (Contd.)

"**RESOLVED FURTHER THAT** the benefits and coverage of the ESOP Scheme 2009 be extended to the employees of the Company, its subsidiary companies and if permitted by law, to the employees of the associate companies, in accordance with the SEBI Regulations or other provisions of the law, as may be prevailing from time to time."

"RESOLVED FURTHER THAT Nomination and Remuneration Committee or the Board of Directors of the Company be and are hereby authorised to make any modifications, changes, variations, alterations or revisions in the ESOP Scheme 2009 or to suspend, withdraw or revive the ESOP Scheme 2009, as may be specified by any statutory authority or otherwise and to do all such acts, deeds, matters and things as it may in its absolute discretion deem fit or necessary or desirable for such purpose inconformity with the applicable laws, the Memorandum and Articles of Association of the Company, SEBI SBEB & SE Regulations, 2021 as amended from time to time."

"RESOLVED FURTHER THAT the Board (including any committee thereof) is hereby authorised to issue and allot equity shares upon exercise of options from time to time in accordance with the ESOP Scheme 2009 and such equity shares shall rank pari passu with all other Shares of same class issued by the Company after the date of allotment."

"**FURTHER RESOLVED THAT** approval of the Company be accorded to the Board of Directors of the Company (including any Committee thereof) to do all such acts, deeds, matters and things and to take all such steps as may be required in this connection including seeking all necessary approvals to give effect to this Resolution and to settle any questions, difficulties or doubts that may arise in this regard."

6. **Ratification of MedPlus Employees Stock Option and Shares Plan 2021.**

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

"RESOLVED THAT pursuant to Regulation 12 of SEBI (Share Based Employee Benefits and Sweat Equity) Regulations, 2021('SEBI SBEB & SE Regulations, 2021')and pursuant to provisions of Section 62(1)(b) of the Companies Act, 2013 and other applicable provisions, if any, (including statutory modifications and re-enactments thereof for the time being in force) as amended from time to time, the Articles of Association of the Company, the consent of the Members of the Company be and is hereby accorded to ratify the ESOP scheme already in existence, namely "MedPlus Employees Stock Option and Shares Plan 2021" ('ESOP Scheme 2021') as originally approved by the shareholders of the Company on 9th August 2021 further amended on 23rd November 2021, prior to the initial public offer of the Company, to create, offer, issue, reissue, grant not more than 1,96,573 Stock Options exercisable into not exceeding 1,96,573 equity shares of ₹ 2 each, which shall be up to 0.16% of the paid-up equity share capital of the Company post allotment of shares under this scheme equity shares from time to time for the benefits of the employee(s) of the Company and to re-issue options that may have lapsed / cancelled / surrendered, already granted, under the ESOP Scheme 2021.

"**RESOLVED FURTHER THAT** the benefits and coverage of the ESOP Scheme 2021 be extended to the employees of the Company, its subsidiary companies and if permitted by law, to the employees of the associate companies, in accordance with the SEBI Regulations or other provisions of the law, as may be prevailing from time to time."

"RESOLVED FURTHER THAT the Nomination and Remuneration Committee or the Board of Directors of the Company be and are hereby authorised to make any modifications, changes, variations, alterations or revisions in the ESOP Scheme 2021 or to suspend, withdraw or revive the ESOPS Scheme 2021, as may be specified by any statutory authority or otherwise and to do all such acts, deeds, matters and things as it may in its absolute discretion deem fit or necessary or desirable for such purpose inconformity with the applicable laws, the Memorandum and Articles of Association of the Company, SEBI SBEB & SE Regulations, 2021 as amended from time to time."

"RESOLVED FURTHER THAT the Board (including any committee thereof) is hereby authorised to issue and allot equity shares upon exercise of options from time to time in accordance with the ESOP Scheme 2021 and such equity shares shall rank pari passu with all other Shares of same class issued by the Company after the date of allotment."

"**FURTHER RESOLVED THAT** approval of the Company be accorded to the Board of Directors of the Company (including any Committee thereof) to do all such acts, deeds, matters and things and to take all such steps as may be required in this connection including seeking all necessary approvals to give effect to this Resolution and to settle any questions, difficulties or doubts that may arise in this regard."

7. **Approval of Material Related Party Transactions of the Company and its Related Parties.**

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

"RESOLVED THAT pursuant to the provisions of Regulation 23(4) of the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015, as amended from time to time ("Listing Regulations"), the applicable provisions of the Companies Act, 2013 ("the Act") read with rules made thereunder, other applicable laws / statutory provisions, if any, (including any statutory modification(s) or re-enactment(s) thereof, for the time being in force), the Company's Policy on Materiality of Related Party Transactions and on Dealing with Related Party Transactions and basis the approval of the Audit Committee and recommendation of the Board of Directors of the Company, approval of the Members of the Company be and is hereby accorded to the Company to enter into and / or continue the related party transaction(s) /contract(s) / arrangement(s) / agreement(s) (in terms of Regulation 2(1)(zc)(i) of the Listing Regulations) in terms of the explanatory statement to this resolution and more specifically on the respective material terms & conditions set out in Table-A of explanatory statement.

RESOLVED FURTHER THAT the Board of Directors of the Company (hereinafter referred to as 'Board' which term shall be deemed to include the Audit Committee of the Board and any duly constituted committee empowered to exercise its powers including powers conferred under this resolution) be and is hereby authorised to do all such acts, deeds, matters and things as it may deem fit in its absolute discretion and to take all such steps as may be required in this connection including finalizing and executing necessary contract(s), arrangement(s), agreement(s) and such other documents as may be required, seeking all necessary approvals to give effect to this resolution, for and on behalf of the Company, to delegate all or any of its powers conferred under this resolution to any Director or Key Managerial Personnel or any officer / executive of the Company and to resolve all such issues, questions, difficulties or doubts whatsoever that may arise in this regard and all action(s) taken by the Company in connection with any matter referred to or contemplated in this resolution, be and are hereby approved, ratified and confirmed in all respects."

RESOLVED FURTHER THAT the Board of Directors, Key Managerial Personnel and any other person authorized by the Board of Directors of the Company be and are hereby severally authorized to do all such acts, deeds, matters and things as may be deemed necessary to give effect to this resolution."

8. **Approval of Material Related Party Transactions of Subsidiaries of the Companies and their Related Parties.**

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

"RESOLVED THAT pursuant to the provisions of Regulation 23(4) of the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015, as amended from time to time ("Listing Regulations"), other applicable laws / statutory provisions, if any, (including any statutory modification(s) or re-enactment(s) thereof, for the time being in force), the Company's Policy on Materiality of Related Party Transactions and on Dealing with Related Party Transactions and basis the recommendation of the Audit Committee and the Board of Directors of the Company, approval of the Members of the Company be and is hereby accorded to the Subsidiaries (as defined under the Companies Act, 2013) of the Company, to enter into and/or continue the related party transaction(s) / contract(s) / arrangement(s) / agreement(s) (in terms of Regulation 2(1) (zc) (i) of the Listing Regulations) in terms of the explanatory statement to this resolution and more specifically on the respective material terms & conditions set out in Table-B the explanatory statement.

RESOLVED FURTHER THAT the Board of Directors of the Company (hereinafter referred to as 'Board' which term shall be deemed to include the Audit Committee of the

Notice (Contd.)

Board and any duly constituted committee empowered to exercise its powers including powers conferred under this resolution) be and is hereby authorised to do all such acts, deeds, matters and things as it may deem fit in its absolute discretion, to delegate all or any of its powers conferred under this resolution to any Director or Key Managerial Personnel or any officer / executive of the Company and to resolve all such issues, questions, difficulties or doubts whatsoever that may arise in this regard and all action(s) taken by the Company / Subsidiaries in connection with any matter referred to or contemplated in this resolution, be and are hereby approved, ratified and confirmed in all respects."

RESOLVED FURTHER THAT the Board of Directors, Key Managerial Personnel and any other person authorized by the Board of Directors of the Company be and are hereby severally authorized to do all such acts, deeds, matters and things as may be deemed necessary to give effect to this resolution."

9. **Approval of payment of remuneration to Non-Executive Directors by way of Commission.**

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

"RESOLVED THAT pursuant to provision of sections 197 and 198, and other relevant provisions of the Companies Act, 2013, regulation 17(6) of Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulation, 2015 (listing Regulations') and based on the recommendation of Nomination and Remuneration Committee and the Board of Directors, the consent of the members of the Company be and is hereby accorded to pay remuneration by way of commission or otherwise to the Non-Executive Directors of the Company for a period of three years, commencing from 1st April 2022 up to 31st March 2025 at an amount not exceeding 1% of the net profits of the Company computed in accordance with the provisions of Section 198 of the Companies Act, 2013 and the said remuneration is in addition to sitting fees and reimbursement of expenses for attending the meetings of the Board of Directors or Committees thereof and the said remuneration be paid in such amount, proportion and manner as may be decided by the Board of Directors of the Company from time to time;

RESOLVED FURTHER THAT the total overall managerial remuneration payable to all the directors of the Company in any financial year shall not exceed the limits prescribed under Section 197 and other applicable provisions of the Act;

RESOLVED FURTHER THAT the Board of Directors, Key Managerial Personnel and any other person authorized by the Board of Directors of the Company be and are hereby severally authorized to do all such acts, deeds, matters and things as may be deemed necessary to give effect to this resolution."

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

NOTES:

1. **In compliance with the provisions of the Ministry of Corporate Affairs ("MCA") General Circular No. 20/2020 dated 5th May, 2020 read together with MCA General Circular Nos. 14 & 17/2020 & 2/ 2022 dated 8th April, 2020, 13th April, 2020 and May 5, 2022 respectively, and Securities and Exchange Board of India ("SEBI") Circular No. SEBI/HO/CFD/CMD2/ CIR/P/2022/62 dated 13th May, 2022, the Company will be conducting this Annual General Meeting ("AGM" or "Meeting") through Video Conferencing/ Other Audio Visual Means ("VC" / "OAVM").**

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

3. In view of the massive outbreak of the COVID-19 pandemic, social distancing has to be a pre-requisite. Pursuant to the above mentioned MCA Circulars, **physical attendance of the Members is not required at the AGM, and attendance of the Members through VC/ OAVM will be counted for the purpose of reckoning the quorum under section 103 of the Companies Act, 2013.**

4. Pursuant to the section 105 of the Companies Act, 2013, a Member entitled to attend and vote at the AGM is entitled to appoint a Proxy to attend and vote on his/her behalf and the Proxy need not be a Member of the Company. Since this AGM is being held through VC/OAVM pursuant to the applicable MCA and SEBI Circulars, physical attendance of Members has been dispensed with. Accordingly, the facility for appointment of Proxies by the Members will not be available for the AGM and hence the Proxy Form and Attendance Slip are not annexed to this Notice.

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

6. Members of the Company under the category of Institutional Shareholders are encouraged to attend and participate in the AGM through VC/OAVM and vote thereat.

7. In compliance with applicable provisions of the Companies Act, 2013 ("the Act") and SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 ("Listing Regulations") read with above mentioned MCA and SEBI Circulars, the AGM of the Company is being conducted through VC/OAVM.

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

9. The Explanatory Statement as required under section 102 of the Act is annexed hereto. Further, additional information with respect to Item No. 4 to 9 is also annexed hereto.

10. M/s B S R & Associates LLP, Chartered Accountants, were appointed as Statutory Auditors of the Company at the 12th Annual General Meeting held on Tuesday, 30th October, 2018. Pursuant to the Notification issued by the Ministry of Corporate Affairs on 7th May, 2018 amending section 139 of the Act and the Rules framed thereunder, the mandatory requirement for ratification of appointment of Auditors by the Members at every Annual General Meeting has been omitted, and hence the Company is not proposing an item on ratification of appointment of Auditors at this AGM.

11. The Register of Directors and Key Managerial Personnel and their shareholding maintained under section 170 of Companies Act, 2013 and Register of Contracts or arrangements in which directors are interested maintained under section 189 of the Companies Act, 2013 and relevant documents referred to in this Notice of AGM and explanatory statement, will be available electronically for inspection by the members during the AGM. All documents referred to in the Notice will also be available for electronic inspection without any fee by the members from the date of circulation of this Notice up to the date of AGM,i.e., 26th September 2022. Members seeking to inspect such documents can send an email to ir@medplusindia.com.

Notice (Contd.)

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

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

14. **TRANSFER OF SHARES PERMITTED IN DEMAT FORM ONLY:** Regulation 40 of the Listing Regulations, as amended, mandates that transfer, transmission and transposition of securities of listed companies held in physical form shall be effected only in demat mode. Further, SEBI, vide its Circular dated 25th January, 2022, has clarified that listed companies, with immediate effect, shall issue the securities only in demat mode while processing investor service requests pertaining to issuance of duplicate shares, exchange of shares, endorsement, sub-division/ consolidation of share certificates,etc. In view of this as also to eliminate all risks associated with physical shares and for ease of portfolio management, members holding shares in physical form are requested to consider converting their holdings to demat mode.

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

16. **ELECTRONIC DISPATCH OF NOTICE AND ANNUAL REPORT:** In accordance with the MCA General Circular No. 20/2020 dated 5th May, 2020 and SEBI Circular No. SEBI/ HO/CFD/CMD2/CIR/P/2022/62 dated 13th May, 2022, in view of the prevailing situation and owing to the difficulties involved in dispatching physical copies of the financial statements (including Board's Report, Auditor's Report or other documents required to be attached therewith) for the Financial Year ended 31st March, 2022 pursuant to section 136 of the Act and Notice calling the Annual General Meeting pursuant to section 101 of the Act read with the Rules framed thereunder, such statements including the Notice of AGM are being sent only in electronic mode to those Members whose e-mail addresses are registered with the Company/ KFintech or the Depository Participant(s). The Company will not be dispatching physical copies of such statements and Notice of AGM to any Member.

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

    A copy of the Notice of this AGM along with Annual Report for the Financial Year 2021-2022 is available on the website of the Company at www.medplusindia.com, website of the Stock Exchanges where the shares of the Company are listed i.e. BSE Limited and National Stock Exchange of India Limited at www.bseindia.com and www.nseindia.com respectively and on the website of KFintech at https://evoting.kfintech.com.

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

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

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

    For ease of conduct of AGM, members who wish to ask questions/express their views on the items of the businesses to be transacted at the meeting are requested to write to the Company's investor email-id ir@medplusindia.com, at least 72 Hours before the time fixed for the AGM i.e. by 4:00 PM (IST) on 23rd September 2022, mentioning their name, demat account no./folio number, email ID, mobile number etc. The queries may be raised precisely and in brief to enable the Company to answer the same suitably depending on the availability of time at the AGM.

Alternatively, Members holding shares as on the cut-off date i.e. 19th September 2022, may also visit https://emeetings.kfintech.com and click on the tab "Post Your Queries" and post their queries/views/ questions in the window provided, by mentioning their name, demat account number/folio number, email ID and mobile number. The window shall be closed 72 hours before the time fixed for the AGM on 4:00 PM (IST) on 23rd September 2022.

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

The Company will, at the AGM, endeavour to address the queries received till 4:00 PM (IST) on 23rd September 2022 from those Members who have sent queries from their registered email IDs. Please note that Members' questions will be answered only if they continue to hold shares as on the cut-off date.

20. **SPEAKER REGISTRATION BEFORE AGM:** Members of the Company, holding shares as on the cut-off date i.e. 19th September 2022 and who would like to speak or express their views or ask questions during the AGM may register themselves as speakers by visiting https://emeetings.kfintech.com and clicking on "Speaker Registration" during the period from 21st September 2022 (10:00 AM IST) up to 23rd September 2022 (4:00 PM IST). Those Members who have registered themselves as a speaker will only be allowed to speak/express their views/ask questions during the AGM. The Company reserves the right to restrict the number of speakers depending on the availability of time at the AGM.

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

a) **ATTENDING THE AGM:** Members will be provided with a facility to attend the AGM through video conferencing platform provided by KFintech. Members are requested to login at https://emeetings.kfintech.com and click on the "Video Conference" tab to **join the Meeting by using the remote e-voting credentials**.

b) Please note that Members who do not have the User ID and Password for e-voting or have forgotten the User ID and Password may retrieve the same by following the instructions provided in Note No. 24.

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

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

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

22. PROCEDURE FOR REMOTE E-VOTING

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

Notice (Contd.)

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

Instructions:

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

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

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

(iii) After entering these details appropriately, click on "LOGIN"

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

(v) You need to login again with the new credentials

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

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

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

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

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

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

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

It should reach the Scrutiniser & the Company by email not later than 25th September 2022 (05:00 PM IST). In case if the authorised representative attends the Meeting, the above mentioned documents shall be submitted before the commencement of AGM.

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

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

(ii) Please follow all steps from Note. No. 24(a) (i) to (xii) above to cast your vote by electronic means.

23. OTHER INSTRUCTIONS:

a. In case of any query and/or grievance, in respect of voting by electronic means, Members may refer to the Help & Frequently Asked Questions (FAQs) and E-voting user manual available at the download Section of https://evoting.kfintech.com or contact at ir@medplusindia.com or Mr. Sri Sai Karthik Tikkisetti, Manager - Corporate Registry, KFin Technologies Limited, Selenium, Tower B, Plot No. 31-32, Gachibowli, Financial District, Nanakramguda, Hyderabad, Telangana – 500 032 or at the email ID evoting@kfintech.com or on phone No.: 040-6716 1500 or call KFin's toll free No.: 1800-3454-001 for any further clarifications.

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

c. The remote e-voting period commences on 23rd September 2022 (10:00 AM IST) and ends on 25th September 2022 (05:00 PM IST), Members of the Company, holding shares either in physical form or in dematerialised form, as on the cut-off date 19th September 2022 (3:30 PM IST) may cast their votes electronically. The remote e-voting module shall be disabled for voting thereafter. Once the vote on a resolution(s) is cast by the Member, the Member shall not be allowed to change it subsequently.

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

e. The voting rights of Members shall be in proportion to their share in the paid-up equity share capital of the Company as on 19th September 2022, being the cut-off date. Members are eligible to cast vote only if they are holding shares as on that date.

f. In case a person has become a Member of the Company after dispatch of AGM Notice but on or before the cut-off date for E-Voting, i.e. 19th September 2022, he/she/it may obtain the User ID and Password in the manner as mentioned below:

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

Example for NSDL: MYEPWD <SPACE> IN12345612345678

Example for CDSL: MYEPWD <SPACE> 1402345612345678

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

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

(iii) Member may call KFin toll free number 1800-3454-001.

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

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

24. VOTING AT THE AGM:

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

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

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

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

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

Notice (Contd.)

of voting i.e. through Remote e-voting or voting through VC/OAVM mode during the AGM.

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

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

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

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

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

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

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

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

27. KPRISM – Mobile service application by KFin:

Members are requested to note that KFintech has launched a mobile application – KPRISM and a website https://kprism.kfintech.com for online service to Shareholders.

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

28. Webcast:

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

By Order of the Board

Shilpi Keswani
Company Secretary

Registered Office:
H. No: 11-6-56, Survey No: 257 & 258/1,
Opp: IDPL Railway Siding Road,
Moosapet, Kukatpally,
Hyderabad - 500037, Telangana.
CIN : L85110TG2006PLC051845
e-mail :cs@medplusindia.com
Website : www.medplusindia.com
Tel. : 04062746274

Place: Hyderabad
Date: 2nd September 2022

EXPLANATORY STATEMENT IN RESPECT OF THE SPECIAL BUSINESS PURSUANT TO SECTION 102 OF THE COMPANIES ACT, 2013

ITEM NO. 4: Alteration in article of association of company.

The Articles of Association ("AOA") to be amended as the same are derived from the Shareholders' Agreement of the Company dated 24th December, 2020 ("MedPlus SHA"), as amended from time to time.

The consent of the shareholders is being sought for deletion of following Clauses of the AOA of the Company as under:

Clause	Description
99 to 119 of Part B	Annexure to AOA in pursuance to Shareholders' Agreement dated 24th December, 2020
Annexure I	Terms of CCPS
Annexure II	Investor reserved matters
Annexure III	Drag along right process
Annexure IV	Encumbrance of shares by promoters

Pursuant to the listing of the Company w.e.f. 23rd December, 2021, the said MedPlus SHA is no more in effect and accordingly the above-mentioned clauses are to be removed from the AOA of the Company.

In order to authorize the Board for taking further action and as per the provisions of the Companies Act, 2013, the consent of the members by way of special resolution is required for amending clause in Articles of Association in line with the Companies Act, 2013. Accordingly, the Board of Directors recommends the Item No. 5 as Special Resolutions for approval of the Members.

The proposed altered AOA shall be available for inspection by the members electronically. Members seeking to inspect the same can send an email to ir@medplusindia.com.

None of the Directors of the Company is deemed to be concerned or interested in the said Resolution except as member of the Company.

The Board commends the Special resolution set out in the Notice in Item No. 4 for approval of the members.

ITEM NO. 5: Ratification of MedPlus Employees Stock Option and Shares Plan 2009.

As per Regulation 12 of Securities and Exchange Board of India (Share Based Employee Benefits and Sweat Equity) Regulations, 2021, the Pre - IPO ESOP Scheme namely "MedPlus Employees Stock Option and Shares Plan 2009"("ESOP Scheme 2009") as originally approved by the shareholders of the Company on 16th November 2009 and as amended with effect from 17th February 2011, 9th August 2021 and further amended with effect from 23rd November 2021, is required to be ratified by its shareholders subsequent to the IPO. Under the ESOP Scheme 2009, 12,335 Stock Options have been granted, 11,741 have been vested out of which 2,770 Stock Options have lapsed and 8,776 Stock Options have been exercised as on date of this notice. For the purpose of determining the Exercise Price, the references to considering specific factors applicable to unlisted companies such as liquidity, last issue price, etc. have been removed. Since the Company is now a listed entity, the average traded price of the shares of such period as the Nomination and Remuneration Committee decides, has been included as one of the factors for determining the Exercise Price. The ESOP Scheme 2009, which is pre-IPO scheme is in conformity with the regulations of SEBI and require the approval of the shareholders subsequent to the recent IPO of the Company.

Notice (Contd.)

The broad features of the ESOP Scheme 2009 are as follows:

Sr. N	Requirement	Disclosure
A	Brief Description of MedPlus Employees Stock Option and Shares Plan 2009	The purpose of this Plan is to attract, reward, motivate and retain its employees for high levels of individual performance and for unusual efforts to improve the financial performance of the Company, which will ultimately contribute to the success of the Company. This purpose is sought to be achieved through the Grant of Options to the Employees.
B	The total number of options to be granted (Number of ESOP to be Granted after listing and number of equity shares that will result in case exercise of option) under MedPlus Employees Stock Option and Shares Plan 2009	105 Stock Options exercisable into not exceeding 48,380 equity shares.
C	Identification of classes of employees entitled to participate in the MedPlus Employees Stock Option and Shares Plan 2009	"Employee" means: (i) an employee as designated by the company, who is exclusively working in India or outside India; or (ii) a Director of the company, whether a whole time Director or not, including a Non-Executive Director who is not a Promoter or member of the Promoter Group, but excluding an Independent Director; or (iii) an employee as defined in sub-clauses (i) or (ii) above, of a group company including subsidiary or its associate company, in India or outside India, or of a holding company of the company, but does not include— (a) an employee who is a Promoter or belongs to the Promoter Group; (b) a Director who either by himself or through his/her relatives or through any body corporate, directly or indirectly holds more than ten percent of the outstanding
D	Appraisal process for determining the eligibility of employees to the MedPlus Employees Stock Option and Shares Plan 2009	As decided by the Board from time to time and will be based on length of service with the Company. In addition, the Board/ Nomination and Remuneration Committee may also specify performance criteria subject to which options would vest.
E	The requirements of vesting and period of vesting	Option shall stand vested on acceptance by employee. 50% of the options granted shall vest on completion of 2 years from the grant date and balance option shall vest equally on completion of every quarter thereafter over the period of next 2 years.
F	The maximum period within which the options shall be vested	Not later than 4 years from the date of grant.
G	The exercise price or the formula for arriving at the same	80% of the VWAP of the previous 30 trading of shares in the designated stock exchange days.
H	The exercise period and process of exercise	The Vested Options shall be exercisable according to the terms and conditions as determined and set forth under the Plan and the Options Agreement.
I	The lock-in period if any	The shares arising out of vested options shall not be subject to any lock-in restrictions except such restrictions as may be imposed pursuant to requirements under the applicable laws.
J	The maximum number of options offered, issued and granted per employee and in aggregate	The maximum number of options issued pursuant to the grant of option to each grantee under this Scheme shall not exceed 2000 (Two Thousand Only)

Sr. N	Requirement	Disclosure
K	The maximum quantum of benefits provided per employee	As mentioned in point G
L	A statement to the effect that the Company shall conform to the accounting policies specified in Regulation 15; and Applicable Accounting Standards	The Company shall comply with the applicable accounting policies as prescribed under Regulation 15 of SEBI (SBEB & SE) Regulations and other applicable laws.
M	The method which the company shall use to value its options	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.
N	The conditions under which option vested in employees may lapse e.g., in case of termination of employment for misconduct	In case the termination of employment of a Participant with the Company or Group is due to negligence, fraud, professional misconduct, moral turpitude, etc, the contract shall stand automatically terminated and the Participant's Options (Vested as well as Unvested) shall lapse on the termination date.
O	Specified Time Period within which the employee shall exercise the vested options in the event of a proposed termination of employment or resignation of employee	In case of terminated due to resignation all the Vested Options as on that date shall be permitted to be exercised within 6 months from the date of termination on resignation. In case the service of the Participants with the Group is terminated due to retirement on superannuation, The Options granted which have not Vested, will not expire, and continue to Vest in accordance with respective Vesting schedules as per Company's policies. In case of termination due to reason other than resignation, termination or retirement on superannuation all the Vested Options as on that date shall be permitted to be exercised as time specified under MedPlus Employee Stock Option and Shares Plan 2009.
P	Implementation and administration of ESOP Scheme 2009	Implemented and administered through MedPlus Employee Benefit Trust.
Q	new issue of shares by the company or secondary acquisition by the trust or both	Secondary; Shares were issued to the trust by the company, would be transferred on exercise.

The ESOP Scheme 2009 shall be available for inspection by the members electronically. Members seeking to inspect the same can send an email to ir@medplusindia.com.

None of the Directors or KMP(s) of the Company or their relatives are concerned or interested, financial or otherwise in the proposed resolution except to the extent of options granted to them.

The Board commends the Special resolution set out in the Notice in Item No. 5 for approval of the members.

EXPLANATORY STATEMENT

ITEM NO. 6: Ratification of MedPlus Employees Stock Option and Shares Plan 2021.

As per Regulation 12 of Securities and Exchange Board of India (Share Based Employee Benefits and Sweat Equity) Regulations, 2021, the Pre - IPO ESOP Scheme namely "MedPlus Employees Stock Option and Shares Plan 2021"("ESOP Scheme 2021") as originally approved by the shareholders of the Company on 9th August 2021 further amended on 23rd November 2021, is required to be ratified by its shareholders subsequent to the IPO. Under the ESOP Scheme 2021, 9,35,904 Stock Options have been granted out of which 14,865 Stock Options have lapsed and no Stock Options have been vested as on date of this notice. For the purpose of determining the Exercise Price, the references to considering specific factors applicable to unlisted companies such as liquidity, last issue price, etc. have been removed. Since the Company is now a listed entity, the average traded price of the shares of such period as the Nomination and Remuneration Committee decides, has been included as one of the factors for determining the Exercise Price. The ESOP Scheme 2021, which is pre-IPO scheme is in conformity with the regulations of SEBI and require the approval of the shareholders subsequent to the recent IPO of the Company.

Notice (Contd.)

The broad features of the ESOP Scheme 2021 are as follows:

Sr. N	Requirement	Disclosure
A	Brief Description of the MedPlus Employees Stock Option and Shares Plan - 2021	The purpose of this Plan is to attract, reward, motivate and retain its employees for high levels of individual performance and for unusual efforts to improve the financial performance of the Company, which will ultimately contribute to the success of the Company. This purpose is sought to be achieved through the Grant of Options to the Employees.
B	The total number of options to be granted (Number of ESOP to be Granted after listing and number of equity shares that will result in case exercise of option) under MedPlus Employees Stock Option and Shares Plan – 2021	1,96,573 Stock Options exercisable into not exceeding 1,96,573 equity shares of ₹ 2 each.
C	Identification of classes of employees entitled to participate in the MedPlus Employees Stock Option and Shares Plan 2021	"Employee" means: (i) an employee as designated by the company, who is exclusively working in India or outside India; or (ii) a Director of the company, whether a whole time Director or not, including a Non-Executive Director who is not a Promoter or member of the Promoter Group, but excluding an Independent Director; or (iii) an employee as defined in sub-clauses (i) or (ii) above, of a group company including subsidiary or its associate company, in India or outside India, or of a holding company of the company, but does not include— (a) an employee who is a Promoter or belongs to the Promoter Group; (b) a Director who either by himself or through his/her relatives or through anybody corporate, directly or indirectly holds more than ten percent of the outstanding
D	Appraisal process for determining the eligibility of employees to the MedPlus Employees Stock Option and shares Plan 2021	As decided by the Board from time to time and will be based on length of service with the Company. In addition, the Board/ Nomination and Remuneration Committee may also specify performance criteria subject to which options would vest.
E	The requirements of vesting and period of vesting	Unvested Options shall vest with the Participant in accordance with the following schedule, subject to the Participant's continued employment with the Group or as permitted by board (i) 10% On completion of 1 year from the Grant date. (ii) 25% On completion of 2 years from the Grant date. (iii) 25% On completion of 3 years from the Grant date. (iv) 40% On completion of 4 years from the Grant date.
F	The maximum period within which the options shall be vested	Not later than 4 years from the date of grant.
G	The exercise price or the formula for arriving at the same	80% of VWAP price of previous 30 trading of shares in the designated stock exchange days.
H	The exercise period and process of exercise	Vested Options shall be exercisable according to the terms and conditions as determined and set forth under the Plan and the Options Agreement.

Sr. N	Requirement	Disclosure
I	The lock-in period if any	The shares arising out of vested options shall not be subject to any lock-in restrictions except such restrictions as may be imposed pursuant to requirements under the applicable laws.
J	The maximum number of options offered, issued and granted per employee and in aggregate	The maximum number of shares issued pursuant to the grant of option to each grantee under this Scheme shall not exceed 200,000 (Two Lakhs Only).
K	The maximum quantum of benefits provided per employee	Same as provided in Point G.
L	A statement to the effect that the Company shall conform to the accounting policies specified in Regulation 15; and Applicable Accounting Standards	The Company shall comply with the applicable accounting policies as prescribed under Regulation 15 of SEBI (SBEB & SE) Regulations and other applicable laws.
M	The method which the company shall use to value its options	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.
N	The conditions under which option vested in employees may lapse e.g., in case of termination of employment for misconduct	In case the termination of employment of a Participant with the Company or Group is due to negligence, fraud, professional misconduct, moral turpitude, etc. the contract shall stand automatically terminated and the Participant's Options (Vested as well as Unvested) shall lapse on the termination date.
O	Specified Time Period within which the employee shall exercise the vested options in the event of a proposed termination of employment or resignation of employee	In case of terminated due to resignation all the Vested Options as on that date shall be permitted to be exercised within 6 months from the date of termination on resignation. In case the service of the Participants with the Group is terminated due to retirement on superannuation, The Options granted which have not Vested, will not expire, and continue to Vest in accordance with respective Vesting schedules as per Company's policies. In case of termination due to reason other than resignation, termination or retirement on superannuation all the Vested Options as on that date shall be permitted to be exercised as time specified under MedPlus Employees Stock Option and Shares Plan 2021.
P	Implementation and administration of MedPlus Employees Stock Option and Shares Plan - 2021	will be administered directly by the company
Q	new issue of shares by the company or secondary acquisition by the trust or both;	Primary

The ESOP Scheme 2021 shall be available for inspection by the members electronically. Members seeking to inspect the same can send an email to ir@medplusindia.com.

None of the Directors or KMP(s) of the Company or their relatives are concerned or interested, financial or otherwise in the proposed resolution except to the extent of options granted to them.

The Board commends the Special resolution set out in the Notice in Item No. 6 for approval of the members.

ITEM NO. 7 & 8: Approval of Material Related Party Transactions of the Company and its Related Parties & Approval of Material Related Party Transactions of Subsidiaries of the Companies and their Related Parties.

The Securities and Exchange Board of India ('SEBI'), vide its notification dated 9th November, 2021, has notified SEBI (Listing Obligations and Disclosure Requirements) (Sixth Amendment) Regulations, 2021 ('Amendments') introducing amendments to the provisions pertaining to the Related Party Transactions under the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 ('Listing

Notice (Contd.)

Regulations'). The aforesaid Amendments inter-alia included replacing of threshold i.e. 10% (ten per cent) of the listed entity's consolidated turnover, for determination of Material Related Party Transactions requiring Shareholders' prior approval with the threshold of lower of ₹ 1,000 crores (Rupees one thousand crores) or 10% (ten per cent) of the annual consolidated turnover of the listed entity as per the last audited financial statements of the listed entity, with effect from 1st April, 2022.

Under the Listing Regulations, in addition to the approval and reporting for transactions by the Company with its own Related Party(ies), the scope now extends to transactions by the Company with Related Party(ies) of any subsidiary(ies) of the Company or transactions by a subsidiary(ies) of the Company with its own Related Party(ies) or Related Party(ies) of the Company or Related Party(ies) of any subsidiary(ies) of the Company. As per Regulation 23(4) of the Listing Regulations, all Material Related Party Transactions shall require prior approval of the shareholders, even if the transactions are in the ordinary course of business and at an arm's length basis. Given the nature of Company's presence in multiple businesses, the Company works closely with its subsidiaries, joint ventures and associates to achieve its business objectives and enters into various operational transactions with its related parties, from time to time, in the ordinary course of business and on arm's length basis.

Amongst the transactions that the Company enters into with its related parties, the estimated value of the contract(s)/ arrangement(s)/ agreements(s)/ transaction(s) of the Company with the Related Parties mentioned below and also the 'Related Party Transactions' under Regulation 2(1)(zc) of the Listing Regulations pertaining to a subsidiary of the Company, may exceed the revised threshold of Material Related Party Transactions within the meaning of amended Regulation 23(1) of the Listing Regulations w.e.f. 1st April, 2022 i.e. ₹ 1,000 crores (Rupees one thousand crores) being the lower of ₹ 1,000 crores (Rupees one thousand crores) or 10% (ten per cent) of the annual consolidated turnover of the Company as per the last audited financial statements of the Company.

Members may please note that the Company/its subsidiaries have been undertaking such transactions of similar nature with related parties in the past financial years, in the ordinary course of business and on arm's length after obtaining requisite approvals, including from the Audit Committee of the Company/subsidiaries, as per the requirements of the applicable law.

The maximum annual value of the proposed transactions with the related parties is estimated based on Company's current transactions with them and future business projections. SEBI, vide its Circular dated 30th March, 2022, has clarified that a Related Party Transaction approved by the Audit Committee prior to 1st April, 2022, which continues beyond this date and if it becomes material as per the materiality threshold provided above, requires approval of the shareholders in the first Annual General Meeting to be held after 1st April, 2022. Considering the quantum of transactions, reduced thresholds of materiality and the extended framework for related party transactions under the amended Listing Regulations, approval of the Members is sought as per the requirements of Regulation 23 of the Listing Regulations read with SEBI Circular No. SEBI/HO/CFD/CMD1/CIR/P/2022/40 dated 30th March, 2022, for the following specific Material Related Party Transactions, details of which are mentioned herein in accordance with SEBI Circular No. SEBI/HO/CFD/CMD1/CIR/P/2021/662 dated 22nd November, 2021:

Table A: Details of Related Party Transaction entered / to be entered between the Company and its Related Parties

S.No	Name of the Related Party	Nature of relationship with the Company, including nature of its concern or interest (financial or otherwise)	Monetary Value per Related Party
1	(a) Optival Health solutions Private Limited	Subsidiary	Not exceeding 10 percent of the Annual Consolidated Turnover of the Company* Or ₹ 8,000 millions whichever is higher, per annum

*The Annual Consolidated Turnover shall be as per the last audited financial statements of the Company.

S.No	Particulars	
2	**Type, Nature, material terms and particulars of the contract or arrangements**	
	The proposed Transactions pertaining to goods and services like Rental income, Rental expenses, Management services rendered, Brand fee received, Sale of traded goods, Sale of maintenance/capex Items, Purchase of maintenance/ capex Items, Purchase of intangible asset (software services),sale of software, Collection commission expense paid, Advertisement expenses, Investment in Shares Deemed investment of Corporate Guarantee given, Reimbursements paid & received and Share-based payment expense. Any transfer of resources, services or obligations to meet its objectives/requirements.	
	Note: The proposed transactions mentioned in 2(a) & 2(b) above, would be purely operational / integral part of the operations of the Company and in ordinary course of business with terms and conditions that are generally prevalent in the industry segments that the Company operates.	
3	**Any advance paid or received for the contract or arrangement, if any** Based on the nature of transaction, advance for part or full amount of the transaction / arrangement could be paid / received in the ordinary course of business.	
4	**Tenure** Existing (as on 1st April 2022) and new Contracts / arrangements / agreements / transactions for a period of 5 years i.e. up to 31st March, 2027.	
5	**Justification for why the proposed transaction is in the interest of the Company** Optival Health Solutions Private Limited is the second largest retail chain in India, and having best market place to sell pharmaceutical products and its related products in the brand name of the Company ("MedPlus") A significant portion of the Company's revenue/turnover, constituting about 98% of its annual turnover on Consolidated basis as on 31st March, 2022, is derived from business with the Optival Health Solutions Private Limited. The Company envisages significant investments in the Optival Health Solutions Private Limited business to grow up the business hence the approvals for material RPTs are sought in this regard to cover the Related Party transactions up to March 31, 2027. Besides the justification stated above, the Company benefits through operational synergies, cost optimization, assurance of product/service quality, utilizing the expertise within the group for manufacturing, sourcing, etc.	
6	**If the transaction relates to any loans, inter-corporate deposits, advances or investments made or given by the listed entity or its subsidiary:**	
	a) details of the source of funds in connection with the proposed transaction;	The financial assistance / IPO/investment would be from own funds / internal accruals of the Company. The Company would not be incurring indebtedness solely for the purpose of providing financial assistance / making investment.
	b) where any financial indebtedness is incurred to make or give loans, inter-corporate deposits, advances or investments, • nature of indebtedness; • cost of funds; and • tenure	Not applicable, since the Company would not be incurring financial indebtedness specially for giving financial assistance or making investments.
	c) Applicable terms, including covenants, tenure, interest rate and repayment schedule, whether secured or unsecured; if secured, the nature of security	Not Applicable
	d) The purpose for which the funds will be utilised by the ultimate beneficiary of such funds pursuant to the related party transaction	The funds shall be used for operational activities and other business requirements of the company to whom funds are provided and/or for making investment(s) in and/or providing financial assistance to any of its subsidiaries

Notice (Contd.)

S.No	Particulars	
7	**Details of the Valuation or other external party report (if any)**	The related party transactions will be in line with the Company's Policy on Materiality and Dealing with Related Party Transactions. These transactions are on arm's length basis and in the ordinary course of business. The related party transactions will be supported by the Valuation Report of an Independent valuer, wherever necessary.
8	**Percentage of the Company's annual consolidated turnover, for the immediately preceding financial year, that is represented by the value of the proposed transaction (and for a related party transaction involving a subsidiary, such percentage calculated on the basis of the subsidiary's annual turnover on a Standalone basis shall be additionally provided)** ₹ 8000 millions constitute 21% of the Consolidated Turnover* of the Company for the financial year ended 31st March, 2022. * Turnover includes Revenue from Operations and Other Income	
	Name of the Subsidiary	₹ 8,000 millions as a % of Subsidiary's Annual Turnover on a Standalone Basis
	Optival Health Solutions Private Limited	21%
	Note: The percentage above is based on the Company's Consolidated Turnover / Subsidiary's Standalone Turnover for the FY 2021-22 and the actual percentage shall depend upon the turnover of the Company/ Subsidiary as the case may be for the above referred respective financial years from 2022-23 to 2026-27.	
9	Transactions undertaken in previous 2 years with certain related parties	
	Name of the Company	**Nature of Transactions**
	Optival Health Solutions Private Limited	Issue of equity share capital, Rental expenses, Rental income, Management services rendered, Advertisement and sales promotion, Pathological testing services rendered, sale of stock-in-trade,sale of maintenance Items/capex items, Software services received, Software services rendered, Collection commission fee paid and ESOP granted.

FY 21-22	**FY 20-21**
1194.1 millions	465.15 millions

Table B: Details of the Material Related Party Transactions entered / to be entered between a Subsidiary of the Company and the Related Party of another Subsidiary of the Company

S.No	Particulars	Disclosures		
		Name of the Subsidiary	**Nature of relationship**	**Monetary value p.a.**
1	Name of the Related Party; Nature of relationship with the Company, including nature of its concern or interest (financial or otherwise) and Monetary Value per Related Party	As mentioned in the Table C below:	Subsidiary/Fellow Subsidiary	50 percent of the Annual Consolidated Turnover of the Company* Or ₹ 70,000 millions per annum whichever is higher,
	*The Annual Consolidated Turnover shall be as per the last audited financial statements of the Company.			
2	Type/Nature, material terms and particulars of the contract or arrangements	Purchase of traded goods, Reimbursement of claims, Manpower deputation services rendered/received, Purchase of property, plant and equipment, Rent expense, Rental Income, Business support service, Reimbursements paid and received		

S.No	Particulars	Disclosures
3	Any advance paid or received for the contract or arrangement, if any	Based on the nature of transaction, advance for part or full amount of the transaction / arrangement could be paid / received in the ordinary course of business.
4	Tenure	Contracts / arrangements / agreements / transactions for a period of 5 years i.e. upto 31st March, 2027
5	Justification for why the proposed transaction is in the interest of the Company	Optival Health Solutions Private Limited primarily engaged in the business of retail trading, in the ordinary course of business a significant portion constituting about 40% of procurement from fellow Subsidiaries Thus, keeping in view the expected future business prospects of the Company, it is proposed to seek approval of the Members for Related Party Transactions entered/ to be entered into with fellow subsidiaries as per the limits stated in point 1
6	If the transaction relates to any loans, inter-corporate deposits, advances or investments made or given by the listed entity or its subsidiary:	Not Applicable as the transactions do not involve any loans, inter-corporate deposits, advances or investments made or given.
	i) details of the source of funds in connection with the proposed transaction;	Not Applicable
	ii) where any financial indebtedness is incurred to make or give loans, inter-corporate deposits, advances, or investments, • nature of indebtedness; • cost of funds; and • tenure	Not Applicable
	iii) Applicable terms, including covenants, tenure, interest rate and repayment schedule, whether secured or unsecured; if secured, the nature of security	Not Applicable
	iv) The purpose for which the funds will be utilised by the ultimate beneficiary of such funds pursuant to the related party transaction	Not Applicable
7	Details of the Valuation or other external party report (if any)	These transactions are on arm's length basis and in the ordinary course of business. The related party transactions will be supported by the Valuation Report of an Independent valuer, wherever necessary.
8	Percentage of MedPlus' annual consolidated turnover, for the immediately preceding financial year, that is represented by the value of the proposed transaction	Monetary value of transactions with a single related party subject to a maximum of 20 percent of the consolidated turnover of the Company Or ₹ 30,000 millions whichever is higher, per annum through contracts/ arrangements which are entered for a duration upto 5 years and a cumulative threshold of 50 percent Or ₹ 70,000 millions whichever is higher, per annum through of the consolidated turnover of the Company across all related parties per annum.

Notice (Contd.)

S.No	Particulars		Disclosures	
9	Transactions undertaken in previous 2 years with certain related parties			
	Name of Subsidiary	**Nature of Transactions**	**FY2021-22 (Amounts ₹ in Million)**	**FY2020-21 (Amounts ₹ in Million)**
	1. Wynclark Pharmaceuticals Private Limited	• Purchase of stock-in-trade • Reimbursement of expenses paid • Rental income • Manpower deputation services rendered	545.34	231.95
	2. MHS Pharmaceuticals Private Limited	• Purchase of stock-in-trade • Rental income • Purchase of maintenance Items • Purchase of Packing Material • Sale of Packing Material	70.32	718.6
	3. Sai Sridhar Pharma Private Limited	• Purchase of stock-in-trade • Reimbursement of claims • Manpower deputation services rendered	3406.79	2636.54
	4. Venkata Krishna Enterprises Private Limited	• Purchase of stock-in-trade • Reimbursement of claims • Manpower deputation services rendered • Purchase of property, plant and equipment • Sale of assets	5423.16	4677.46
	5. Deccan Medisales Private Limited	• Purchase of stock-in-trade • Reimbursement of claims • Manpower deputation services rendered	1299.64	1231.12
	6. Shri Banashankari Pharma Private Limited	• Purchase of stock-in-trade • Reimbursement of claims	0.05	24.92
	7. Sidson Pharma Distributors Private Limited	• Purchase of stock-in-trade • Reimbursement of claims • Rental expenses • Reimbursement of expenses paid	1518.96	1182.98
	8. Nova Sud Pharmaceuticals Private Limited	• Purchase of stock-in-trade • Rental income	18.54	1.22
	9. Kalyani Meditimes Private Limited	• Rental Income	0.01	0.01

TABLE C			
1	Wynclark Pharmaceuticals Private Limited	6	Sai Sridhar Pharma Private Limited
2	Clearancekart Private Limited	7	Venkata Krishna Enterprises Private Limited
3	MHS Pharmaceuticals Private Limited	8	Sidson Pharma Distributors Private Limited
4	Nova Sud Pharmaceuticals Private Limited	9	Deccan Medisales Private Limited
5	MedPlus Insurance Brokers Private Limited	10	Shri Banashankari Pharma Private Limited

The Board commends the Ordinary resolution set out in the Notice in Item No. 7 & 8 for approval of the members.

ITEM NO. 9: Approval of payment of remuneration to Non-Executive Directors by way of Commission.

In view of sections 197 and 198, and other relevant provisions of the Companies Act, 2013, regulation 17(6) of Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulation, 2015 (listing Regulations'), and taking into account the roles and responsibilities of the directors, it is proposed that the remuneration by way of commission be continued to be paid, collectively to all the Non-Executive Directors of the Company, at a sum not exceeding one percent per annum of the Net Profits of the Company, as prescribed under section 197 of the Companies Act, 2013 and wherein the 'Net Profits' shall be computed in the manner laid down in section 198 of the Companies Act, 2013, for each relevant financial year, for a period of three years, commencing from 1st April 2022 up to 31st March 2025, subject to provisions of Companies Act, 2013 and Listing Regulations. The quantum of remuneration payable to each of the Non-Executive Directors shall be fixed and decided by the Board of Directors after considering the recommendations of the Nomination and Remuneration Committee, and considering attendance, type of meeting, preparations required, etc. This remuneration shall be in addition to the sitting fees payable to the Non-Executive Directors for attending the meetings of the Board of Directors or Committees thereof or for any other purpose whatsoever, as may be decided by the Board, and reimbursement of expenses for participation in the Board and other meetings.

Approval of the Members is sought by way of Ordinary Resolution under the applicable provisions of the Companies Act, 2013, and the Listing Regulations for payment of remuneration by way of commission to the Non-Executive Directors.

Non-Executive Directors and their relatives may be deemed to be concerned or interested in this resolution to the extent of the remuneration that may be received by them. Save and except the above, none of the other Directors, Key Managerial Personnel or their respective relatives are, in any way, concerned or interested, financially or otherwise, in this Resolution.

By Order of the Board

Shilpi Keswani
Company Secretary

Registered Office:
H. No: 11-6-56, Survey No: 257 & 258/1,
Opp: IDPL Railway Siding Road,
Moosapet, Kukatpally,
Hyderabad - 500037, Telangana.
CIN : L85110TG2006PLC051845
e-mail :cs@medplusindia.com
Website : www.medplusindia.com
Tel. : 04062746274

Place: Hyderabad
Date: 2nd September 2022

Notice (Contd.)

INFORMATION AT A GLANCE

Sr. No.	Particulars	Details
1.	Day, Date and Time of AGM	26th September 2022, at 4:00 PM (IST)
2.	Mode	Video conference and other audio-visual means
3.	Participation through Video-Conferencing	Members can login from 3:30 PM (IST) on the date of AGM at https://emeetings.kfintech.com
4.	Helpline Number for VC participation	Phone No.: 040-6716 1500 or call KFintech's toll free No.: 1800-3454-001
5.	Submission of Questions / Queries	Questions/queries shall be submitted 72 hours before the time fixed for AGM i.e. by 4:00 PM (IST) on 26th September 2022 by any of the following process:
		• Email to ir@medplusindia.com mentioning name, demat account no./folio number, email ID, mobile number, etc. • Members holding shares as on the cut-off date i.e. Monday, 19th September 2022, may also visit https://emeetings.kfintech.com and click on "Post Your Queries" and post queries/views/questions in the window provided, by mentioning name, demat account number/folio number, email ID and mobile number. Members can also post their questions during AGM through the "Ask A Question" tab which is available in the VC/OAVM Facility as well as in the one way live webcast facility.
6.	Speaker Registration Before AGM	Visit https://emeetings.kfintech.com and click on "Speaker Registration" during the period from 21st September 2022 (10:00 AM IST) up to 23rd September 2022 (4:00 PM IST)
7.	Recorded transcript	Will be made available post AGM at https://www.medplusindia.com
8.	Cut-off date for e-voting	19th September 2022, at 3:30 PM (IST)
9.	Remote E-voting start time and date	23rd September 2022, at 10:00 AM (IST)
10.	Remote E-voting end time and date	25th September 2022, at 5:00 PM (IST)
11.	Remote E-voting website of KFin	https://evoting.kfintech.com
12.	Name, address and contact details of e-voting service Provider and Registrar and Transfer Agent	KFin Technologies Limited (earlier known as Karvy Fintech Private Limited) Selenium, Tower B, Plot No. 31 & 32, Gachibowli, Financial District, Nanakramguda, Hyderabad, Telangana – 500032. **Contact detail:** Phone No.: 040-6716 1500 or call KFintech's toll free No.: 1800-3454-001
13.	Email Registration & Contact Updation Process	**Demat shareholders:** Contact respective Depository Participant. **Physical Shareholders:** Contact Company's Registrar and Transfer Agents, KFin Technologies Private Limited by sending an email request at einward.ris@kfintech.com along with signed scanned copy of the request letter providing the email address, mobile number, self-attested copy of the PAN card and copy of the Share Certificate.
14.	Email Registration on Company/	Members may visit the following websites and follow the registration process as guided therein: • Company's website www.medplusindia.com and click on "email registration" • KFintech's website https://ris.kfintech.com/email_registration/

ANNEXURE A:

Profile of Director

(Pursuant to Regulation 36(3) of SEBI (Listing Obligations and Disclosure Requirements) 2015 and Secretarial Standards on General Meetings:

Name of Director	Mr. Anish Kumar Saraf
Age	44 Years 10th Months (DOB - 30th October, 1977)
Date of Appointment	6th February, 2021
Qualification:	Mr. Anish Kumar Saraf is a chartered accountant with the Institute of Chartered Accountants of India. He holds a post-graduate diploma in management from the Indian Institute of Management, Ahmedabad.
Experience and Expertise:	Mr. Anish Kumar Saraf has been associated with Warburg Pincus India Private Limited since 2006, where he currently holds the position of Managing Director. He is involved in the firm's investment advisory activities in India and evaluates opportunities in Real Estate, Industrial, and Consumer sectors in India.
Remuneration Last Drawn	No Remuneration
Remuneration to be Drawn	No Remuneration
No of Board Meeting attended during FY 21-22	As mentioned in Corporate Governance Report
Shareholding in the Company	Nil
Relationship with other Directors and KMPs	Not related to any director/Key Managerial Personnel
Directorships held in other Companies	• Kalyan Jewellers India Limited • PVR Limited • PRL Developers Private Limited • Imagine Marketing Limited (Formerly known as Imagine Marketing Private Limited) • Warburg Pincus India Private Limited • Good Host Spaces Private Limited • BIBA Fashion Limited (Formerly known as BIBA Apparels Private Limited) • R. Retail Ventures Private Limited • Parksons Packaging Limited
Chairperson/membership Held in other Companies	**Below information is as on 30th June, 2022** **Chairperson** Parksons Packaging Limited - Audit Committee **Member** • Kalyan Jewellers India Limited- Audit Committee & Nomination and Remuneration Committee • PRL Developers Private Limited- Corporate Social Responsibility Committee • Imagine Marketing Limited (Formerly known as Imagine Marketing Private Limited)- Audit Committee & Nomination and Remuneration Committee • Warburg Pincus India Private Limited- Corporate Social Responsibility Committee • Good Host Spaces Private Limited- Audit Committee, Nomination and Remuneration Committee and Corporate Social Responsibility Committee • BIBA Fashion Limited (Formerly known as BIBA Apparels Private Limited)- IPO Committee • Parksons Packaging Limited- Nomination and Remuneration Committee and Corporate Social Responsibility Committee
Listed Entities from which the person has resigned in the past 3 years	Mr. Anish Kumar Saraf has resigned from Lemon Tree Hotels Limited on 29th May, 2020.

Management Discussion & Analysis

INDIAN ECONOMY

Following the COVID-19 outbreak, the outlook for the Indian economy appears to be better than it was in FY 21. After declining by 6.6%, the year before, India's GDP rose by 8.7% in FY 22. The first half of FY 22 witnessed a 20% GDP growth, albeit owing to a lower base. This was on account of increased consumer expenditure and a minimal base effect from the preceding fiscal year. Q2 expanded by 8.5% in a similar manner. GDP increased by 5.3% in the third quarter of FY 22. However, the Q4 of FY 22 witnessed India's GDP increase at a rate of 4.1 percent, the weakest rate in a year. The slowdown was caused by a number of variables, including an increase in retail inflation, an increase in energy and commodity prices following the Russia-Ukraine conflict, Omicron-induced constraints, worldwide spill overs owing to supply-side shortages, a crude oil shock, and increased input costs. Overall, activities in all economic sectors, including vehicle sales, retail, agricultural output, construction, and exports, saw improvements. Private spending also played a significant part in assisting this recovery, but Government consumption was by far the biggest contribution. The future growth of India's GDP suggested that overall economic activity has returned to pre-pandemic levels.

Focusing on the sectoral elements, the agricultural industry expanded by 3.9% in FY 22, a modest increase from the 3.6% growth in FY 21. The industrial sector has recovered significantly, going from a fall of 7% in FY 21 to an increase of 11.8% in FY 22. The construction, mining, and manufacturing sub-sectors all saw a similar fluctuation. This acceleration was caused by improved performance in the steel, cement, natural gas, coal, and power industries. Retail inflation soared to a nearly 8-year high of 7.79% in April, continuing to exceed the RBI's inflation goal for a fourth consecutive month. At its meeting on May 4, 2022, the Monetary Policy Committee (MPC) decided to raise the policy repo rate under the liquidity adjustment facility (LAF) by 40 basis points to 4.40% with immediate effect. This decision was based on an assessment of the current and changing macroeconomic situation. As a result, the Bank Rate and the marginal standing facility (MSF) rate were changed to 4.65% and 4.15%, respectively. In order to guarantee that inflation stays within the goal going ahead and to sustain growth, the MPC also decided to maintain its accommodating stance while concentrating on the reduction of accommodation. These choices are in line with the goal of promoting growth while meeting the medium-term aim for consumer price index (CPI) inflation of 4% within a +/- 2% range. India's manufacturing activity increased in March 2022, when the manufacturing Purchasing Managers Index (PMI) rose over 50. The Indian services sector grew strongly in April, owing to a rise in new work orders, which encouraged corporate activity and supported a continued increase in employment. The Services PMI Business Activity Index increased significantly from 53.6 in March to a 5-month high of 57.9 in April, underscoring a rapid rate of expansion that was the sharpest since last November amid escalating pricing pressures. This upward trend was brought on by a number of factors, including the benefits of supply-side reforms and regulatory easing, strong export growth, the availability of fiscal support to increase capital spending, widespread vaccination coverage, and an emergency credit line guarantee scheme for micro, small, and medium-sized businesses that helped hasten the recovery.

(Source - Economic Survey 2021-22, , Financial Express, RBI, Indian Express)

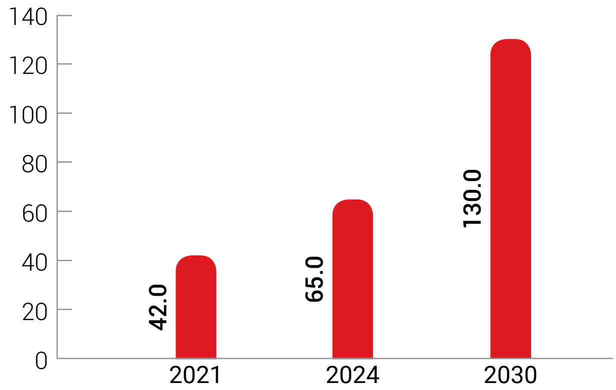
OUTLOOK

According to the IMF's projections, India is anticipated to continue to be the largest economy with the highest growth in the world from 2021 to 2024. In the years 2022 to 2023, a 7.2% GDP growth is predicted for the Indian economy. Based on fewer Covid-19 virus severity variations, a greater vaccination rate, and low impact of the nation's economic activity, a recovery is anticipated. India has learned to deal with virus-related limitations since the overall level of economic activity remained stable. Demand will be further boosted by economic activity, which will increase with more Government expenditure as promised in the Union Budget 2022 and higher private consumption and investment. However, the COVID-19 outbreak's lasting effects, growing inflation, and geopolitical unrest continue to pose significant concerns.

Indian Pharma Industry

The Indian pharma sector ranks third globally in terms of volume and fourteenth globally in terms of value. By 2030, the Indian pharm industry is anticipated to grow at a CAGR of 9–11% and reach $130 billion. From $17.8 billion in FY 17 to $21.3 billion in FY 21, the domestic market in India grew by 4.5% annually. In FY 20 and FY 21, it expanded by 0.3% and 5.9%, respectively. A growth in the frequency of chronic diseases, increased per capita income, better access to healthcare facilities, and the penetration of health insurance are all factors that have benefited the domestic pharma business.

Indian Pharmaceutical Market (US$ billion)



(Source - IBEF)

Healthcare Expenditure in India

Hospitals, pharmaceutical firms, retail pharmacies, diagnostic centres, manufacturers of medical equipment and supplies, businesses engaged in telemedicine, and medical tourism comprise the majority of India's healthcare industry. Despite the fact that India has one of the lowest per capita health spending rates in the world, with total health spending making up 3.5% of GDP (as opposed to the global average of 6.5%), there is significant room for growth given the rising demand for, and acceptance of, healthcare services.

(Source - Industry Report On Pharmacy Retail in India – Technopak)

Pharma Supply Chain in India

India accounts for exports and imports to more than 200 nations worldwide and is a crucial link in the global pharma supply chain. Manufacturing facilities, producers of intermediate products, logistical partners, and technology partners make up the pharma supply chain. Access to doctors is one of the primary criteria under examination for a pharma firm since doctors are at the hub of the pharma supply chain. Out of the 8,00,000 doctors in the nation, the top corporations claim to have access to close to 4,00,000 of them through their field forces of 4,000 to 10,000. In the domestic pharma supply chain, a carry-forward ("C&F") Agent designated by the firm is normally in charge of managing medication warehousing and transportation at a company-operated or self-operated warehouse. The C&F agent provides stock to distributors, who then provide it to hospitals, chain pharmacies, and independent pharmacies. This fundamental chain has several versions where a distributor may also distribute via a sub distributor. Additionally, an exclusive distributor may be chosen for a specific clientele, channel, or therapeutic approach. Manufacturers occasionally provide hospitals and chain pharmacies directly or through exclusive middlemen. Retailer working at average margin of 15-20%, distributor margin at 8-10%, and C&F agent at average margin of 2-5%. Margin dispersion across the chain varies. By conducting a major portion of their procurement directly with the producers, hospitals and contemporary drugstore chains are generating larger margins.

(Source - Industry Report On Pharmacy Retail in India – Technopak)

Pharma Retail in India

Modern pharma retail has witnessed robust development, owing mostly to increased demand for OTC and prescription drugs, wellness items, and private label products. Pharma retail outlets do, however, also sell a variety of FMCG items, consumables, and medical equipment in addition to pharma and related services. The retail pharma sector is anticipated to expand at a CAGR of 10% over the next five years. Due to an expanding consumer base and rising healthcare costs, the retail pharma industry in India has been growing steadily over the past few years. Due to the increased need for OTC and prescription medications, wellness items, private label products, and the COVID-19 pandemic, the contemporary pharma retail has been seeing significant development.

Pharma retail is one of the sub-segments of the healthcare value chain with the highest fragmentation. In India, there are reportedly 8,000,000 retail pharma locations. While traditional retail channels historically made up a significant portion of the pharma retail market in India, there has recently been a shift towards modern retail channels like e-commerce and B&M stores. Consumers are now more inclined to buy regular prescription medications and other wellness products from modern organised pharma retail outlets because they provide the advantages of an improved retail environment, the assurance of authentic drugs, transparent dispensing, and competitive prices. The COVID-19 pandemic epidemic has intensified this tendency.

(Source - Industry Report on Pharmacy Retail in India – Technopak)

Traditional and Modern Pharma Retail in India

Traditional retail dominates this industry in India. The traditional Indian pharma retail segment is mostly made up of family-owned pharmacies with establishments that are between 150 and 1,000 square feet in size. Approximately 8,00,000 retail pharmacies were open nationwide as of FY 21. It is a highly fragmented market with issues related to traditional retail, such as a lack of tracking and

Management Discussion and Analysis (Contd.)

documentation, a subpar retail setting, poor inventory management, a lack of availability of medications due to the proliferation of SKUs, and occasionally the stocking of unreliable medications. Traditional pharma retail may be roughly divided into three groups based on the size of the shop, the assortment of products, and the scope of the business:

- Class A: The large-scale traditional pharmacists typically of a larger store size usually located in the prominent locations such as main markets of the cities.
- Class B: These pharmacies are found in local marketplaces, typically run out of a tiny space, and stock goods that sell quickly.
- Class C: These pharmacies are also found in local markets; they often operate out of a 100–200 square foot space, carrying merchandise based on local needs with an emphasis on pharma.

Chains of contemporary retail pharmacies benefit from being technologically advanced, organised, and digitised. This enables them to keep track of their pharma stockpiles and market only trustworthy products. Customers are drawn to their organised and eye-catching displays where they may explore at their leisure and learn more about a variety of healthcare and wellness items. Modern Retail Channels can broadly be classified into two categories:

- Brick and Mortar led Formats: The majority of B&M pharmacies run by reputable firms make up the organised pharma retail industry. By rapidly expanding their pan-Indian footprint, mostly through B&M shops, these firms continue to fuel development in the organised category. A few of these players also run an omnichannel platform.
- E-commerce Formats: The number of businesses operating in this market sector using an online-only business model (an 'e-pharmacy') in addition to omnichannel platforms of B&M stores has increased, contributing to the rise in sales through the e-commerce channel. Online pharma sales are a combination of sales made through platforms that prioritise e-commerce and those that allow for digital integration with brick and store competitors.

  (Source – IBEF, Industry Report on Pharmacy Retail in India – Technopak)

OPPORTUNITIES

Increase in access, awareness and affordability

India is undergoing a period of strong development, powered by favourable demographic trends. Urbanisation is also assisting in market consolidation. These elements are resulting in increased knowledge, accessibility, and affordability of medical care. India now has one of the world's fastest growing pharma marketplaces.

Increasing prevalence of lifestyle diseases

Due to a sedentary lifestyle, there is a rising tendency of diseases that are caused by lifestyle. One of the greatest proportions of diabetic patients are seen in India. Obesity and disorders associated with it are becoming more and more common. These trends are causing the customer's medical demands to change, which might make that category the largest.

Increase in Government Investment

Government funding in India towards healthcare is one of the lowest in the world at less than 1%. The same is expected to be increased going further. As a result, markets are likely to have a fresh opportunity to grow in the future. (Source – Technopak Advisors – Industry Report on Pharmacy Retail in India)

Expansion of Pharma Chains

Pharma chains may gain the confidence of their clients by providing superior services, such as dependable products, extended hours, improved availability, product discounts, a wider selection, customer care, a rewards programme, and value-added services.

Uncatered Rural Territory

There is still a significant disparity between demand and availability of pharma items, particularly in tier II cities and rural regions. As a result, pharma stores have a great chance to widen their distribution networks throughout the nation.

THREATS

Limited Infrastructure due to low expenditure

When compared to the global average and other nations with comparable income profiles, India's base level of health expenditure is extremely low. The number of hospital beds, nurses, and physicians per 10,000 inhabitants is below that of comparable countries in relation to other important measures. There is a significant access gap between urban and rural communities. Only primary healthcare services are available in rural regions. *(Source – Technopak Advisors – Industry Report on Pharmacy Retail in India)*

Price Regulation

The Government regulates the cost of medications that are included on the national essential drug list. The list that is being revised might result in financial loss.

Aggressive Expansion leading to lower profitability

Retailers may build outlets in impractical locations as a result of poor consumer understanding and inadequate study into shop growth. This would lead to poor accessibility, visibility, and traffic, which would negatively impact the company's overall operating performance and lower its profitability.

COMPANY OVERVIEW

MedPlus was established in 2006 with the goal of creating a recognized pharma retail brand that supplies authentic pharma and provides greater value to customers by decreasing inefficiencies in the supply chain via the use of technology. The Company's business activities include pathological diagnostic laboratory testing, wholesale and retail sales, import, distribution, and contract manufacture of private label pharma, wellness, and FMCG products. The Company uses an omni-channel platform strategy, allowing it to serve consumers through both offline and online channels, allowing it to make use of its robust offline channel to launch and expand online presence. Customers can place an order on Mobile or website using its 'click-and-pick' service and then pick them up at their selected shop whenever it's convenient for them. By leveraging our offline presence further company is able to offer 2 hour delivery of medicines at minimal cost to customers. Recently company launched a pilot of Integrated Radiology centre in Gachibowli, Hyderabad to offer a basket of radiology services to the existing and new customers.

Segmental Revenue:

	Revenue	
	FY 22	FY 21
Retail	37,589	30,546
Pathology	75	23
Wholesale	129	124

In FY 22, the Company witnessed significant revenue growth. Stores older than 12 months rose by 18.1% over FY 21, and Revenue from operations increased by 23.1% over FY 21 in FY 22. The Company's mature shops (>12m) maintained solid operational performance, with a 10.3% Store Level EBITDA margin and a 63.1% Store Level Operating Return on Capital Employed. Private label share climbed from 10.1-12.7% in FY 22, while gross margin improved from 21.0% to 21.1% in FY 22. In FY 22, the Company opened 2 times as many stores. As of March 31, 2022, the Company had 2,748 shops. In FY 22, the business opened 747 gross new stores, up from 373 in FY 21. This marks a new high for MedPlus and demonstrates the strength of its supply chain and operational skills.

The Company opened its first full-service Diagnostic Centre in March, and both its current and potential clients have embraced it enthusiastically.

Financial Overview

Summarised consolidated Profit and Loss statement

		FY 2022	FY 2021	% change Yoy
Total Income	₹ Million	38106.42	30908.14	23.3%
Revenue from operations	₹ Million	37792.79	30692.69	23.1%
Purchase of stock in trade, Cost of materials consumed and changes in inventories ("Cost of goods sold")	₹ Million	29823.75	24252.38	23.0%
	% of Revenue	78.9%	79.0%	-0.1%
Employee benefits expense	₹ Million	3939.2	3386.51	16.3%
	% of Revenue	10.4%	11.0%	-5.5%
Finance costs	₹ Million	664.28	548.45	21.1%
	% of Revenue	1.8%	1.8%	-1.6%
Depreciation and amortisation expense	₹ Million	1193.6	882.7	35.2%
	% of Revenue	3.2%	2.9%	9.8%
other expenses	₹ Million	1306.16	887.12	47.2%
	% of Revenue	3.5%	2.9%	19.6%
Total Expeneses	₹ Million	36927.93	29958.11	23.3%
	% of Revenue	97.7%	97.6%	0.1%
Profit before tax	₹ Million	1179.43	950.98	24.0%
	% of Revenue	3.1%	3.1%	0.7%
Total Tax expense	₹ Million	232.27	319.87	-27.4%
	% of Revenue	0.6%	1.0%	-41.0%
Profit after tax	₹ Million	947.16	631.11	50.1%
	% of Revenue	2.5%	2.1%	21.9%

Management Discussion and Analysis (Contd.)

Total Income:

Total income is increased by 23.3% in FY 2022 compared to FY 2021. Growth has been contributed by Matured stores and New stores. Company has seen slightly higher sales due to Covid 19, Phase 2 in April and May 2021.

Revenue from operations:

Revenue from operations has grown by 23.1% in FY 2022 compared to FY 2021. Stores greater than 12 months in age has grown by 18.1% during the same period

Cost of goods sold:

Increase in cost of goods is largely in line with the increase in revenue from operations. Cost of goods as % of revenue has decreased by 10 bps to 78.9% in FY 2022 from 79.0% in FY 2021

Employee benefit expenses:

Employee benefit expenses has increased by 16.3% in FY 2022 in comparison to FY 2021. This incremental costs is mainly driven by addition of 747 stores in FY 22. However as a percentage of revenue from operations employee benefits decreased to 10.4% in FY 2022 from 11.0% in FY 2021, driven by scale benefits.

Finance costs:

Finance costs increased by 21.1% in FY 2022, driven by increase in interest on lease liabilities primarily on account of new stores added during the year FY 2022.

Depreciation and amortisation expenses:

Depreciation and amortisation expenses increased by 35.2% in FY 2022 primarily due to depreciation and amortisation of plant and equipment in new stores and amortisation of lease asset in new stores.

Other expenses:

Other expenses have been increased by 47.2% in FY 2022 in comparison of FY 2021, primarily driven by increase in electricity, communication expenses and other operational expenses primarily on account of New stores.

Advertisement also has increased by 3 times in FY 2022 compared to FY 2021, primarily driven by advertisement for launch of Integrated radiology pilot.

Total Tax expenses:

Tax expenses have decreased by 27.4% in FY 2022 in comparison to FY 2021 driven by deferred tax benefit on account of increase in claim under Section 80JJA with increase in number of employees and reduction in non-deductible expenses compared to FY 2021.

Profit after Tax;

As a result, Company's overall profit is increased by 50.1% in FY 2022 in comparison to FY 2021.

KEY BALANCE SHEET ITEMS:

	FY 2022 (₹ in million)	FY 2021 (₹ in million)	% Change YoY
Property, plant and equipment	1,618.69	871.56	85.7%
Inventory	9,149.84	7,499.57	22.0%
Cash and Bank balances including fixed deposits	6,575.60	1,491.46	340.9%
Trade payable	2,462.32	1,480.93	66.3%
Trade receivables	60.36	53.67	12.5%
Total equity (Shareholders funds/ networth)	14,172.53	7,311.03	93.9%
Borrowings	1,426.82	1,352.35	5.5%

The strength of the balance sheet in FY 2022 is improved primarily on account of equity infusion through IPO and improvement in Profit after tax.

Key Financial ratios:

Consolidated	FY 22	FY 21	% Change
Inventory Turnover (Days)	88.37	89.19	-0.92%
Interest Coverage Ratio	2.78	2.73	1.52%
Current Ratio	2.92	2.22	31.21%
Debt Equity Ratio	0.10	0.18	-45.57%
Debtors Turnover (Days)	0.58	0.64	8.66%
Operating Profit Margin	4.88%	4.89%	-0.14%
Net Profit Margin	2.51%	2.06%	21.88%
Return on Net Worth	8.82%	10.02%	-11.97%

Explanation to the ratios:

Inventory turnover ratio measures the efficiency with which a Company utilises or manages its inventory. It establishes the relationship between revenue from operations and inventory held during the period. It is calculated by dividing the inventory with revenue from operations and multiplied by 365 days.

Interest Coverage Ratio measures how many times a company can cover its current interest with its available earnings. It is calculated by divding earnings before interest and tax by total finance cost.

Current ratio indicates a company's overall liquidity position and measures company's ability to pay short-term obligations or those due within one year. It is calculated by dividing current assets by current liabilities.

Debt equity ratio is used to evaluate a companys financial leverage. It is a measure of the degree to which a company is financing its operations through debt versus owned funds. It is calculated by dividing total borrowings by total equity.

Debtors'(Trade receivables) turnover ratio measures the efficiency with which a Company utilises or manages its debtors. It establishes the relationship between revenue from operations and debtors held during the period. It is calculated by dividing the debtors with revenue from operations and multiplied by 365 days.

Operating margin % - operating margin measures how much profit a company makes on a rupee of sales after paying for cost of goods sold, employee benefits expenses, other expenses and depreciation and amortization expenses, but before paying finance cost and tax. It is calculated by dividing EBIT by revenue from operations.

Net profit margin % net profit margin measures how much net profit a company makes on a rupee of sales It is calculated by dividing a company's profit after tax by its revenue from operations.

Return on Networth/ equity is a measure of profitability of a company expressed in percentage. It is calculated by dividing net profit by average net worth/ total equity.

Risks & Mitigation

The risk identification, assessment, mitigation, and reporting processes of MedPlus are supported by a strong framework for risk management. Using digital technologies, the risk management committee, which the Board is in charge of, identifies, assesses, and develops a plan for mitigating dangers. Our risk environment consists of the following:

Risks	Description	Mitigation
Inventory Risk	• Insufficient supply of products leading to decreased consumer loyalty and satisfaction	• The Company's adaptable inventory method guarantees real-time inventory reporting • In order to anticipate inventory levels, the Company analyses critical information, enabling prompt ordering and maintenance of sufficient stock levels
Supply Chain Risk	• Disruptions in logistics and distribution networks can lead to delays in supply	• The Company works closely with suppliers across geographies to reduce the risks of supply-chain interruption
Competition Risk	• Potential risk arising out of new competition owing to differentiated products and new entrants of varying sizes and store formats operating in unexplored semi-urban and rural markets	• By making a wide variety of items available through both our offline and online channels, the Company focuses on providing convenience to the consumers, assuring their happiness and, as a result, their loyalty • The Company is always striving to maintain brand visible distinctiveness through private brand campaigns and numerous other activities
IT Risk	• Potential information loss and IT system failures, particularly cyber-attacks, might possibly impair how well shops, centres, warehouses, and distribution networks operate	• To avoid unexpected system breakdowns, the Company regularly inspects its internal IT security systems • The Company also safeguards these systems using a range of backup plans and sufficient firewalls
Quality Risk	• Customer dissatisfaction due to ineffective product quality and service	• The Company's quality team conducts rigorous quality and safety tests to verify that all quality requirements are met. Customer concerns are taken seriously by the Company • Their stores offer authentic, high-quality pharma products and quickly moving consumer goods at competitive rates, presenting a consistent and unified customer experience

Management Discussion and Analysis (Contd.)

Internal Control System and Adequacy

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

Human Resources

Maintaining the traditional grip on its fundamental system, MedPlus is continuing to build its journey of vigorous growth, business expansion and significant milestone including going public. With the pandemic and the resulting uncertainty in the environment, we restated our priority and focus on employee care and safety through various initiatives for our employees and their families. During the year, the company focused on enhancing our management bandwidth and depth for future scale and capability.

Your company has revamped apprenticeship program and have also received two awards namely "A.C.E Retailer of The Year" & "S.T.A.R Retailer of The Year"- in the Skill Award Category (Powered by RASCI) in the TRRAIN Awards – 2022. We have employed 4010 new employees during FY 2022 and as on March 31, 2022, 26.4% of our employees are female.

Cautionary Statement

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

BOARD'S REPORT

Dear Members,

Your directors have pleasure in presenting here the Sixteenth Annual Report of the Company along with the Audited Standalone and Consolidated Financial Statements and the Auditor's Report thereon for the Year ended 31st March, 2022.

FINANCIAL HIGHLIGHTS

(₹ in millions)

Particulars	Standalone		Consolidated	
	2022	2021	2022	2021
Revenue from Operations	1,457.14	683.10	37,792.79	30,692.69
Other Income	95.41	21.10	313.63	215.45
Profit before Depreciation, Finance Costs, Exceptional items and Taxation	128.42	(66.87)	3,037.61	2,382.13
Less: Depreciation, Amortisation and Impairment Expenses	46.32	13.15	1,193.60	882.70
Profit before Finance Costs, Exceptional items and Taxation	82.10	(80.02)	1,844.01	1,499.43
Less: Finance Costs	26.31	5.65	664.28	548.45
Profit before Exceptional items and Taxation	55.79	(85.67)	1,179.73	950.98
Add: Exceptional items	-	-	-	-
Profit before Taxation	55.79	(85.67)	1,179.73	950.98
Less: Tax Expense	-	-	232.27	319.87
Profit for the year	55.79	(85.67)	947.46	631.11

CURRENT YEAR PERFORMANCE REVIEW AND STATE OF COMPANY AFFAIRS

During the year under review, 747 stores were added to the cluster store network of the Group (as compared to 373 stores opened in FY21) as on 31st March 2022. Group's total fleet of stores stood at 2748 stores as of 31st March 2022 (as compared to 2001 stores as on 31st March 2021). In March 2022, the Company launched its first Diagnostic Centre in Gachibowli, Hyderabad. The Diagnostics business is an extended service to the existing pathology business of the Company.

On standalone basis, the total income for FY 2022 was 1552.55 million, which is a 120.47% growth from the previous year's income of ₹ 704.20 million. Our total income on consolidated basis for FY 2022 was ₹ 38106.42 million as against ₹ 30908.14 million during FY 2021.

On standalone basis, the net profit after tax (PAT) for FY 2022 stood at ₹ 55.79 million as against previous year's net loss of ₹ 85.67 million there by recording a growth of 165.12%.

Our net profit after tax (PAT) on consolidated basis for FY 2022 amounted for ₹ 947.16 millions as compared to ₹ 631.11 million in the previous year.

As the COVID-19 pandemic continues to impact people and communities around the world, the health and safety of the people remains our top priority. We actively concentrated on applying best practices and realigned our business to respond appropriately in the fight against COVID-19.

The Company supported employees, staffs and their families, society and Government bodies during these tough times. A thorough thermal scanning and sanitisation protocol was introduced at all the plants and offices of the Company. A continuous monitoring of employees was done for signs & symptoms and voluntary disclosure of symptoms by the employees was encouraged.

DIVIDEND

Your directors have decided to not pay any dividends for 2021-22.

DIVIDEND DISTRIBUTION POLICY

The Dividend Distribution Policy containing the requirements mentioned in Regulation 43A of the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 is available on the company's website at https://www.medplusindia.com/corporateadmin/uploads/corporate/Policy-on-Dividend-Distribution.pdf.

TRANSFER TO GENERAL RESERVES

The Company has not proposed to transfer any amount to the general reserve.

BOARD'S REPORT (Contd.)

INVESTOR EDUCATION AND PROTECTION FUND ("IEPF")

In compliance with Sections 124 and 125 of the Act read with the Investor Education and Protection Fund Authority (Accounting, Audit, Transfer and Refund) Rules, 2016 ("IEPF Rules") as amended from time to time, your Company has no unclaimed dividend to transfer to IEPF. Hence, the Company has not transferred any amount to the said fund.

INCREASE IN SHARE CAPITAL

(a) Authorised Share Capital

During the financial year under review, the Company effected following changes to the authorised share capital of the Company:

Sr. No.	Event	Description	Extra-ordinary General Meeting
1	Subdivision of Equity Shares	Clause V of the Memorandum of Association ("MoA") was amended to reflect the split in the authorised share capital of ₹ 443,650,000 from 465,000 Equity Shares of ₹ 10 each and 21,950,000 preference shares of ₹ 20 each to 2,325,000 Equity Shares of ₹ 2 each and 21,950,000 preference shares of ₹ 20 each	9th July, 2021
2	Increase of Equity Share Capital	Clause V of the MoA was amended to reflect the increase in authorised share capital from ₹ 443,650,000 divided into 2,325,000 Equity Shares of ₹ 2 each and 21,950,000 preference shares of ₹ 20 each to ₹ 503,366,000 divided into 32,183,000 Equity Shares of ₹ 2 each and 21,950,000 preference shares of ₹ 20 each.	23rd July, 2021
3	Increase of Equity Share Capital	Clause V of the MoA was amended to reflect the increase in authorised share capital from ₹ 503,366,000 divided into 32,183,000 Equity Shares of ₹ 2 each and 21,950,000 preference shares of ₹ 20 each to ₹ 503,466,000 divided into 32,233,000 Equity Shares of ₹ 2 each and 21,950,000 preference shares of ₹ 20 each.	3rd August, 2021
4	Reclassification of Preference Share Capital to Equity Share Capital	Clause V of the MoA was amended to reflect the reclassification in authorised share capital from ₹ 503,466,000 divided into 32,233,000 Equity Shares of ₹ 2 each and 21,950,000 preference shares of ₹ 20 each to ₹ 503,466,000 divided into 92,614,930 equity shares of ₹ 2 each and 15,911,807 preference shares of ₹ 20 each.	12th November, 2021
5	Increase of Equity Share Capital	Clause V of the MoA was amended to reflect the increase in authorised share capital from ₹ 503,466,000 divided into 92,614,930 equity shares of ₹ 2 each and 15,911,807 preference shares of ₹ 20 each to ₹ 541,766,000 divided into 111,764,930 Equity Shares of ₹ 2 each and 15,911,807 preference shares of ₹ 20 each.	12th November, 2021
6	Reclassification of Preference Share Capital to Equity Share Capital	Clause V of the MoA was amended to reflect the reclassification in authorised share capital from ₹ 541,766,000 divided into 111,764,930 Equity Shares of ₹ 2 each and 15,911,807 preference shares of ₹ 20 each to ₹ 541,766,000 divided into 270,883,000 equity shares of ₹ 2 each.	22nd November, 2021

(b) Issued, Subscribed and Paid-up Share Capital

During the financial year under review, the Company effected following changes to the issued, subscribed and paid up share capital of the Company:

Sr. No.	Event	Description	Extra-ordinary General Meeting
1	Subdivision of Equity Shares	Subdivision of Equity Shares from face value of ₹ 10 each to ₹ 2 each	9th July, 2021
2	Conversion of Preference Shares into Equity Shares	Allotment of 29,910,085 Equity Shares upon conversion of Series B, Series B1 and Series B2 CCPS	5th August, 2021
4	Conversion of Preference Shares into Equity Shares	Allotment of 14,182,105 Equity Shares upon conversion of Series A CCPS	22nd November, 2021
5	Conversion of Preference Shares into Equity Shares	Allotment of 44,782,400 Equity Shares upon conversion of Series B CCPS	22nd November, 2021
6	Conversion of Preference Shares into Equity Shares	Allotment of 8,607,225 Equity Shares upon conversion of Series B1 CCPS	22nd November, 2021
7	Conversion of Preference Shares into Equity Shares	Allotment of 2,804,480 Equity Shares upon conversion of Series C1 CCPS	22nd November, 2021
8	Conversion of Preference Shares into Equity Shares	Allotment of 8,543,340 Equity Shares upon conversion of Series B2 CCPS	22nd November, 2021
9	Conversion of Preference Shares into Equity Shares	Allotment of 639,485 Equity Shares upon conversion of Series C2 CCPS	22nd November, 2021
10	Initial Public Offering of Equity Shares	Allotment of 7,544,511 Equity Shares	20th December, 2021

CONSOLIDATED FINANCIAL STATEMENTS

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

The Financial Statements as stated above are also available on the website of the Company and can be accessed at the Web-link: https://www.medplusindia.com/financial-reporting.jsp

SUBSIDIARY COMPANIES

The MedPlus Group Companies continue to contribute to the overall growth in revenues and overall performance of your Company. As on 31st March, 2022, your company had 6 direct subsidiaries and 5 step down subsidiaries. The statement containing the summarised financial position of the subsidiary companies viz.,

1. Clearancekart Private Limited ("CPL")
2. Kalyani Meditimes Private Limited ("KMPL"),
3. MHS Pharmaceuticals Private Limited ("MHSPPL"),
4. Nova Sud Pharmaceuticals Private Limited ("NSPPL"),
5. Optival Health Solutions Private Limited ("OHSPL"),
6. Wynclark Pharmaceuticals Private Limited ("WPPL"),
7. Deccan Medisales Private Limited, ("DMPL")
8. Sai Sridhar Pharma Private Limited ("SSPPL"),
9. Shri Banashankari Pharma Private Limited ("SBPPL"),
10. Sidson Pharma Distributors Private Limited ("SPDPL"),
11. Venkata Krishna Enterprises Private Limited ("VKEPL)

Pursuant to Section 129 read with Rules 5 of the Companies (Accounts) Rules, 2014 a statement containing silent feature and highlights of performance of the company's subsidiaries is contained in Form AOC-1, attached as Annexure A to this Report which forms a part of the Annual Report.

The Policy for determining material subsidiaries as approved by the Board is uploaded on the Company's website and can be accessed at the web-link : https://www.medplusindia.com/corporateadmin/uploads/corporate/Policy-on-Material-Subsidiary.pdf.

DETAILS OF DIRECTORS AND KEY MANAGERIAL PERSONNEL

(a) DIRECTORS

During the year under review Mr. Gangadi Madhukar Reddy was appointed as Managing Director & CEO of the Company w.e.f. August 31, 2021. The Board of Directors of the Company also appointed Ms. Hiroo Mirchandani as Non-Executive Independent Director w.e.f. 5th July, 2021, and Mr. Murali Sivaraman and Mr. Madhavan Ganesan as Non-Executive Independent Director of the company, pursuant to section 149(4) and Section 161 of the Companies Act, 2013, w.e.f. 11th June, 2021. Mr. Himanshu Nema (DIN: 08157829) resigned from the office of the directorship of your Company w.e.f. 05th July, 2021.

(b) KEY MANAGERIAL PERSONNEL

During the financial year under review, Mr. Parag Jain resigned as the Company Secretary and Compliance Officer of the Company with effect from 14th January, 2022 and Ms. Shilpi Keswani was appointed as the Company Secretary and Compliance Officer with effect from 15th January, 2022.

The Key Managerial Personnel ('KMP') of the Company as per Section 2(51) and 203 of the Act as on 31stMarch, 2022 are as follows:

S. No.	Name	Designation
1.	Mr. Gangadi Madhukar Reddy	Managing Director and CEO
2.	Mr. Hemanth Kundavaram	Chief Financial Officer
3.	Ms. Shilpi Keswani	Company Secretary & Compliance Officer

** Mr. Hemanth Kundavaram has resigned as CFO of the Company w.e.f. 5th June, 2022*

BOARD OF DIRECTORS, MEETINGS AND ITS COMMITTEES:

(a) Composition of Board of Directors

The Composition of the Board of Directors as on 31st March, 2022 is hereunder:

S. No.	Name of the Director	Designation/Status	DIN
1.	Mr. Gangadi Madhukar Reddy	Managing Director and CEO	00098097
2.	Mr. Atul Gupta[1]	Non-Executive Nominee Director	06940578
3.	Mr. Anish Kumar Saraf[2]	Non-Executive Nominee Director	00322784
4.	Mr. Murali Sivaraman	Non-Executive Independent Director	01461231
5.	Mr. Madhavan Ganesan	Non-Executive Independent Director	01674529
6.	Ms. Hiroo Mirchandani	Non-Executive Independent Director	06992518

[1]Nominee of PI Opportunities Funds

[2]Nominee of Lavender Rose

(b) Number of Board Meetings

During the financial year ended 31st March, 2022, the Board of Directors met 13 times viz., on, 7th May, 2021, 24th May, 2021, 11th June, 2021, 5th July, 2021, 3rd August, 2021, 5th August, 2021, 10th August, 2021, 6th September, 2021, 22nd November, 2021, 3rd December, 2021, 20th December, 2021, 13th January, 2022, 14th February, 2022. The maximum interval between any two meetings did not exceed 120 days.

Details of the meetings of the Board along with the attendance of the Directors therein have been disclosed as part of the Corporate Governance Report forming part of this Annual Report.

(c) Audit Committee

The details pertaining to the composition, terms of reference and other details of the Audit Committee of the Board of Directors of your Company and the meetings thereof held during the financial year are given in the Report on Corporate Governance forming part of this Annual Report.

The recommendations of the Audit Committee in terms of its Charter were considered positively by the Board of Directors of your Company from time to time during the financial year.

(d) Nomination and Remuneration Committee

The details including the composition, terms of reference of the Nomination and Remuneration Committee and the meetings thereof held during the financial year and other matters provided in Section 178(3) of the Act and Regulation 19 of SEBI (LODR) Regulations 2015, are given in the Report on Corporate Governance section forming part of this Annual Report.

(e) Stakeholders Relationship Committee

The Stakeholders Relationship Committee ("SRC") of the Board considers and resolves grievances of the security holders of the Company. The Committee also reviews the measures taken for effective exercise of voting rights by shareholders, adherence to the service standards adopted by the Company in relation to various services rendered by the Registrar & Share Transfer Agent, etc. The details including the composition, terms of reference of the Stakeholders Relationship Committee and the meetings thereof held during the financial year and other matters provided in Regulation 20 of SEBI (LODR) Regulations 2015, are given in the Report on Corporate Governance section forming part of this Annual Report.

(f) Risk Management Committee

The details including the composition, terms of reference of the Stakeholders Relationship Committee and the meetings thereof held during the financial year and other matters provided in Regulation 21 of SEBI (LODR) Regulations 2015, are given in the Report on Corporate Governance section forming part of this Annual Report.

(g) Corporate Social Responsibility Committee

The Company has constituted a Corporate Social Responsibility Committee consisting of 2 Independent Directors and 1 Executive Director.

The composition of the Corporate Social Responsibility Committee meets with the requirements of Section 135 of the Companies Act 2013 and is given in the Report on Corporate Governance section forming part of this Annual Report.

(h) Declaration by Independent Directors:

The Company has received necessary declaration from all the Independent Directors under sub-section 7 of Section 149 of the Companies Act, 2013 that they meet the criteria of independence as provided in Sub-Section 6 of Section 149 of the Companies Act, 2013. The Independent Directors have complied with the Code of Conduct prescribed in Schedule IV to the Act.

The Board is of the opinion that the Independent Directors of the Company hold highest standards of integrity and possess requisite expertise and experience required to fulfill their duties as Independent Directors.

(i) Formal Annual Evaluation of Board, its Committees and Directors including Independent Directors:

As per the provisions of Section 134(3) (p) of Companies Act 2013, read with Rule 8 (4) of the Companies (Accounts) Rules, 2014, the Board conducted an evaluation of its own performance and that of its Committees and Individual Directors.

As per the provisions of Section 149(8) of the Companies Act ,2013, read with Clause VIII of Schedule IV of the said Act, and Regulation 17(10) of SEBI (Listing Obligations & Disclosure Requirements) Regulations, 2015, annual evaluation of the performance of all the Independent Directors was done by the entire Board of Directors, excluding the Director being evaluated.

Accordingly, evaluation of the performance of the individual directors was done based on criteria such as attendance, participation in the deliberations, contribution to the discussions at the Board/Committee meetings, understanding of the issues involved, ability to bring in new ideas and initiatives, commitment to fulfill the obligations and responsibilities of a director, etc.

In the case of Independent Directors, their fulfillment of independence criteria as specified in the SEBI (Listing Obligations & Disclosure Requirements) Regulations, 2015, and their independence from the Management was also considered during evaluation.

As per the provisions of Section178(2) of the Companies Act 2013, and as provided under Part D of Schedule II SEBI (Listing Obligations & Disclosure Requirements) Regulations,2015, the Nomination & Remuneration Committee has specified the manner and criteria for effective evaluation of performance of Board, its committees and individual directors. The Policy for formal evaluation of performance is uploaded on the website of the Company and can be accessed at the weblink: https://www.medplusindia.com/corporateadmin/uploads/corporate/Policy-on-Evaluation-of-Performance.pdf.

(j) Company's policy on Director's appointment and remuneration including criteria for determining qualifications, positive attributes, independence of a director and other matters

In accordance with the provisions of Section 134(3)(e); subsection (3) and (4) of Section 178 of the Act and

BOARD'S REPORT (Contd.)

Regulation 19 read with Part D of Schedule II of the SEBI Listing Regulations, the Company has formulated Nomination and Remuneration policy to provide a framework for remuneration of members of the board of directors of the Company, key managerial personnel, and other employees of the Company and the same has been disclosed in corporate governance report, which forms part of Annual Report of the your company.

The Nomination and Remuneration Policy of the Company can be accessed on the website of the Company at https://www.medplusindia.com/corporateadmin/uploads/corporate/Nomination-and-Remuneration-Policy.pdf.

(k) Familiarisation Programme for Independent Directors

All the Independent Directors are made aware of their roles and responsibilities at the time of appointment through a formal letter of appointment, which also stipulates various terms and conditions of their engagement. Details of familiarisation programme can be accessed on the website of the company through the link: https://www.medplusindia.com/corporateadmin/uploads/corporate/MedPlus-Familiarisation-programme-for-independent-directors.pdf.

(l) Meeting of Independent Directors

During the year under review, pursuant to Schedule IV of the Companies Act, 2013 and as per Regulation 25(3) of the Listing Regulations, the meeting of Independent Directors of the Company was not held since the company is listed on December 23rd 2021. However, subsequently in the current year 2022-23, the Independent Directors inter alia actively discuss matters arising out of the agenda of the Board and Board committees, Company's performance, identify areas where they need clarity or information from management. They review the performance of the Board as a whole as well as that of Non-Independent Directors and the Chairman by considering the views of Executive and Non-Executive Directors. They also assess the quality, quantity, effectiveness and promptness of the flow of information between the Company's management and the Board. They periodically meet the Statutory Auditor and the Internal auditor without the presence of the management to understand the overall quality of audit, quality of financials, key financial matters and corrective actions to be taken for strengthening the internal controls of the Company and their general feedback.

EMPLOYEES STOCK OPTION SCHEME:

During the year under review, on the recommendation of the Nomination and Remuneration Committee ("NRC") of your Company, the Company has under MedPlus Employees Stock Option and Shares Plan 2009 and MedPlus Employees Stock Option and Shares Plan 2021 have granted Stock Options to employees.

The Company has in force the following Schemes which get covered under the provisions of SEBI (Share Based Employee Benefits and Sweat Equity) Regulations, 2021 ("SBEBSE Regulations"):

1. MedPlus Employees Stock Option and Shares Plan 2009
2. MedPlus Employees Stock Option and Shares Plan 2021

The Company is intending to ratify both the schemes as per SBEBSE Regulations in the ensuing annual general meeting for the financial year 2021-22.The Company is not required to obtain certificate from secretarial auditor of the company pursuant to regulation 13 of SBEBSE Regulation, as both the schemes are yet to be ratified by the shareholders of the Company in the ensuing annual general meeting.

Further, it is confirmed that the ESOP Scheme of the Company is in compliance with SEBI(Share Based Employee Benefits and Sweat Equity Shares) Regulations, 2021.

The applicable disclosures as stipulated under Regulation 14 of SEBI(Share Based Employee Benefits and Sweat Equity Shares) Regulations, 2021 with regard to Employees Stock Option Plan of the Company are available on the website of the Company at www.medplusindia.com and web-link for the same is https://www.medplusindia.com/corporateadmin/uploads/corporate/MedPlus-ESOP-Disclosure-SBEBSE-FY-21-22.pdf.

AUDITORS

(a) Statutory Auditors and Auditors' Report

BSR & Associates LLP, Chartered Accountants were appointed as the Statutory Auditors of the Company to hold office for a term of 5 years from the conclusion of the 12th Annual General Meeting (AGM) held on 30th October, 2018 until the conclusion of the 17th Annual General Meeting (AGM) of the Company to be held in the year 2023.

The Auditor's Report is unmodified i.e., it does not contain any qualification, reservation or adverse remark or disclaimer. Further, the Auditor's Report being self-explanatory does not call for any further comments from the Board of Directors.

(b) Secretarial Auditor

Pursuant to the provisions of section 204 of the Companies Act, 2013 and the Companies (Appointment and Remuneration of Managerial

Personnel) Rules, 2014, the Company has appointed Mrs Rashida Adenwala, Partner - R&A Associates, Practicing Company Secretaries (Certificate of Practice Number:2224) to undertake the Secretarial Audit of the Company.

The Company has annexed to this Board's Report as Annexure B, a Secretarial Audit Report given by the Secretarial Auditor.

The Secretarial Audit Report is self-explanatory and does not contain any qualification, reservation or adverse remark or remark.

(C) Secretarial Audit of Material Unlisted Indian Subsidiary

Optival Health Solutions Private Limited ("OHSPL") and Venkata Krishna Enterprises Private Limited ("VKEPL"), material subsidiaries of the Company undertake Secretarial Audit every year under section 204 of the Companies Act, 2013. The Secretarial Audit of OSPL and VKEPL for the Financial Year 2021-22 was carried out pursuant to section 204 of the Companies Act, 2013 and Regulation 24A of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015. The Secretarial Audit Report of OSPL and VKEPL issued by Mrs Rashida Adenwala, Partner - R&A Associates, Practicing Company Secretaries (Certificate of Practice Number: 2224) is attached as Annexure C & D to this Report and does not contain any qualification, reservation or adverse remark or disclaimer.

(d) Annual Secretarial Compliance Report

The Company has undertaken an audit for the Financial Year 2021-22 for all applicable compliances as per Securities and Exchange Board of India (SEBI) Regulations and Circulars/Guidelines issued by SEBI. Pursuant to the provisions of Regulation 24A of SEBI (LODR) Regulations 2015, the Annual Secretarial Compliance Report duly signed by Mr. Raghu Babu, Partner – R&A Associates, Company Secretaries (Certificate of Practice Number:2820) has been submitted to the Stock Exchanges and is annexed at Annexure E to this Board's Report.

(e) Internal Audit

In terms of Section 138 of Companies Act, 2013 and the Rule 13 of Companies (Accounts) Rules, 2014 your company has appointed Deloitte Touche Tohmatsu India LLP as internal auditors who report directly to the Audit Committee.

(f) Cost Audit

The provision of section 148 of the Act relating to maintenance of cost records and cost audit are not applicable to the Company.

(g) Reporting of Frauds by Auditors

During the year under review, the Statutory Auditors and Secretarial Auditor have not reported any instances of frauds committed in the Company by its Officers or Employees to the Audit Committee under section 143(12) of the Companies Act, 2013.

EXTRACT OF ANNUAL RETURN

Pursuant to the provisions of Section 92(3) read with Section 134(3)(a) of the Companies Act, 2013, copy of the Annual Return as on 31st March, 2021, is available in the Company's website, on https://www.medplusindia.com/financial-reporting.jsp#annual-return-year-wise

DIRECTOR'S RESPONSIBILITY STATEMENT

Pursuant to section 134(5) of the Companies Act, 2013, your Directors, based on the representations received from the Operating Management, and after due enquiry, confirm that:

1. in the preparation of the annual accounts for the Financial Year ended 31st March, 2022, the applicable accounting standards have been followed;
2. they had in consultation with Statutory Auditors, selected accounting policies and applied them consistently, and made judgments and estimates that are reasonable and prudent so as to give a true and fair view of the state of affairs of the Company as on 31st March, 2022 and of the profit of the Company for the year ended on that date;
3. they have taken proper and sufficient care for the maintenance of adequate accounting records in accordance with the provisions of the Companies Act, 2013 for safeguarding the assets of the Company and for preventing and detecting fraud and irregularities;
4. they have prepared the annual accounts on a going concern basis;
5. they have laid down adequate Internal Financial Controls to be followed by the Company and such Internal Financial Controls were operating effectively during the Financial Year ended 31st March, 2022;
6. they had devised proper systems to ensure compliance with the provisions of all applicable laws and that such

BOARD'S REPORT (Contd.)

systems were adequate and operating effectively throughout the Financial Year ended 31st March, 2022.

PARTICULARS OF LOANS, GUARANTEES, INVESTMENTS AND SECURITIES

Particulars of the loans given, investment made or guarantee given or security provided and the purpose for which the loan or guarantee or security is proposed to be utilised by the recipient of the loan or guarantee or security are provided in Notes Nos. 5 and 6 of Balance Sheet to the Standalone Financial Statements, which forms part of annual report of company.

CONTRACTS OR ARRANGEMENTS WITH RELATED PARTIES

All Related Party Transactions entered during the year were in the ordinary course of business and on arm's length basis.

During the year under review, your Company had not entered into any Material Related Party Transactions, i.e. transactions exceeding ten percent of the annual consolidated turnover as per the last audited financial statements, therefore Disclosure requirement under section 134(3)(h) read with section 188 of the Companies Act, 2013 and Rule 8(2) of Companies (Accounts) Rules, 2014 is not applicable on Company.

The Policy on Materiality of and Dealing with Related Party Transactions as approved by the Board is uploaded on the Company's website and can be accessed at the Web-link: https://www.medplusindia.com/corporateadmin/uploads/corporate/Policy-on-Materiality-of-and-Dealing-with-Related-Party-Transactions.pdf

PARTICULARS OF EMPLOYEES

The statement containing particulars of employees as required under Section 197 read with Rule 5(1) of the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014, forms part of this Report as Annexure F is attached.

The statement containing particulars of employees as required under Section 197 read with Rule 5(2) and (3) of the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014 forms part of this Report. Pursuant to the provisions of the Act, the Annual Report including Financial Statements are being sent to the Members of the Company excluding the aforesaid statement.

Further in terms of Section 136 of the Act, the said annexure is open for inspection and any Member interested in obtaining a copy of the same may write to the Company at ir@medplusindia.com.

COMPLIANCE OF SECRETARIAL STANDARDS

It is also confirmed that your company is in compliance with the applicable Secretarial Standards issued by the Institute of Company Secretaries of India.

MANAGEMENT DISCUSSION AND ANALYSIS REPORT

A detailed analysis of your Company's performance is discussed in the Management Discussion and Analysis Report, which forms part of this Annual Report.

BUSINESS RESPONSIBILITY REPORT

As required under the provisions of 34 (2) (f) of SEBI (Listing Obligations & Disclosure Requirements) Regulations, 2015, the Business Responsibility Report is part of Annual Report which forms part of this Report.

CORPORATE GOVERNANCE REPORT

Your Company is committed to transparency in all its dealings and places high emphasis on business ethics.

A Report on Corporate Governance along with a Certificate from the Statutory Auditors of the Company regarding compliance with the conditions of Corporate Governance as stipulated under Schedule V of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 forms part of the Annual Report.

DEPOSITS

During the financial year under review, the Company has not invited or accepted any deposits from the public, pursuant to the provisions of Section 73 of the Companies Act, 2013 read with the Companies (Acceptance of Deposit) Rules, 2014 and therefore, no amount of principal or interest was outstanding in respect of deposits from the Public as of the date of Balance Sheet.

MERGERS AND ACQUISITIONS

During the financial year under review, your company has not entered into any Scheme of Arrangement.

MATERIAL CHANGES AND COMMITMENTS AFFECTING THE FINANCIAL POSITION OF THE COMPANY

There have been no such changes during the financial year under review affecting the financial position of your company.

INSOLVENCY PROCEEDING

During the financial year under review, no insolvency proceedings have been initiated or pending against the Company.

RISK MANAGEMENT

The Company has formulated a Risk Management policy identifying the elements of risk, and it has been made available on the website of the Company : https://www.medplusindia.com/corporateadmin/uploads/corporate/Risk-Management-Policy

Further The Company also has a risk management committee, details of which has been provided in Corporate Governance Report, which forms part of this Annual Report.

VIGIL MECHANISM

The Vigil Mechanism as envisaged in the Companies Act, 2013, the Rules prescribed thereunder and the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 is implemented through the Company's Whistle Blower Policy to enable the Directors, employees and all stakeholders of the Company to report genuine concerns, to provide for adequate safeguards against victimisation of persons who use such mechanism and make provision for direct access to the Chairperson of the Audit Committee.

Whistle Blower Policy of your Company is available on the Company's website and can be accessed at the Web-link : https://www.medplusindia.com/corporateadmin/uploads/corporate/Whistleblower-Policies.pdf.

Further details are available in the Report on Corporate Governance that forms part of this Annual Report.

INTERNAL FINANCIAL CONTROLS

Your Company has in place adequate internal financial controls with reference to the Financial Statements commensurate with the size, scale and complexity of its operations.

Such controls have been assessed during the year under review taking into consideration the essential components of 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. Based on the results of such assessments carried out by Management, no reportable material weakness or significant deficiencies in the design or operation of internal financial controls was observed.

Your Company recognises Internal Financial Controls cannot provide absolute assurance of achieving financial, operational and compliance reporting objectives because of its inherent limitations. Also, projections of any evaluation of the Internal Financial Controls to future periods are subject to the risk that the Internal Financial Controls may become inadequate because of changes in conditions or that the degree of compliance with the policies or procedures may deteriorate. Accordingly, the Audit Committee evaluates the internal financial control systems periodically.

SIGNIFICANT AND MATERIAL ORDERS PASSED BY THE REGULATORS OR COURTS

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

CORPORATE SOCIAL RESPONSIBILITY

During the year under review, the provisions relating to Corporate Social Responsibility were not applicable to the Company.

POLICY ON PREVENTION OF SEXUAL HARRASMENT

The Company has a detailed policy in place in line with the requirements of The Sexual Harassment of Women at Workplace (Prevention, Prohibition and Redressal) Act, 2013 ("Act"). Internal Complaints Committees ("ICC") have been set up to redress complaints received regarding sexual harassment and the Company has complied with provisions relating to the constitution of ICC under the Act. All employees (permanent, contractual, temporary, trainees) are covered under this Policy.

During the year under review our company has not received any complaint in this regard and no complaint of any previous year was pending to be resolved as on 31st March, 2022.

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

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

EVENT SEBSEQUENT TO DATE OF FINANCIAL STATEMENTS

1. **CFO Resignation :** Mr. Hemanth Kundavaram, Chief Financial Officer of your Company has resigned from the post of Chief Financial Officer in the Company along-with its subsidiaries i.e. Optival Health Solutions Private Limited and Wynclark Pharmaceuticals Private Limited effective from 5th June, 2022, We on behalf of your company thank him for his valuable contributions to the Company during his tenure and wish him success in his future endeavours.

2. **Insurance Broking Business :** On 14th July, 2022, the Company has incorporated a new wholly owned subsidiary named as MedPlus Insurance Brokers Private Limited with object to undertake direct insurance broking activities.

BOARD'S REPORT (Contd.)

3. **Investment of IPO Proceeds :** The Company, in accordance with the purpose and schedule stated in prospectus of your company, has invested ₹ 2,826.06 million out of proceeds of IPO in its subsidiary company Optival Health Solutions Private Limited after closure of Financial Year.

4. **Change in Registered office :** with effect from 2nd May 2022, The Company has changed its Registered Office from 707, 7th Floor, 5-9-13 Taramandal Commercial Complex, Saifabad, Hyderabad – 500004 to H-11-6-56, Survey No: 257 & 258/1, Opp: IDPL Railway Siding Road, Moosapet, Kukatpally, Hyderabad – 500037.

ENVIRONMENT, HEALTH AND SAFETY

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

INDUSTRIAL RELATIONS

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

GENERAL

The Managing Director of the Company has not received any remuneration or commission from any of the subsidiary of your Company.

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

1. Issue of equity shares with differential rights as to dividend, voting or otherwise.
2. Issue of Shares (Including Sweat Equity Shares) to employees of the Company under any Scheme save and except Employees Stock Option Schemes (ESOS) referred to in this Report.
3. Significant or material orders passed by the Regulators or Courts or Tribunals which impact the going concern status and the Company's operation in future.
4. Voting rights which are not directly exercised by the employees in respect of shares for the subscription/ purchase of which loan was given by the Company (as there is no scheme pursuant to which such persons can beneficially hold shares as envisaged under section 67(3) (c) of the Companies Act, 2013).
5. There has been no change in the nature of business of your Company.
6. There were no onetime settlement during year under review therefore disclosure Pursuant to Rule 8(5) (xii) of Companies (Accounts) Rules, 2014, i.e details of difference between amount of the valuation done at the time of one time settlement and the valuation done while taking loan from the Banks or Financial Institutions,is not required.

POLICIES

The details of the Key Policies adopted by the Company are mentioned at Annexure H to the Board's Report.

ACKNOWLEDGEMENT

Your directors wish to take the opportunity of thanking our Bankers, for support extended by them.

Thanks, are also due to our customers for their continued support and the franchisees/ authorised service providers and vendors for their co-operation.

Thanks, are also due to the Employees for their services and co-operation.

Your directors also wish to thank the Members for the confidence they have reposed in the Board of Directors of the Company.

For MedPlus Health Services Limited

Gangadi Madhukar Reddy
Chairman & Managing Director
(DIN: 00098097)

FORM AOC-1

PURSUANT TO FIRST PROVISO TO SUB SECTION (3) OF SECTION 129 OF COMPANIES ACT, 2013 READ WITH RULE (5) OF COMPANIES (ACCOUNTS) RULES, 2014

(Salient features of the financial statement of subsidiaries)

PART A – Information on Subsidiaries

₹ in million

Sr. n	Particular	Clearancekart Pvt. Ltd. ("CPL")	Kalyani Meditimes Pvt. Ltd. ("KMPL")	MHS Pharmaceuticals Pvt. Ltd. ("MHSPPL")	NovaSud Pharmaceuticals Pvt. Ltd. ("NSPPL"),	Optival Health Solutions Pvt. Ltd. ("Optival")	Wynclark Pharmaceuticals Pvt. Ltd. ("WPPL"),	Deccan Medisales Pvt. Ltd., ("DMPL")	Sai Sridhar Pharma Pvt. Ltd. ("SSPPL")	Shri Banashankari Pharma Pvt. Ltd. ("SBPPL")	Sidson Pharma Distributors Pvt. Ltd. ("SPDPL")	Venkata Krishna Enterprises Pvt. Ltd. ("VKEPL)
1	Date since when subsidiary was acquired	09-03-2021	25-09-2019	25-03-2009	29-09-2009	04-03-2011	31-03-2007	05-01-2011	29-09-2009	20-09-2014	15-09-2014	03-01-2011
2	Reporting period	2021-22	2021-22	2021-22	2021-22	2021-22	2021-22	2021-22	2021-22	2021-22	2021-22	2021-22
3	Reporting currency	₹	₹	₹	₹	₹	₹	₹	₹	₹	₹	₹
4	Share capital/Partner's capital account	0.10	59.00	70.10	68.60	1,995.39	140.77	2.1	0.24	2.10	40.10	0.18
5	Reserves & surplus	(0.09)	(72.69)	150.60	(4.15)	4,187.76	(50.07)	58.77	112.24	(1.14)	16.20	177.21
6	Networth	0.01	(13.69)	220.70	64.45	6,183.15	90.70	60.87	112.48	0.96	56.30	177.39
7	Total assets	0.03	20.75	261.53	65.49	18,025.72	158.70	199.45	530.86	2.31	206.72	524.79
8	Total liabilities	0.02	34.44	40.84	1.04	11,842.57	68.00	138.58	418.38	1.35	150.42	347.40
9	Investments	-	-	-	-	-	-	-	-	-	-	-
10	Turnover (including other income)	-	0.37	78.64	18.52	37,539.58	542.81	1,324.47	3,260.78	0.07	1,469.45	5,288.15
11	Turnover (Excluding other income)	-	-	70.06	18.52	37,282.77	542.72	1,324.39	3,260.50	0.06	1,467.13	5,288.11
12	Profit/(Loss) before taxation	(0.09)	(31.52)	(0.60)	2.55	1,025.88	48.07	10.42	32.82	(0.86)	17.64	54.19
13	Provision for taxation	-	-	0.70	0.84	205.79	3.35	2.63	8.40	-	4.49	13.90
14	Profit/(Loss) after taxation	(0.09)	(31.52)	(1.31)	1.71	820.09	44.72	7.79	24.42	(0.86)	13.15	40.29
15	Proposed Dividend	-	-	-	-	-	-	-	-	-	-	-
16	% of shareholding	100%	65.53%	100.00%	100.00%	99.99%	100.00%	100.00%	100.00%	100.00%	100.00%	100.00%

For MedPlus Health Services Limited

Gangadi Madhukar Reddy
Chairman & Managing Director
DIN: 00098097

ANNEXURE B

FORM NO. MR-3
SECRETARIAL AUDIT REPORT
FOR THE FINANCIAL YEAR ENDED 31STMARCH, 2022
(Pursuant to Section 204(1) of the Companies Act, 2013 and Rule 9 of Companies (Appointment and Remuneration of Personnel) Rules, 2014.

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

We have conducted the secretarial audit of the compliance of the applicable statutory provisions and the adherence to good corporate practices by **MedPlus Health Services Limited** (hereinafter called "the Company"). Audit was conducted in a manner that provided us a reasonable basis for evaluating the corporate conducts/statutory compliances and expressing my opinion thereon.

Based on our verification of the Company's books, papers, minute books, forms and returns filed and other records maintained by the Company and also the information provided by the Company, its officers, agents and authorised representatives during the conduct of secretarial audit we hereby report that in our opinion, the company has, during the Audit period covering the financial year ended 31st March, 2022, complied with the statutory provisions listed hereunder and also that the Company has proper Board- processes and compliance-mechanism in place to the extent, in the manner and subject to the reporting made hereinafter:

We have examined the books, papers, minute books, forms and returns filed and other records maintained by the Company for the financial year ended on 31st March, 2022, according to the provisions of:

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

ii. The Securities Contracts (Regulation) Act, 1956 ('SCRA') and the Rules made thereunder;

iii. The Depositories act, 1996 and the Regulations and Bye-laws framed thereunder;

iv. Foreign Exchange Management Act, 1999 and the rules and regulations made thereunder to the extent of Foreign Direct Investment.

v. The following Regulations and Guidelines prescribed under the Securities and Exchange Board of India Act, 1992 ('SEBI Act'):-

(a) The Securities and Exchange Board of India (Substantial Acquisition of Shares and Takeovers) Regulations, 2011;

(b) The Securities and Exchange Board of India (Prohibition of Insider Trading) Regulations, 1992;

(c) The Securities and Exchange Board of India (Issue of Capital and Disclosure Requirements) Regulations, 2009;

(d) The Securities and Exchange Board of India (Employee Stock Option Scheme and Employee Stock Purchase Scheme) Guidelines, 1999;

(e) The Securities and Exchange Board of India (Issue and Listing of Debt Securities) Regulations, 2008; **(Not applicable to the Company during the Audit period)**

(f) The Securities and Exchange Board of India (Registrars to an Issue and Share Transfer Agents) Regulations, 1993 regarding the Companies Act and dealing withclient;

(g) The Securities and Exchange Board of India (Delisting of Equity Shares) Regulations, 2009;and **(Not applicable to the Company during the Audit period)**

(h) The Securities and Exchange Board of India (Buyback of Securities) Regulations, 1998; **(Not applicable to the Company during the Audit period)**

vi. I further report that, "The Drugs and Cosmetics Act, 1940" and Rules made thereunder is applicable specifically to the business of the Company.

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

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

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

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

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

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

We further report that:

The Board of Directors of the Company is duly constituted. The appointment/resignation during the year:

1. Appointment of Mr. Murali Sivaraman (DIN: 01461231) as Additional Non-executive Independent Director of the Company w.e.f 11th June, 2021 and then regularized as Non-executive Independent Director in the Extra Ordinary General meeting held on 09th July, 2021.
2. Appointment of Mr. Madhavan Ganesan (DIN: 01674529) as Additional Non-executive Independent Director of the Company w.e.f 11thJune, 2021 and then regularize as Non Executive Independent Director in the Extra Ordinary General meeting held on 09th July, 2021.
3. Appointment of Ms. Hiroo Mirchandani (DIN: 06992518) as Additional Non-executive Independent Director of the Company w.e.f 05th July, 2021 and then regularize as Non Executive Independent Director in the Extra Ordinary General meeting held on 09th July, 2021.
4. Resignation of Mr. Himanshu Nema (DIN: 08157829) from the office of the Directorship w.e.f 05th July, 2021.
5. Mr. Parag Jain resigned from the office of the Company Secretary w.e.f 14th January, 2022.
6. Ms. Shilpi Keswani was appointed as a Company Secretary of the Company w.e.f 15th January, 2022.

Adequate notice was given to all directors to schedule the Board Meetings, agenda and detailed notes on agenda were sent at least seven days in advance, and a system exists for seeking and obtaining further information and clarifications on the agenda items before the meeting and for meaningful participation at the meeting.

Majority decision is carried through unanimously and recorded as part of the minutes.

We further report that there are adequate systems and processes in the company commensurate with the size and operations of the company to monitor and ensure compliance with applicable laws, rules, regulations and guidelines. This statement is given basis our review on the test basis and post our discussion with the management of the Company.

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

1. The Company has converted to public company vide special resolution dated 01st June, 2021.
2. Alteration of Memorandum of Association of the Company vide special resolution passed on 09thJuly, 2021 pursuant to sub division of Face Value of Equity Share from ₹ 10/- per share to ₹ 2/- per share.
3. Alteration of Memorandum of Association of the Company vide resolution passed on 03rdAugust, 2021 pursuant increase in Authorised Share Capital of the Company.
4. Alteration of Memorandum of Association of the Company vide Special Resolution passed on 23rd November, 2021 pursuant to cancelation of the unissued shares of one class (preference shares) and increase in the shares of the other class (equity shares).
5. The Company vide an Initial Public Offer has listed its equity shares on the BSE Limited and National Stock Exchange Limited with effect from 23rd December, 2021.

For R & A Associates,
Company Secretaries

Rashida Adenwala
Partner

Place: Hyderabad — M.No. 4020 C.P. NO.:2224
Date: 20th August, 2022 — UDIN: F004020D000820484

This report is to be read with our letter of even date, which is annexed as "Annexure-B1" and forms an integral part of this report.

Annexure-B1

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

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

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

For R & A Associates,
Company Secretaries

Rashida Adenwala
Partner
M.No. 4020 C.P. NO.:2224
UDIN: F004020D000820484

Place: Hyderabad
Date: 20th August, 2022

ANNEXURE C

SECRETARIAL AUDIT REPORT

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

We have conducted the secretarial audit of the compliance of the applicable statutory provisions and the adherence to good corporate practices by **Optival Health Solutions Private Limited** (hereinafter called "the Company"). Audit was conducted in a manner that provided us a reasonable basis for evaluating the corporate conducts/statutory compliances and expressing my opinion thereon.

Based on our verification of the Company's books, papers, minute books, forms and returns filed and other records maintained by the Company and also the information provided by the Company, its officers, agents and authorised representatives during the conduct of secretarial audit we hereby report that in our opinion, the company has, during the Audit period covering the financial year ended 31st March, 2022, complied with the statutory provisions listed hereunder and also that the Company has proper Board-processes and compliance-mechanism in place to the extent, in the manner and subject to the reporting made hereinafter:

We have examined the books, papers, minute books, forms and returns filed and other records maintained by the Company for the financial year ended on 31st March, 2022, according to the provisions of:

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

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

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

iv. Foreign Exchange Management Act, 1999 and the rules and regulations made thereunder to the extent of Foreign Direct Investment, Overseas Direct Investment and External Commercial Borrowings. **(Not applicable to the Company during the Audit period)**.

v. The following Regulations and Guidelines prescribed under the Securities and Exchange Board of India Act, 1992 ('SEBI Act'):-

   (a) The Securities and Exchange Board of India (Substantial Acquisition of Shares and Takeovers) Regulations,2011; **(Not applicable to the Company during the Audit period)**

   (b) The Securities and Exchange Board of India (Prohibition of Insider Trading) Regulations,1992; **(Not applicable to the Company during the Audit period)**

   (c) The Securities and Exchange Board of India (Issue of Capital and Disclosure Requirements) Regulations,2009; **(Not applicable to the Company during the Audit period)**

   (d) The Securities and Exchange Board of India (Employee Stock Option Scheme and Employee Stock Purchase Scheme) Guidelines,1999; **(Not applicable to the Company during the Audit period)**

   (e) The Securities and Exchange Board of India (Issue and Listing of Debt Securities) Regulations,2008; **(Not applicable to the Company during the Audit period)**

   (f) The Securities and Exchange Board of India (Registrars to an Issue and Share Transfer Agents) Regulations, 1993 regarding the Companies Act and dealing withclient; **(Not applicable to the Company during the Audit period)**

   (g) The Securities and Exchange Board of India (Delisting of Equity Shares) Regulations, 2009;and **(Not applicable to the Company during the Audit period)**

   (h) The Securities and Exchange Board of India (Buyback of Securities) Regulations, 1998; **(Not applicable to the Company during the Audit period)**

xii. I further report that, having regard to the compliance system prevailing in the Company and on examination of the relevant documents and records in pursuance thereof on test-check basis, the Company has complied

ANNEXURE C (Contd.)

with the following laws applicable specifically to the Company:

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

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

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

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

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

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

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

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

We further report that:

The Board of Directors of the Company is duly constituted.

The appointment/resignation made during the year:

1. Mr. Madhavan Ganesan (DIN: 01674529) was appointed as Additional Non Executive Independent Director with effect from 05th August, 2021 and regularized as Non Executive Independent Director in the Extra ordinary general Meeting held on 05th August, 2021.

2. Ms. Aparna Surabhi (DIN: 01641633) was appointed as an Additional Non Executive Independent Director Director with effect from 22nd November, 2021 and then regularized as Independent Director in the Extra ordinary general Meeting held on 22nd November, 2021.

3. Mr. Hemant Kundavaram was appointed as a Chief Financial Officer of the Company with effect from 22nd November, 2021.

4. Mr. Satya Murali Krishna Kammila (DIN: 01499290) has resigned from the office of the whole-time directorship with effect from 14th February, 2022.

5. Mr. Parag Jain has resigned from the office of the Company Secretary with effect from 14th January, 2022.

6. Mr. Bhaskar Reddy Cherukupalli has been appointed as an Additional Director designated as Whole-time Director with effect from 14th February, 2022.

Adequate notice was given to all directors to schedule the Board Meetings, agenda and detailed notes on agenda were sent at least seven days in advance, and a system exists for seeking and obtaining further information and clarifications on the agenda items before the meeting and for meaningful participation at the meeting.

Majority decision is carried through unanimously and recorded as part of the minutes.

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

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

For R & A Associates,
Company Secretaries

Rashida Adenwala
Partner

Place: Hyderabad — M.No. 4020 C.P. NO.:2224
Date: 20th August, 2021 — UDIN: F004020D000820528

This report is to be read with our letter of even date, which is annexed as "Annexure-C1" and forms an integral part of this report.

Annexure-C1

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

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

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

We have relied up on the information provided by the Management with respect to related party transactions for its compliance.

For R & A Associates,
Company Secretaries

Rashida Adenwala
Partner
M.No. 4020 C.P. NO.:2224
UDIN: F004020D000820528

Place: Hyderabad
Date: 20th August, 2022

ANNEXURE D

SECRETARIAL AUDIT REPORT

For the financial year ended 31st March, 2022

[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 of

VENKATA KRISHNA ENTERPRISES PRIVATE LIMITED,

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

Hyderabad – 500080, Telangana, India

We have conducted the secretarial audit of the compliance of the applicable statutory provisions and the adherence to good corporate practices by **Venkata Krishna Enterprises Private Limited** (hereinafter called "the Company"). Audit was conducted in a manner that provided us a reasonable basis for evaluating the corporate conducts/statutory compliances and expressing my opinion thereon.

Based on our verification of the Company's books, papers, minute books, forms and returns filed and other records maintained by the Company and also the information provided by the Company, its officers, agents and authorised representatives during the conduct of secretarial audit we hereby report that in our opinion, the company has, during the Audit period covering the financial year ended 31st March, 2022, complied with the statutory provisions listed hereunder and also that the Company has proper Board-processes and compliance-mechanism in place to the extent, in the manner and subject to the reporting made hereinafter:

We have examined the books, papers, minute books, forms and returns filed and other records maintained by the Company for the financial year ended on 31st March, 2022, according to the provisions of:

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

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

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

xvi. Foreign Exchange Management Act, 1999 and the rules and regulations made thereunder to the extent of Foreign Direct Investment, Overseas Direct Investment and External Commercial Borrowings; (Not applicable to the Company during the Audit period)

xvii. The following Regulations and Guidelines prescribed under the Securities and Exchange Board of India Act, 1992 ('SEBI Act'):-

(q) The Securities and Exchange Board of India (Substantial Acquisition of Shares and Takeovers) Regulations,2011; (Not applicable to the Company during the Audit period)

(r) The Securities and Exchange Board of India (Prohibition of Insider Trading) Regulations,1992; (Not applicable to the Company during the Audit period)

(s) The Securities and Exchange Board of India (Issue of Capital and Disclosure Requirements) Regulations, 2009; (Not applicable to the Company during the Audit period)

(t) The Securities and Exchange Board of India (Employee Stock Option Scheme and Employee Stock Purchase Scheme) Guidelines,1999; (Not applicable to the Company during the Audit period)

(u) The Securities and Exchange Board of India (Issue and Listing of Debt Securities) Regulations,2008; (Not applicable to the Company during the Audit period)

(v) The Securities and Exchange Board of India (Registrars to an Issue and Share Transfer Agents) Regulations, 1993 regarding the Companies Act and dealing withclient; (Not applicable to the Company during the Audit period)

(w) The Securities and Exchange Board of India (Delisting of Equity Shares) Regulations, 2009;and (Not applicable to the Company during the Audit period)

(x) The Securities and Exchange Board of India (Buyback of Securities) Regulations, 1998; (Not applicable to the Company during the Audit period)

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

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

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

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

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

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

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

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

We further report that:

The Board of Directors of the Company is duly constituted. Ms. Udaya LaksmiTadepalli (DIN: 06976534) was appointed as Additional Non Executive Director on 07th September, 2021 and then regularized as an Non Executive Director in the Annual General Meeting held on 29th September, 2021.

Adequate notice was given to all directors to schedule the Board Meetings, agenda and detailed notes on agenda were sent at least seven days in advance, and a system exists for seeking and obtaining further information and clarifications on the agenda items before the meeting and for meaningful participation at the meeting.

Majority decision is carried through unanimously and recorded as part of the minutes.

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

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

For R & A Associates,
Company Secretaries

Rashida Adenwala
Partner

Place: Hyderabad — M.No. 4020 C.P. NO.:2224
Date: 20th August, 2022 — UDIN: F004020D000820572

This report is to be read with our letter of even date, which is annexed as "Annexure-D1" and forms an integral part of this report.

Annexure-D1

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

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

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

For R & A Associates,
Company Secretaries

Rashida Adenwala
Partner
M.No. 4020 C.P. NO.:2224
UDIN: F004020D000820572

Place: Hyderabad
Date: 20th August, 2022

ANNEXURE E

Secretarial compliance report of MedPlus Health Services Limited for the year ended 31st March, 2022.

We have examined:

a. all the documents and records made available to me and explanation provided by **MedPlus Health Services Limited** ("the listed entity"),

b. the filings/ submissions made by the listed entity to the stock exchanges,

c. website of the listed entity,

d. any other document/filings, as may be relevant, which has been relied upon to make this certification,

for the period form 23rd December, 2021 to 31st March, 2022 ("Review Period") in respect of compliance with the provisions of:

a. the Securities and Exchange Board of India Act, 1992 ("SEBI Act") and the Regulations, circulars, guidelines issued thereunder; and

b. the Securities Contracts (Regulation) Act, 1956 ("SCRA"), rules made thereunder and the Regulations, circulars, guidelines issued thereunder by the Securities and Exchange Board of India ("SEBI");

Note: The Company was listed on BSE Limited and National Stock Exchange of India Limited.

("Exchanges") with effect from 23rd December, 2021.

The specific Regulations, whose provisions and the circulars/ guidelines issued thereunder, have been examined, include:-

a) Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015, to the extent applicable;

b) Securities and Exchange Board of India (Issue of Capital and Disclosure Requirements) Regulations, 2018 to the extent applicable;

c) Securities and Exchange Board of India (Substantial Acquisition of Shares and Takeovers) Regulations, 2011 to the extent applicable;

d) Securities and Exchange Board of India (Buy-back of Securities) Regulations, 2018; (**Not applicable to the Company during the Review Period**)

e) Securities and Exchange Board of India (Share Based Employee Benefits and Sweat Equity) Regulations, 2021 to the extent applicable;

f) Securities and Exchange Board of India (Issue and Listing of Non-Convertible Securities) Regulations, 2021; (**Not applicable to the Company during the Review Period**)

g) Securities and Exchange Board of India (Issue and Listing of Non-Convertible Redeemable Preference Shares) Regulations, 2013; (**Not applicable to the Company during the Review Period**)

h) Securities and Exchange Board of India (Prohibition of Insider Trading) Regulations, 2015, as amended;

i) Securities and Exchange Board of India (Depositories and Participants) Regulations, 2018;

j) Securities and Exchange Board of India (Debenture Trustee) Regulations, 1993; (**Not Applicable to the Company during the review period**)

k) Framework for listing of Commercial Paper, issued by SEBI vide Circular SEBI/HO/DDHS/DDHS/CIR/P/2019/115 dated 22nd October, 2019.

and circulars/ guidelines issued thereunder;

and based on the above examination, I hereby report that, during the Review Period:

(a) The listed entity has complied with the provisions of the above Regulations and circulars/ guidelines issued thereunder except in respect of matters specified below:

Sr. No	Compliance Requirement (Regulations/ circulars / guidelines including specific clause)	Deviations	Observations/ Remarks of the Practicing Company Secretary
NIL			

(b) The listed entity has maintained proper records under the provisions of the above Regulations and circulars/ guidelines issued thereunder insofar as it appears from my examination of those records.

ANNEXURE E (Contd.)

(c) The following are the details of actions taken against the listed entity/ its promoters/ directors/ material subsidiaries either by SEBI or by Stock Exchanges (including under the Standard Operating Procedures issued by SEBI through various circulars) under the aforesaid Acts/Regulations and circulars/guidelines issued thereunder:

Sr. No.	Action taken by	Details of violation	Details of action taken e.g. fines, warning letter, debarment, etc.	Observations/ remarks of the Practicing Company Secretary, if any.
NIL				

(d) The listed entity has taken the following actions to comply with the observations made in previous reports:

S. No.	Observations of the Practicing Company Secretary in the previous reports	Observations of the Practicing Company Secretary in the previous reports	Actions taken by the listed entity, if any	Comments of the Practicing Company Secretary on the actions taken by the listed entity
Not Applicable since company was not listed company in previous financial year.				

For R&A Associates,
Company Secretaries

G. Raghu Babu
Partner
FCS No.: #4448
C. P. No.:#2820
UDIN: F004448D000417916

Place: Hyderabad
Date: 28th May, 2022

ANNEXURE F

DETAILS OF REMUNERATION

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

The remuneration of each Director, Chief Financial Officer and Company Secretary, percentage increase in their remuneration during the Financial Year 2021-22 and ratio of the remuneration of each Director to the median remuneration of the employees of the Company for the Financial Year 2021-22 are as under:

Sr. N	Name of Director / KMP	Designation	% increase in remuneration in FY 2021-22	Ratio of remuneration of each Director/KMP to median remuneration
1	G Madhukar Reddy	Managing Director	0%	17
2	C Bhaskar Reddy *	Director	2.50%	35
3	Anish Kumar Saraf	Director	-	-
4	Atul Gupta	Director	-	-
5	Hemanth Kundavaram	CFO	1.60%	43
6	Madhavan Ganesan	Independent Director	-	7
7	Murali Sivaraman	Independent Director	-	8
8	Hiroo Mirchandani	Independent Director	-	8
9	Parag Jain	Company Secretary	7.4%	6
10	Shilpi Keswani	Company Secretary	-	4

**Director until 5 July 2021*

OTHER INFORMATION:

I.	The percentage increase in the median remuneration of employees in the FY 2021-22	8.59%
II.	The number of permanent employees on the rolls of the Company as on 31st March 2022	439
III.	Average percentile increases already made in the salaries of employees other than the managerial personnel in the last financial year and its comparison with the percentile increase in the managerial remuneration and justification thereof and point out if there are any exceptional circumstances for increase in the managerial remuneration	Average percentile increases in salaries of employee other than managerial personnel was 5% whereas Average percentile increases in salaries of managerial personnel was 2%
IV.	Affirmation that the remuneration is as per the remuneration policy of the company	It is hereby affirmed that remuneration is as per the remuneration policy of the Company

ANNEXURE G

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

SECTION 134(3)(m) OF THE COMPANIES ACT, 2013 READ WITH RULE 8(3) OF THE COMPANIES (ACCOUNTS) RULES, 2014 IS FORMING PART OF THE BOARD´S REPORT FOR THE FINANCIAL YEAR 2021-22

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

ANNEXURE H

POLICIES

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

A brief description about the Key Policies adopted by the Company is as under:

Name of the Policy	Brief description	Summary of key changes made to the Policies during the year
Whistleblower Policy	The Vigil Mechanism as envisaged in the Act and Listing Regulations is implemented through the Whistle Blower Policy to provide for adequate safeguards against victimisation of persons who use such mechanism and make provision for direct access to the Chairperson of the Audit Committee.	The Policy was amended to align the policy with the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015.
Code of Conduct	The Board of your Company has laid down two separate Codes of Conduct, one for all the Board Members and the other for Employees of the Company. This Code is the central policy document, outlining the requirements that the employees working for and with the Company must comply with, regardless of their location.	The Policy was amended to align the policy with the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015.
Dividend Distribution Policy	The Dividend Distribution Policy as per Regulation 43A of the Listing Regulations, 2015 is attached as Annexure I to the Board's Report and forms part of this Annual Report.	The Policy was adopted in Financial Year 2021-22.
Code of Practices and Procedures for Fair Disclosure of Unpublished Price Sensitive Information	This Code has been formulated to ensure prompt, timely and adequate disclosure of Unpublished Price Sensitive Information ("UPSI") which inter alia includes policy for Determination of "Legitimate Purposes".	The Policy was adopted in Financial Year 2021-22.
Policy for determination of Materiality of any Event/ Information	This policy requires the Company to make disclosure of events or information which are material to the Company as per the requirements of Regulation 30 of the Listing Regulations.	The Policy was adopted in Financial Year 2021-22.
Policy for determining Material Subsidiaries	The policy is used to identify material subsidiaries of the Company and to provide a governance framework for such material subsidiaries.	The Policy was adopted in Financial Year 2021-22.
Policy on Materiality of and Dealing with Related Party Transactions	The policy has been framed in order to regulate all the transactions between the Company and its related parties.	The Policy was adopted in Financial Year 2021-22.
Policy on Appointment of Directors and Senior Management and succession planning for orderly succession to the Board and the Senior Management	This policy includes the criteria for determining qualifications, positive attributes and independence of a Director, identification of persons who are qualified to become Directors and who may be appointed in the Senior Management Team in accordance with the criteria laid down in the said Policy, succession planning for Directors and Senior Management, and policy statement for Talent Management framework of the Company.	The Policy was adopted in Financial Year 2021-22.
Policy for remuneration of the Directors, Key Managerial Personnel and other employees	This policy sets out the approach of the Company towards the Compensation of Directors, Key Managerial Personnel and other employees in the Company.	The Policy was adopted in Financial Year 2021-22.

ANNEXURE H (Contd.)

Name of the Policy	Brief description	Summary of key changes made to the Policies during the year
Archival Policy	As per the policy, the events or information which has been disclosed by the Company to the Stock Exchanges pursuant to Regulation 30 of the Listing Regulations shall be hosted on the website of the Company for a period of 5 years from the date of hosting.	The Policy was adopted in Financial Year 2021-22.
Business Responsibility Policy	The objective of this policy is to ensure a unified and common approach to the dimensions of Business Responsibility across MedPlus Group, act as a strategic driver that will help all Group Companies respond to the complexities and challenges that keep emerging and be abreast with changes in regulations.	The Policy was adopted in Financial Year 2021-22.
Policies on Sexual Harassment for Women and Male Employees	The policy on Sexual Harassment for Women is for redressal of complaints received regarding sexual harassment and compliance of other provisions as per the Sexual Harassment of Women at Workplace (Prevention, Prohibition and Redressal) Act, 2013. The Company in its good governance have extended the same to male employees also.	There has been no change to this policy.

CORPORATE GOVERNANCE REPORT

COMPANY'S PHILOSOPHY ON CORPORATE GOVERNANCE:

At MedPlus, it is always ensured that the performance is driven by integrity & value and that business is done in the right way. It treats all its Stakeholders fairly and equitably. It also recognises, protects and facilitates the exercise of shareholders' rights by providing transparency, professionalism and accountability. It respects minority rights and aims to enhance long-term stakeholder value without compromising on its ethics and governance standards.

Your Company at all times strives to develop, strengthen and uphold the above-mentioned corporate governance principles, systems and processes, in practice. Your Company keeps its governance practices under continuous review and benchmarks itself to best practices across the globe. Also, your Company ensures that its governance framework incorporates the amendments introduced from time in various laws applicable to the Company and that the same is complied with on or before the relevant due dates.

Your Company is committed to the highest standards of business ethics and corporate governance. The governance philosophy of the MedPlus and your Company rests on the following basic tenets viz.

- Transparency, Integrity and disclosures are keys to corporate governance practices. Our practices ensure that we make timely and accurate disclosures.
- Our practices ensure that we maintain high standards of ethics.
- Regular review of processes and management systems for improvement are ensured
- Our practices ensures accountability towards all stakeholders and protection of minority interest and their rights
- Effective monitoring and reviewing the risk management framework and associated practices is ensured.
- Effective control systems are maintained to ensure efficient conduct of Business and discharge of responsibilities.

To succeed, we believe, requires highest standards of corporate behavior towards everyone we work with, the communities we touch and the environment on which we have an impact. This is our road to consistent, competitive, profitable and responsible growth and creating long-term value for our stakeholders.

In line with the above philosophy, your Company continuously endeavors for excellence and focuses on enhancement of long-term stakeholders' value through adoption of and adherence with the best governance practices, in true spirit at all times.

A report on compliance with the Corporate Governance provisions as prescribed under the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 ("SEBI Listing Regulations") is given here in below:

BOARD OF DIRECTORS:

COMPOSITION:

The Board of Directors of the Company is the highest governance authority within the management structure of the Company. Further, the Board of Directors of the Company is totally committed to the best practices for effective Corporate Governance.

The Board of Directors, along with its Committees, provides leadership and guidance to the management and directs and supervises the performance of the Company, thereby enhancing stakeholders' value. The Board has a fiduciary duty in ensuring that the rights of all stakeholders are protected.

Classification of Board:

Category of Directors	Number of Directors
Executive Director	1
Non-Executive Nominee Director	2
Independent Directors	3
Total Number of Directors	6

As on 31st March, 2022, the Board comprised Six (6) directors wherein one (1) is a Managing Director ('MD'), Two (2) are Non-Executive Nominee Directors ('NE-ND') and three (3) are Independent Directors ('IDs') including a Woman Independent Director. The composition of the Board of Directors of the Company is in conformity with Regulation 17 of the SEBI Listing Regulations read with Section 149 of the Companies Act, 2013 ('Act'). The Board periodically evaluates the need for change in its composition and size. A detailed profile of our Directors are available on our website: https://www.medplusindia.com/board-of-directors.jsp

CORPORATE GOVERNANCE REPORT (Contd.)

DIRECTOR DETAILS AS ON 31ST MARCH, 2022:

Category	Name	At MedPlus		At other companies		Committees (2)
		Tenure	Shareholding	Total (1)	Directorships (in listed entities)	
Non-Executive Nominee Director	Anish Kumar Saraf	1 Year and 1 Month	NIL	5	• Kalyan Jewellers India Limited • PVR Limited	4M (including 1 as chairperson)
	Atul Gupta	1 Year and 1 Month	0.01%	NIL	NIL	NIL
Non-Executive Independent Director	Hiroo Mirchandani	8 Months	NIL	5	• Nilkamal Limited • Tata Teleservices (Maharashtra) Limited • Crompton Greaves Consumer Electricals Limited	5M (including 1 as chairperson)
	Murali Sivaraman	9 Months	NIL	3	• Bharat Forge Limited • Huhtamaki India Limited • ICICI Lombard General Insurance Company Limited	4M (including 1 as chairperson)
	Madhavan Ganesan	9 Months	0.004%	1	NIL	3M (including 1 as chairperson)
Executive Director	Gangadi Madhukar Reddy	15 years and 4 months	12.87%	2	NIL	1M

M: Memberships; NE-ND: Non-Executive Nominee Director; ID: Independent Director.

1) Computed basis directorships in all public Limited companies (including deemed public company), whether listed or not; and excludes this Company, foreign companies, private limited companies, high value debt listed companies and Section 8 companies.

2) In Audit Committee & Stakeholders Relationship Committee of public Limited companies (including deemed public).

None of the Directors hold office in more than 10 public companies as prescribed under Section 165(1) of the Act. No Director holds Directorships in more than 7 listed companies. Further, none of the Non-Executive Directors serve as Independent Director in more than 7 listed companies as required under the SEBI Listing Regulations. The Managing Director & CEO does not serve as an Independent Director in any listed company.

None of the Directors on the Board is a Member of more than 10 Committees and Chairperson of more than 5 Committees (Committees being Audit Committee and Stakeholders Relationship Committee as per Regulation 26(1) of the SEBI Listing Regulations), across all public companies in which he/she is a Director. The necessary disclosures regarding committee positions have been made by all the Directors.

Brief Biographies of Directors:

Gangadi Madhukar Reddy is the Managing Director and Chief Executive Officer of our Company. He is one of the Promoters of our Company and has been a Director of our Company since incorporation on 30th November, 2006. He holds a bachelor's degree in medicine and surgery from the Sri Venkateswara University and a master's degree in business administration from the Wharton School, University of Pennsylvania. In 2015, he was awarded the "Business Person of the Year – Large Scale" at the Sakshi Excellence Awards by Sakshi Media Group.

Anish Kumar Saraf is a Non-Executive Director of our Company. He is a chartered accountant with the Institute of Chartered Accountants of India. He holds a post-graduate diploma in management from the Indian Institute of Management, Ahmedabad. He is the managing director of Warburg Pincus India Private Limited and has been in the employment of the company for 15 years.

Atul Gupta is a Non-Executive Director of our Company. He holds a bachelor's degree in technology from the Indian Institute of Technology, Bombay and a master's degree in business administration from the Walter A. Haas School of Business, University of California, Berkeley. He is employed as an investment partner at Prazim Trading and Investment Company Private Limited He has over 13 years of experience in the investment industry.

Murali Sivaraman is a Non-Executive Independent Director of our Company. He is a cost accountant with the Institute of Cost and Works Accountants of India and a chartered accountant with the Institute of Chartered Accountants of India. He holds a post-graduate diploma in management from the Indian Institute of Management, Ahmadabad. He was previously associated with Philips Lighting.

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

Hiroo Mirchandani is a Non-Executive Independent Director of our Company. She holds a Bachelor's degree in Commerce from Shri Ram College of Commerce and an MBA from Faculty of Management Studies, Delhi University. She is a Chevening Gurukul scholar from the London School of Economics. She has held customer-facing roles for over thirty years in P&L management, Marketing and Sales largely in the consumer goods and healthcare sectors. She advanced from being Branch Manager at Asian Paints and Marketing Manager at Dabur to Business Unit Director & Executive Committee member at Pfizer. Ms. Mirchandani has served as an Independent Director on several boards since 2014 and is currently on the boards of Tata Teleservices (Maharashtra) Limited, Nilkamal Limited and Crompton Greaves Consumer Electricals Limited. She brings experience of corporate governance, P&L management, consumer insights and financial acumen to her presence on boards. She taps into her diverse board & operational knowledge to provide counsel and strategic inputs to management. Her exposure to sectors like consumer goods, healthcare, financial services, telecom and hospitality has broadened her perspective adding value to the boards and board committees she serves on. She facilitates cross-pollination of corporate governance practices from her experience as an independent director and retail investor.

Board Meeting Procedure:

The Board Meeting is conducted at least once in every quarter to discuss the performance of the Company and its Quarterly Financial Results, along with other Company issues. The Board also meets to consider other business(es), whenever required, from time to time. Agenda of the business(es) to be transacted at the Board Meeting along with explanatory notes thereto are drafted and circulated well in advance to the Board of Directors of the Company. The Company always ensures that Board members are presented with all the relevant information on vital matters affecting the working of the Company including the information as interalia specified under Part A of Schedule II of Regulation 17(7) of the Listing Regulations. Every Board Member is free to suggest the inclusion of any item on the agenda and hold due discussions thereto.

During the Financial Year 2021-2022 13 (Thirteen) Board Meetings were held on the following dates:

Sr. N.	Date of Meeting	Directors Present
1	7th May, 2021	5
2	24th May, 2021	5
3	11th June, 2021	5
4	5th July, 2021	6
5	3rd August, 2021	6
6	5th August, 2021	6
7	10th August, 2021	6
8	6th September, 2021	6
9	22nd November, 2021	6
10	3rd December, 2021	6
11	20th December, 2021	6
12	13th January, 2022	6
13	14th February, 2022	6

The gap between two Meetings did not exceed 120 days. The necessary quorum was present for all the Board Meetings.

Board Meetings and Attendance of Directors:

Sr. No.	Name of Director	Board Meeting		Attendance at Last AGM[1]
		Meetings entitled to attend	Meeting Attended	
1	Gangadi Madhukar Reddy	13	13	Yes
2	Anish Kumar Saraf	13	13	NA
3	Atul Gupta	13	13	NA
4	Murali Sivaraman	10	10	NA
5	Madhavan Ganesan	10	10	NA
6	Hiroo Mirchandani	9	9	NA
7	Cherukupalli Bhaskar Reddy*	4	3	NA
8	Himanshu Nema*	4	4	NA

* Ceased to be members of the Board w.e.f 5th July, 2021

[1] The Last AGM was held on 30th September 2021, and subsequently the company was listed on 23rd December 2021, hence the requirement under SEBI Listing Regulations for attendance in AGM is not applicable.

CORPORATE GOVERNANCE REPORT (Contd.)

Disclosure of Director's inter-se Relationship:

None of the Directors is related to each other or KMP and there are no inter se relationships between the Directors.

Details of Remuneration for the Financial Year 2021-2022:

(in rupees)

Director	Designation(1)	Salary/other compensation	Sitting fees(2)	Total(3)
Mr. Gangadi Madhukar Reddy	MD* and CEO*	40,00,000	-	40,00,000
Mr. Anish Kumar Saraf	NE-ND	-	-	-
Mr. Atul Gupta	NE-ND	-	-	-
Mr. Madhavan Ganesan	ID*	-	12,50,000	12,50,000
Mr. Murali Sivaraman	ID	-	13,00,000	13,00,000
Ms. Hiroo Mirchandani	ID	-	13,00,000	13,00,000

(1) *MD= Managing Director. *CEO= Chief Executive officer. * NE-ND: Non-Executive Nominee Director. *ID= Independent Director.

(2) Gross amount of Sitting fees paid for attending Board and committee meeting (without deducting TDS.)

(3) No payment in monetary terms, perquisites, commission or otherwise has been made to directors except as mentioned above.

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

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

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

Board Membership Criteria and Selection Process:

The Nomination and Remuneration Committee (hereinafter referred as 'NRC') is responsible for identifying and evaluating a suitable candidate for the Board. While selecting a candidate, the NRC reviews and evaluates the Board's composition and diversity to ensure that the Board and its committees have an appropriate mix of skills, experience, independence and knowledge for continued effectiveness. We acknowledge the importance of diversity in the Boardroom as a driver of effectiveness. For the Board, diversity encompasses plurality in perspective, experience, education, background, ethnicity, nationality, age, gender and other personal attributes.

To ensure a transparent selection process, the guidance on eligibility criteria and attributes for an individual's appointment on the Board, including independent directors, has been defined in the Nomination and Remuneration Policy and Board Diversity Policy of the Company. The candidate is, inter alia, screened based on background, knowledge, skills, abilities (including their ability to exercise sound judgment), professional experience and functional expertise, and educational and professional background. The NRC recommends the appointment of a candidate based on the defined criteria and attributes. The Board, on recommendation of the NRC and profile of the candidate, recommends the appointment to the members of the Company, wherever applicable, for their approval.

Director's Induction and Familiarisation:

Current Executive Directors and Senior Management provide an overview of operations and familiarise the new Directors on matters related to the vision and values of the Company. Your Company also has a practice of sharing a handbook with the Directors at the time of induction containing informative documents like Annual Report, Memorandum & Articles of Association, Organisation Structure, Composition of Board and Committees, Duties and terms of reference of the Committees of the Board, Code of Ethics & Business Conduct, Code for prevention of Insider Trading, Directors & Officers Insurance policy, contact details of the Senior Management, etc.Your Company regularly conducts various familiarisation programmes for the Independent Directors as a part of the quarterly Board and Committee meetings. Various business cluster heads make presentations to the Board periodically pertaining to the Company's performance and future strategy for their respective cluster. Your Board also convenes strategy meetings from time to time to review long term growth/plans of the Company. The Board is regularly apprised on all regulatory and policy changes relevant to the business by the Senior Management and the Auditors of the Company. The details of the familiarisation programmes imparted to the Independent Directors are also available on the website of the Company at https://www.medplusindia.com/corporateadmin/uploads/corporate/MedPlus-Familiarisation-programme-for-independent-directors.pdf.

Independent Directors:

Independent Directors are Non-Executive Directors as defined under Regulation 16(1)(b) of the SEBI Listing Regulations read with Section 149(6) of the Act along with rules framed thereunder.

Change in Independent Director.

There were following changes in the composition of Independent Directors during the financial year 2021-22:

Sr. No.	Name	Date of Appointment
1	Hiroo Mirchandani	5th July, 2021
2	Murali Sivaraman	11th June, 2021
3	Madhavan Ganesan	11th June, 2021

Confirmation of Independence of Independent Directors:

In terms of Regulation 25(8) of SEBI Listing Regulations, the Independent Directors have confirmed that they are not aware of any circumstance or situation which exists or may be reasonably anticipated that could impair or impact their ability to discharge their duties. Based on the declarations received from the Independent Directors, the Board of Directors has confirmed that they meet the criteria of independence as mentioned under Regulation 16(1)(b) of the SEBI Listing Regulations and that they are independent of the management.

The Independent Directors have, in terms of Section 150 of the Act read with Rule 6 of the Companies (Appointment & Qualification of Directors) Rules, 2014, confirmed that they have enrolled themselves in the Independent Directors' Databank maintained with the Indian Institute of Corporate Affairs ('IICA')

Familiarisation Programme for Independent Directors:

At the time of appointment, the Independent Directors are made aware of their roles and responsibilities through a formal letter of appointment which stipulates various terms and conditions. At Board and Committee meetings, the Independent Directors are regularly being familiarised on the business model, strategies, operations, functions, policies and procedures of the Company and its subsidiaries. All Directors attend the familiarisation programs as these are scheduled to coincide with the Board meeting calendar. The details of training programs attended by the Independent Directors has been posted on the Company's website at the web link: https://www.medplusindia.com/corporateadmin/uploads/corporate/MedPlus-Familiarisation-programme-for-independent-directors.pdf.

Meeting of Independent directors:

During the year under review, pursuant to Schedule IV of the Companies Act, 2013 and as per Regulation 25(3) of the Listing Regulations, the meeting of Independent Directors of the Company was not held since the company is listed on December 23rd 2021. However, subsequently in the current year 2022-23, the Independent Directors inter alia actively discuss matters arising out of the agenda of the Board and Board committees, Company's performance, identify areas where they need clarity or information from management. They review the performance of the Board as a whole as well as that of Non-Independent Directors and the Chairman by considering the views of Executive and Non-Executive Directors. They also assess the quality, quantity, effectiveness and promptness of the flow of information between the Company's management and the Board. They periodically meet the Statutory Auditor and the Internal auditor without the presence of the management to understand the overall quality of audit, quality of financials, key financial matters and corrective actions to be taken for strengthening the internal controls of the Company and their general feedback.

Performance Evaluation criteria for Independent Director:

The Board of Directors of the Company carried out an annual evaluation of its own performance, of committees, of the Board and individual directors pursuant to the provisions of the Companies Act, 2013 and the Listing Regulations. The performance evaluation is conducted through structured questionnaires which cover various aspects such as the Board composition and structure, effectiveness and contribution to Board processes, adequacy, appropriateness and timeliness of information and the overall functioning of the Board etc.

The Individual Director's response to the questionnaire on the performance of the Board, Committee(s), Directors and Chairman, were analysed. The Directors were satisfied with the evaluation process and have expressed their satisfaction with the evaluation process. In compliance with Regulation 19 read with Part D of Schedule II of the Listing Regulations, the Board of Directors has formulated criteria for evaluation of the Company's Independent Directors' performance. The performance evaluation of Independent Directors is carried out on the basis of their role and responsibilities, effective participation in the Board and Committee meetings, expertise, skills and exercise of independent judgment in major decisions of the Company.

Code of Conduct for Director and senior management:

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

COMMITTEES OF THE BOARD:

- Audit Committee
- Nomination and Remuneration Committee
- Stakeholder Relationship Committee
- Risk Management Committee
- Corporate Social Responsibility Committee

AUDIT COMMITTEE:

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

Terms of Reference:

The terms of reference of the Audit Committee include the following:

1. Overseeing the Company's financial reporting process and disclosure of its financial information to ensure that its financial statements are correct, sufficient and credible;
2. Recommending to the Board the appointment, remuneration and terms of appointment of the statutory auditor of the Company;
3. Reviewing and monitoring the statutory auditor's independence and performance, and effectiveness of audit process;
4. Approving payments to statutory auditors for any other services rendered by the statutory auditors;
5. 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 clause (c) of sub-section 3 of Section 134 of the Companies Act;
    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. Modified opinion(s) in the draft audit report.
6. Reviewing, with the management, the quarterly, half-yearly and annual financial statements before submission to the Board for approval;

7. 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 utilised for purposes other than those stated in the offer document/ prospectus/ notice and the report submitted by the monitoring agency monitoring the utilisation of proceeds of a public or rights issue, and making appropriate recommendations to the Board to take up steps in this matter. This also includes monitoring the use/application of the funds raised through the proposed initial public offer by the Company;
8. Approval or any subsequent modifications of transactions of the Company with related parties;
9. Scrutinising of inter-corporate loans and investments;
10. Valuation of undertakings or assets of the Company, wherever it is necessary;
11. Evaluating of internal financial controls and risk management systems;
12. Establishing a vigil mechanism for directors and employees to report their genuine concerns or grievances
13. Reviewing, with the management, the performance of statutory and internal auditors, and adequacy of the internal control systems;
14. 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;
15. Discussing with internal auditors on any significant findings and follow up thereon;
16. 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;
17. Discussing with statutory auditors before the audit commences, about the nature and scope of audit as well as post audit discussion to ascertain any area of concern;
18. Looking 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;
19. Reviewing the functioning of the whistle blower mechanism;
20. Approving the appointment of the CFO or any other person heading the finance function or discharging that function after assessing the qualifications, experience and background, etc. of the candidate;
21. Carrying out any other function as is mentioned in the terms of reference of the Audit Committee and any other terms of reference as may be decided by the Board and/or specified/provided under the Companies Act, the Listing Regulations or by any other regulatory authority;
22. Reviewing the utilisation of loans and/ or advances from/investment by the holding company in any subsidiary exceeding rupees 100 crore or 10% of the asset size of the subsidiary, whichever is lower including existing loans /advances / investments existing as per applicable law; and
23. Considering and commenting on rationale, cost-benefits and impact of schemes involving merger, demerger, amalgamation etc., on the Company and its shareholders.

The powers of the Audit Committee shall include the following:

1. To investigate any activity within its terms of reference;
2. To seek information from any employee;
3. To obtain outside legal or other professional advice; and
4. To secure attendance of outsiders with relevant expertise, if it considers necessary.

The Audit Committee shall mandatorily review the following information:

1. Management discussion and analysis of financial condition and results of operations;
2. Statements of significant related party transactions (as defined by the Audit Committee), submitted by management;
3. Management letters/letters of internal control weaknesses issued by the statutory auditors;
4. Internal audit reports relating to internal control weaknesses;

CORPORATE GOVERNANCE REPORT (Contd.)

5. The appointment, removal and terms of remuneration of the chief internal auditor;
6. Examination of the financial statements and the auditors' report thereon;
7. Statement of deviations:
   a. Quarterly statement of deviation(s) including report of monitoring agency, if applicable, submitted to stock exchange(s) in terms of the Listing Regulations; and
   b. Annual statement of funds utilised for purposes other than those stated in the document/ prospectus/notice in terms of the Listing Regulations.

Composition of Audit Committee:

The composition of the Audit Committee as on 31st March, 2022 is as under:

Sr. No.	Name	Category of Director*	Designation
1	Murali Sivaraman	NE-ID	Chairperson
2	Madhavan Ganesan	NE-ID	Member
3	Hiroo Mirchandani	NE-ID	Member
4	Anish Kumar Saraf	NE-ND	Member

* NE-ND: Non-Executive Nominee Director.

* NE-ID= Non-Executive Independent Director.

Note: The Audit Committee was constituted by a meeting of the Board held on 11th February, 2009 and re-constituted by a board resolution dated 5th July, 2021

Attendance & details of Audit Committee Meeting:

During the financial year 2021 - 2022 the Audit Committee met as per the details given hereunder:

Sr. No.	Name of Director	7th May, 2021	3rd August, 2021	6th September, 2021	22nd November, 2021	14th February, 2022
1	Murali Sivaraman[1]	NA	PRESENT	PRESENT	PRESENT	PRESENT
2	Madhavan Ganesan[1]	NA	PRESENT	PRESENT	PRESENT	PRESENT
3	Hiroo Mirchandani[1]	NA	PRESENT	PRESENT	PRESENT	PRESENT
4	Anish Kumar Saraf	PRESENT	PRESENT	PRESENT	PRESENT	PRESENT
5	Atul Gupta[2]	PRESENT	NA	NA	NA	NA
6	Gangadi Madhukar Reddy[2]	PRESENT	NA	NA	NA	NA

[1] Appointed as members of the Audit Committee vide Board Resolution dated 5th July, 2021

[2] Ceased to be members of the Audit Committee vide Board Resolution dated 5th July, 2021

Nomination and Remuneration Committee ("NRC"):

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

Terms of Reference:

Brief description of terms of reference of Nomination and Remuneration Committee are as follows:

1. Formulating the criteria for determining qualifications, positive attributes and independence of a director and recommending to the Board a policy, relating to the remuneration of the directors, key managerial personnel and other employees;
2. Formulating of criteria for evaluation of the performance of the independent directors and the Board;
3. Devising a policy on Board diversity;
4. Identifying persons who qualify to become directors or who may be appointed in senior management in accordance with the criteria laid down, recommending to the Board their appointment and removal, and carrying out evaluations of every director's performance;
5. Determining whether to extend or continue the term of appointment of the independent director, on the basis of the report of performance evaluation of independent directors;
6. Analysing, monitoring and reviewing various human resource and compensation matters;
7. Determining the company's policy on specific remuneration packages for executive directors including pension rights and any compensation payment, and determining remuneration packages of such directors;
8. Determining compensation levels payable to the senior management personnel and other staff (as deemed necessary), which shall be market-related, usually consisting of a fixed and variable component;

9. Reviewing and approving compensation strategy from time to time in the context of the then current Indian market in accordance with applicable laws;
10. Performing such functions as are required to be performed by the compensation committee under the Securities and Exchange Board of India (Share Based Employee Benefits) Regulations, 2014, as amended;
11. Framing suitable policies and systems to ensure that there is no violation, by an employee of any applicable laws in India or overseas, including:
    a. the Securities and Exchange Board of India (Prohibition of Insider Trading) Regulations, 2015, as amended; or
    b. the Securities and Exchange Board of India (Prohibition of Fraudulent and Unfair Trade Practices relating to the Securities Market) Regulations, 2003, as amended.
12. Performing such other activities as may be delegated by the Board and/or specified/provided under the Companies Act, the Listing Regulations or by any other regulatory authority; and
13. Recommend to the Board, all remuneration, in whatever form, payable to senior management.

Composition of NRC:

The composition of the NRC Committee as on 31st March, 2022 is as under:

Sr. N.	Name	Category of Director*	Designation
1	Hiroo Mirchandani	NE-ID	Chairperson
2	Madhavan Ganesan	NE-ID	Member
3	Murali Sivaraman	NE-ID	Member
4	Atul Gupta	NE-ND	Member

* NE-ND: Non-Executive Nominee Director.

*NE-ID= Non-Executive Independent Director.

NOTE: The Nomination and Remuneration Committee was constituted by a meeting of the Board held on 11th February, 2009 (as the Compensation Committee) and was re-constituted by a meeting of the Board held on 5th July, 2021.

Attendance & details of NRC Meeting:

During the financial year 2021 - 2022 the Nomination and Remuneration Committee met as per the details given hereunder:

Sr. No.	Name of Director	5th July, 2021	3rd August, 2021	5th August, 2021	22nd November, 2021	13th January, 2022
1	Hiroo Mirchandani[1]	NA	PRESENT	PRESENT	PRESENT	PRESENT
2	Madhavan Ganesan[2]	NA	NA	NA	NA	PRESENT
3	Murali Sivaraman[1]	NA	PRESENT	PRESENT	PRESENT	PRESENT
4	Atul Gupta	PRESENT	PRESENT	PRESENT	PRESENT	PRESENT
5	Anish Kumar Saraf[3]	PRESENT	PRESENT	PRESENT	PRESENT	NA
6	Gangadi Madhukar Reddy[4]	PRESENT	NA	NA	NA	NA

[1]Appointed as members of the Nomination & Remuneration Committee vide Board Resolution dated 5th July, 2021

[2]Appointed as member of the Nomination & Remuneration Committee vide Board Resolution dated 30th December, 2021

[3]Ceased to be member of the Nomination & Remuneration Committee vide Board Resolution dated 30th December, 2021

[4]Ceased to be member of the Nomination & Remuneration Committee vide Board Resolution dated 5th July, 2021

Remuneration Policy:

Stakeholder Relationship Committee ("SRC"):

The Stakeholders Relationship Committee has been constituted in terms of Section 178 of the Act read with Regulation 20 of the Listing Regulations. The scope and function of the Committee is in accordance with Section 178 of the Act read with Regulation 20 and Part D of Schedule II of the Listing Regulations.

Terms of Reference:

Brief description of terms of reference of Stakeholders' Relationship Committee is as follows:

1. To resolve the grievances of the security holders of the Company including complaints related to transfer/ transmission of shares, non-receipt of annual report, non-receipt of declared dividends, issue of new/ duplicate certificates, general meetings etc. and assisting with quarterly reporting of such complaints;

CORPORATE GOVERNANCE REPORT (Contd.)

2. To review measures taken for effective exercise of voting rights by shareholders;
3. To review adherence to the service standards adopted by the Company in respect of various services being rendered by the Registrar & Share Transfer Agent;
4. To review the various measures and initiatives taken by the Company for reducing the quantum of unclaimed dividends and ensuring timely receipt of dividend warrants/annual reports/statutory notices by the shareholders of the Company: and
5. Carrying out such other functions as may be specified by the Board from time to time or specified/provided under the Companies Act, 2013 or the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, each as amended or by any other regulatory authority.

Composition of SRC:

The composition of the SRC Committee as on 31st March, 2022 is as under:

Sr. N.	Name	Category of Director*	Designation
1	Madhavan Ganesan	NE-ID	Chairperson
2	Hiroo Mirchandani	NE-ID	Member
3	Gangadi Madhukar Reddy	Executive director	Member

*NE-ID= Non Executive Independent Director.

Attendance & details of SRC Meeting:

The company is listed on 23rd December 2021, subsequent to which the provisions of SRC were applicable. Due to inadequacy of time post listing, there were no SRC Meetings held during the period under review.

Complaint Statement:

The details of investor complaints received / redressed during the financial year 2021-22 is as under:

Complaint as on 31st March, 2021	Complaints received during year	Complaints resolved during year	Complaints pending on 31st March, 2022
NIL	7714	7714	NIL

Risk Management Committee("RMC"):

The Risk Management Committee has been constituted in terms of Regulation 21 of the Listing Regulations.

Terms of Reference:

Brief description of terms of reference of Risk Management Committee is as follows:

1. 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; and
   c. Business continuity plan.
2. To ensure that appropriate methodology, processes and systems are in place to monitor and evaluate risks associated with the business of the Company;
3. To monitor and oversee implementation of the risk management policy, including evaluating the adequacy of risk management systems;
4. To periodically review the risk management policy, at least once in two years, including by considering the changing industry dynamics and evolving complexity;
5. To keep the board of directors informed about the nature and content of its discussions, recommendations and actions to be taken; and
6. The appointment, removal and terms of remuneration of the chief risk officer (if any) shall be subject to review by the Committee.

Composition of RMC:

The composition of the Risk Management Committee as on 31st March, 2022 is as under:

Sr. N.	Name	Category of Director*	Designation
1	Madhavan Ganesan	NE-ID	Chairperson
2	Hiroo Mirchandani	NE-ID	Member
3	Gangadi Madhukar Reddy	Executive Director	Member
4	Hemanth Kundavaram	Chief Financial Officer	Member
5	Venu Gopal Siripuram	Chief technology Officer	Member

*NE-ID= Non Executive Independent Director.

Note: The Risk Management Committee was constituted by a meeting of the Board held on 5th July, 2021.

Attendance & details of RMC Committee Meeting:

The company is listed on 23rd December 2021, subsequent to which the provisions of RMC were applicable. Due to inadequacy of time post listing, there were no RMC Meetings held during the period under review.

Corporate Social Responsibility Committee ("CSR Committee"):

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

Terms of Reference:

Brief description of terms of reference of the Corporate Social Responsibility Committee is as follows:

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

Composition of CSR Committee:

The composition of the CSR Committee as on 31st March, 2022 is as under:

Sr. N.	Name	Category of Director*	Designation
1	Hiroo Mirchandani	NE-ID	Chairperson
2	Madhavan Ganesan	NE-ID	Member
3	Gangadi Madhukar Reddy	Executive Director	Member

*NE-ID= Non Executive Independent Director.

Note: The Corporate Social Responsibility Committee was constituted by a meeting of the Board held on 5th July, 2021

Attendance & details of CSR Committee Meeting:

During the period under review, the provision related to CSR expenditure did not apply on the company due to inadequacy of profit/loss, hence, there were no CSR Meetings held.

SUBSIDIARY COMPANIES:

All subsidiary companies are managed by their Boards having the rights and obligations to manage such Companies in the best interest of their stakeholders. Our Company currently have two material unlisted subsidiary companies alongwith 5 (five) other subsidiaries and 4 (four) stepdown subsidiaries.

Audit Committee reviews the financial statements of the unlisted subsidiary.

The minutes of meetings of the Board of Directors and a statement of all significant transactions and arrangements entered into by the unlisted subsidiary companies are periodically placed before the Board of Directors of the Company for their review.

The Company has a Policy for determining material subsidiaries which is uploaded on the website of the Company at https://www.medplusindia.com/corporateadmin/uploads/corporate/Policy-on-Material-Subsidiary.pdf.

CORPORATE GOVERNANCE REPORT (Contd.)

GENERAL BODY MEETING:

Annual General Meeting:

The details of Annual General Meetings convened during the last three years are as follows:

Financial Year	Date & Time	Venue
2019-20	30th September, 2019	707, 7th Floor, 5-9-13 Taramandal Commercial Complex, Saifabad Hyderabad – 500004, Telangana, India
2020-21	31st December, 2020	707, 7th Floor, 5-9-13 Taramandal Commercial Complex, Saifabad Hyderabad – 500004, Telangana, India
2021-22	30th September, 2021	707, 7th Floor, 5-9-13 Taramandal Commercial Complex, Saifabad Hyderabad – 500004, Telangana, India

The details of Special resolution passed in AGM:

Date of AGM	Special Resolution Passed in AGM
30th September, 2019	NILL
31st December, 2020	NILL
30th September, 2021	NILL

Extra-ordinary General Meetings:

The details of previous three Extra-Ordinary General Meeting are as follows:

Financial Year	Date & Time	Venue
06th August, 2021	9:00 AM	707, 7th Floor, 5-9-13 Taramandal Commercial Complex, Saifabad Hyderabad – 500004, Telangana, India
12th November, 2021	05:00 PM	707, 7th Floor, 5-9-13 Taramandal Commercial Complex, Saifabad Hyderabad – 500004, Telangana, India
24th November, 2021	10:00 AM	707, 7th Floor, 5-9-13 Taramandal Commercial Complex, Saifabad Hyderabad – 500004, Telangana, India

The details of Special resolution passed in EGM:

Date of EGM	Special Resolution Passed in EGM
06th August, 2021	Adoption of Restated Articles of Association.
12th November, 2021	Cancelled the unissued shares of one class (preference shares) and increase in shares of other class (Equity shares) in the Authorised Capital of the Company and consequent amendment of Memorandum of Association of the Company.
12th November, 2021	To adopt revised MedPlus Employees Stock Option and Shares Plan 2009.
12th November, 2021	To adopt revised MedPlus Employees Stock Option and Shares Plan 2021.
24th November, 2021	Cancelled the unissued shares of one class (preference shares) and increase in shares of other class (Equity shares) in the Authorised Capital of the Company and consequent amendment of Memorandum of Association of the Company.
24th November, 2021	Increase authorised share capital of company & amended capital clause of MOA.

Details of resolutions passed through Postal Ballot:

As per Section 110 of the Companies Act, 2013 read with Rule 22 of the Companies (Management and Administration) Rules, 2014, during the year under review, no resolutions were passed by members of the Company through Postal Ballot.

WHISTLE BLOWER POLICY & VIGIL MECHANISM:

The Company has adopted a Whistle Blower Policy and has established necessary Vigil Mechanism as required under Section 177(9) and (10) of the Act and Regulation 22 of the SEBI (LODR) Regulations, the details of which have been provided in the Board's Report. The Company, as a policy, condemns any kind of discrimination, harassment, victimisation or any other unfair employment practice being adopted against whistle blowers and provides adequate safeguard measures. It also provides a direct access to the Chairman of the Audit Committee under extraordinary circumstances.

The Company affirms that no personnel has been denied access to the Audit Committee. The said policy is uploaded on the website of the Company at https://www.medplusindia.com/corporateadmin/uploads/corporate/Whistleblower-Policies.pdf.

During the year under review, there were no cases of whistle blower.

POLICIES:

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

Name of the policy	Website link
Policy for Materiality event and disclosure	https://www.medplusindia.com/corporateadmin/uploads/corporate/Policy-on-Materiality.pdf
Policy on Material Subsidary	https://www.medplusindia.com/corporateadmin/uploads/corporate/Policy-on-Material-Subsidiary.pdf
Board Diversity policy	https://www.medplusindia.com/corporateadmin/uploads/corporate/Policy-on-Board-Diversity.pdf
Policy on succession planning for Board and Senior Management	https://www.medplusindia.com/corporateadmin/uploads/corporate/Succession-Plan.pdf
Nomination and Remuneration Policy	https://www.medplusindia.com/corporateadmin/uploads/corporate/Nomination-and-Remuneration-Policy.pdf
Dividend Distribution policy	https://www.medplusindia.com/corporateadmin/uploads/corporate/Policy-on-Dividend-Distribution.pdf
Prohibition of Insider Trading Policy	https://www.medplusindia.com/corporateadmin/uploads/corporate/Model-Insider-Trading-policy.pdf
Fair Disclosure code under insider Trading	https://www.medplusindia.com/corporateadmin/uploads/corporate/Fair-Disclosure-Code.pdf
Business responsibility Policy	https://www.medplusindia.com/corporateadmin/uploads/corporate/Business_Responsibility_Policy.pdf
Archival Policy	https://www.medplusindia.com/corporateadmin/uploads/corporate/Archival-Policy.pdf
Policy on preservation of documents	https://www.medplusindia.com/corporateadmin/uploads/corporate/Policy-for-Preservation-of-Documents.pdf
Risk Management Policy	https://www.medplusindia.com/corporateadmin/uploads/corporate/Risk-Management-Policy.pdf
Policy on materiality of Related Party transaction and Dealing with Material Related Party Transactions.	https://www.medplusindia.com/corporateadmin/uploads/corporate/Policy-on-Materiality-of-and-Dealing-with-Related-Party-Transactions.pdf
Policy on related Party Transaction	https://www.medplusindia.com/corporateadmin/uploads/corporate/Related-Party-Transaction-Policy.pdf
Policy on evaluation of performance of independent directors and the board of directors	https://www.medplusindia.com/corporateadmin/uploads/corporate/Policy-on-Evaluation-of-Performance.pdf

OTHER DISCLOSURES:

Investor Services: (Details of RTA & STA):

KFin Technologies Limited are acting as Registrar & Share Transfer Agent of the Company. They have adequate infrastructure and VSAT connectivity with both the depositories, which facilitate better and faster services to the investors.

Name, Designation and Address of the Compliance Officer:

Ms. Shilpi Keswani Company Secretary and Compliance officer.

MedPlus Health Services Limited
H. No: 11-6-56, Survey No: 257 & 258/1,
Opp: IDPL Railway Siding Road, (Moosapet),
Kukatpally, Hyderabad - 500 037, Telangana, India.
Email: cs (at) medplusindia (dot) com

Disclosure in relation to the Sexual Harassment:

The Company has in place an Anti-Sexual Harassment Policy in line with the requirements of the Sexual Harassment of Women at Workplace (Prevention, Prohibition and Redressal) Act, 2013. The objective of this policy is to lay clear guidelines and provide right direction in case of any reported incidence of sexual harassment across the Company's office and take appropriate decision in resolving such issues.

As per the requirement of The Sexual Harassment of Women at Workplace (Prevention, Prohibition & Redressal) Act, 2013 and rules made thereunder, your Company has constituted Internal Complaints Committee which is responsible for redressal of complaints related to sexual harassment.

During the year under review our company has not received any complaint in this regard and no complaint of any previous year was pending to be resolved as on 31st March, 2022.

Disclosure of Accounting Treatment:

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

Compliance with the Code of Conduct:

Pursuant to Regulation 34 (3) and Schedule V of the Listing Regulations, All Directors and Senior Management personnel of the Company have affirmed compliance with the Code of Conduct for the financial year ended March 31, 2022 and declaration of Chief Executive Officer for the same forms part of this report as Annexure A.

CEO / CFO Certificate:

Mr. Gangadi Madhukar Reddy, Managing Director and CEO and Mr. Hemanth Kundavaram, Chief Financial Officer of

CORPORATE GOVERNANCE REPORT (Contd.)

the Company have certified to the Board with regard to the compliance in terms of Regulation 17(8) of the SEBI Listing Regulations. The same forms part of this report as Annexure B.

Certification of Non-Disqualification of Directors:

Pursuant to Certificate under Regulation 34(3) of SEBI Listing Regulations 2015, certificate from Rashida Adenwala,(C.P. NO.:2224; M.No. 4020), Partner - R & A Associates, Company Secretaries, has 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 Director of a Company by the Securities and Exchange Board of India and Ministry of Corporate Affairs or any other statutory authority and accordingly the same forms part of this report as Annexure C.

Certificate on Corporate Governance:

Certificate on Corporate Governance from Rashida Adenwala,(C.P. NO.:2224; M.No. 4020), R & A Associates, Practicing company Secretary certifying that your company is in compliance with the conditions of Corporate Governance as stipulated under Schedule V of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 forms part of this report as Annexure D.

Recommendation of Committee not accepted by Board:

During the financial year ended 31st March, 2022, the Board of Directors of the Company had accepted recommendation of all the committees of the Board, which were mandatorily required.

Disclosure of materially significant related party transactions:

During the financial year 2021-22, the Company has not entered into any materially significant related party transaction, which could have a potential conflict of interest between the Company and its Promoters or Directors or Management or their relatives other than the transactions carried out in the normal course of business. The related party transactions are disclosed in Notes to Accounts.

A copy of the policy on dealing with related party transactions has been posted on the Company's website and can be accessed at https://www.medplusindia.com/corporateadmin/uploads/corporate/Policy-on-Materiality-of-and-Dealing-with-Related-Party-Transactions.pdf.

Code of conduct for prevention of insider trading:

In order to restrict communication of Unpublished Price Sensitive Information (UPSI), the Company has adopted Code of Practices and Procedures for Fair Disclosure of Unpublished Price Sensitive Information in compliance with SEBI (Prohibition of Insider Trading) Regulations, 2015 as amended from time to time. The said Code is available on the website of the Company at the Web link: https://www.medplusindia.com/corporateadmin/uploads/corporate/Model-Insider-Trading-policy.pdf.

Fees paid to Statutory Auditors:

Please refer to the Notes to accounts, for the total fees paid by the Company to the Statutory Auditors for the financial year 2021-22.

Policy for determining Material Subsidiary:

The Company has adopted a policy for determining a material subsidiary, in terms of which a subsidiary shall be considered as Material, if, the income or net worth exceeds ten Per cent of the consolidated income or net worth respectively, of the listed entity and its subsidiaries in the immediately preceding accounting year. In terms of the said policy, our Company have 2 (two) material subsidiaries namely Optival Health Solutions Private Limited and Venkata Krishna Enterprises Private Limited Necessary compliances w.r.t. material subsidiaries have been duly carried out. For the purpose of appointing an Independent Director on the Board of the material non-listed subsidiary Company, "material subsidiary" shall mean a subsidiary, whose income or net worth exceeds 20% of the consolidated income or net worth of the holding Company in the immediately preceding accounting year. The income or net worth of Venkata Krishna Enterprises Private Limited does not exceed 20% of the consolidated income or net worth of the holding Company. However, Optival Health Solutions Private Limited being our unlisted material subsidiary company one independent director of our Board have been duly appointed on Board of Optival Health Solutions Private Limited.

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

The Company listed its shares with National Stock Exchange of India Limited and BSE Limited with effect from 23 December, 2021. During the period, the Company has complied with all the requirements of the Stock Exchange, SEBI and other statutory authorities on the matters related to Capital Markets, as applicable, since listing on the stock exchanges. The Company has not been imposed with any penalty/fines in respect of non-compliance with regulations by Stock Exchange or SEBI or any statutory authority related to capital markets during the period.

Details of utilisation of funds raised through preferential allotment or qualified institutions placement as specified under Regulation 32 (7A):

Our company have not raised any funds through preferential allotment or qualified institutional placement hence requirement specified under Regulation 32(7A) of listing regulation is not applicable on our company.

Details of Outstanding GDRs/ADRs/Warrants or any convertible instruments:

Our Company as on 31/03/2022, does not have any Outstanding GDRs /ADRs / Warrants or any other convertible instruments.

Reconciliation of share capital audit report:

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

Compliance with mandatory requirements and adoption of non-mandatory requirements:

Your Company has complied with all mandatory requirements of Listing Regulations with respect to Corporate Governance to the extent applicable to the company. Specifically, your Company confirms compliance with corporate governance requirements specified in Regulation 17 to 27 and clauses (b) to (i) of Sub-Regulation (2) of Regulation 46 of the Listing Regulations. Your Company has complied with the Disclosure Requirements of Listing Regulations with respect to the Audit Report since there was no audit qualification/ observation on your company's financial statements, during the year under review.

The Company has obtained a certificate from a Practicing Company Secretary on compliance of conditions of Corporate Governance as stipulated in SEBI (LODR) Regulations. Copy of the Certificate is attached to the Board's Report.

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

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

Plant Locations:

Your company has its plant locations in the following areas in Hyderabad, Telangana :

- Moosapet, Kukatpally, Medchal Malkajgiri District
- Phase-V, Ida Jeedimetla, Medchal Malkajgiri District
- Phase III, Industrial Park, Pashamylaram Village, Patancheru Mandal, Sangareddy District
- Phase III, Pashamylaram Village, Sangareddy District

Disclosure requirements as specified under Clause (9) sub-clause (m), (n) and clause (10) sub-clause (d), (g), (m) of Schedule V Part C are not provided under this report for during the year no such events or details which require such disclosures.

MEANS OF COMMUNICATION:

Financial Results and Newspaper Publication:

Quarterly and annual financial results are filed with stock exchanges and displayed on stock exchanges websites. The results are also made available on Company's website. The results are also normally published in Business Standard (English newspaper – all India edition) and Nava Telangana (Regional Newspaper).

Company's Corporate Website:

The Company maintains an active website at www. Medplusindia.com wherein all the information relevant for the Shareholders is displayed.

Press Releases & Analysts/Investors presentations:

The official news releases, meetings scheduled with analysts and detailed presentations made to analysts are disseminated to stock exchanges and as well displayed on the Company's website at https://www.medplusindia.com/ investor-presentations.jsp. The management participates in the analyst/earnings call every quarter, after the announcement of results. The audio recording of analyst calls and transcripts are posted on the Company's website.

Annual Report:

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

CORPORATE GOVERNANCE REPORT (Contd.)

GENERAL SHAREHOLDER INFORMATION:

Annual General Meeting:

The Sixteenth Annual General Meeting of the company is scheduled to be held as under:

The Day, date and time : Monday, 26th September, 2022 at 04:00 P.M.

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

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

Note: with effect from 2nd May 2022, the Company has changed its Registered Office from 707, 7th Floor, 5-9-13 Taramandal Commercial Complex, Saifabad, Hyderabad – 500004 to H-11-6-56, Survey No: 257 & 258/1, Opp: IDPL Railway Siding Road, (Moosapet), Kukatpally, Hyderabad – 500037

Address for Correspondence:

MedPlus Health Services Limited
H. No: 11-6-56, Survey No: 257 & 258/1,
Opp: IDPL Railway Siding Road, (Moosapet),
Kukatpally, Hyderabad - 500 037, Telangana, India.
Email: cs (at) medplusindia (dot) com

Listing on Stock Exchanges:

(a) Details of Stock Exchanges:

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

Annual listing fees for the year 2021-22 have been paid by the Company to NSE & BSE.

(b) Details of Depositories:

1. National Securities Depository Limited (NSDL) Trade World, 4th Floor, Kamala Mills Compound, Senapati Bapat Marg, Lower Parel, Mumbai - 400 013.
2. Central Depository Services (India) Limited (CDSL) Phiroze Jeejebhoy Towers, 28th Floor, Dalal Street, Mumbai - 400 023.

The Shares of the Company are traded compulsorily in Dematerialised form.

The ISIN allotted to the Company's Equity Shares under the depository system is **INE804L01014.**

The Company has not issued any shares with differential voting rights.

Registrars and Transfer Agents:

KFin Technologies Limited is appointed as Registrar and Transfer (R&T) Agents of the Company for both Physical and Demat Shares. The address is given below:

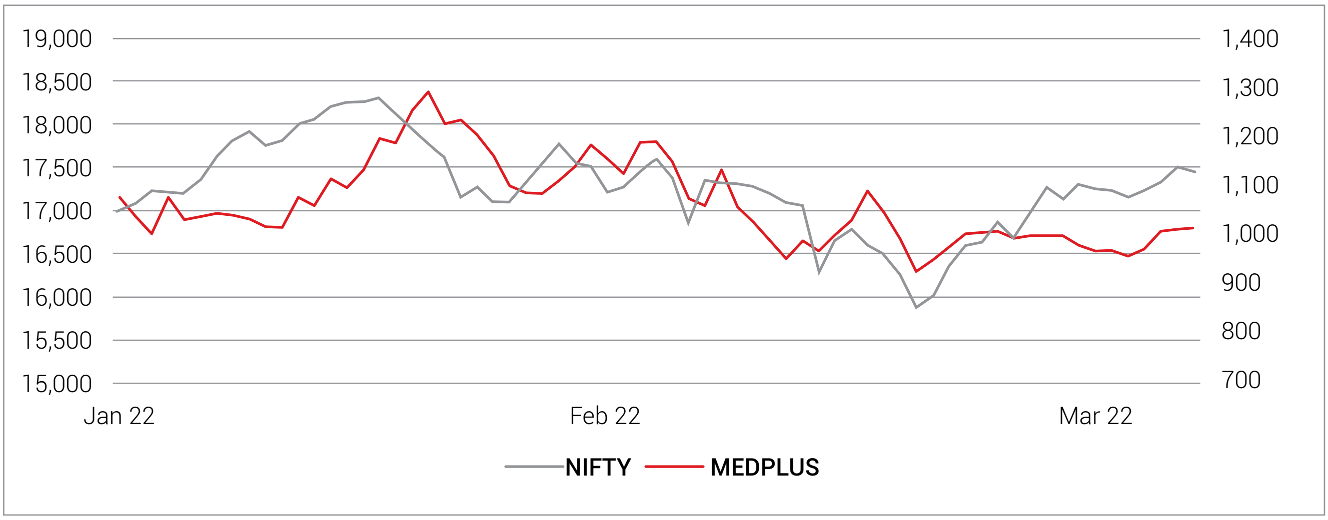
Selenium Tower B, Plot 31-32,
Gachibowli Financial District, Nanakramguda,
Serilingampally, Hyderabad - 500 032, Telangana, India.
Ph.No: (+91) 040 6716 2222
Ph.No: (+91) 040 2300 1153
Email: einward (dot) ris (at) kfintech (dot) com

Stock Data:

a. The monthly High/Low and the total number of shares traded on a monthly basis in the BSE, NSE during FY2021-22.

Month - Year	BSE				NSE			
	High (₹)	Low (₹)	Close (₹)	Traded Volume (₹ in million)	High (₹)	Low (₹)	Close (₹)	Traded Volume (₹ in million)
December -2021	1143.1	993.35	1034.4	1.57	1100	796	1137.35	25.80
January-2022	1343	1006.2	1085.2	0.56	1343	1008.1	1085.65	8.19
February -2022	1224	924.4	1021.05	0.29	1223.9	930.05	1029.45	4.19
March-2022	1133.25	921	1010.25	0.19	1132	920	1014.05	2.61

b. Movement of the company's share price on NSE NIFTY index during FY 2022



Share Transfer System:

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

The Company obtained following certificate(s) from a Practising Company Secretary and submitted the same to the stock exchanges within stipulated time:

a) Certificate confirming due compliance of share transfer formalities by the Company pursuant to Regulation 40(9) of the SEBI Listing Regulations for half year ended 31st March, 2022 respectively with the Stock Exchanges; and

b) Certificate regarding reconciliation of the share capital audit of the Company on quarterly basis. All share transfer and other communication regarding share certificates, change of address, dividend etc. should be addressed to R & T Agent of the Company at the address given above

Dematerialisation of Shares and Liquidity:

The Equity Shares of the Company are tradable in compulsory dematerialised segment of the Stock Exchanges and are available in depository system of National Securities Depository Limited (NSDL) and Central Depository Services (India) Limited (CDSL). The demat security (ISIN) code for the Equity Share is INE804L01014. As on 31st March, 2022, 11,92,56,536 Equity Shares (constituting 99.95% of the total paid up share capital) were in dematerialised form. The Company's Equity Shares are regularly traded on the BSE Limited and National Stock Exchange of India Limited.

CORPORATE GOVERNANCE REPORT (Contd.)

The Distribution of Shareholding as on 31st March, 2022 is as follows:

Category of shareholder (II)	Nos. Of shareholders (III)	No. of fully paid up equity shares held (IV)	Total nos. shares held (VII) = (IV)+(V)+ (VI)	Shareholding as a % of total no. of shares (calculated as per SCRR, 1957) (VIII) As a % of (A+B+C2)	Number of Voting Rights held in each class of securities (IX)				Shareholding, as a % assuming full conversion of convertible securities (as a percentage of diluted share capital) (XI)= (VII)+(X) As a % of (A+B+C2)	Number of Locked in shares (XII)		Number of Shares pledged or otherwise encumbered (XIII)		Number of equity shares held in dematerialized form (XIV)
					No of Voting (XIV) Rights			Total as a % of (A+B+C)						
					Class eg: X	Class eg:y	Total			No. (a)	As a % of total Shares held (b)	No. (a)	As a % of total Shares held (b)	
Promoter & Promoter Group	3	48233135	48233135	40.43	4,82,33,135.00		48233135.00	40.43	40.43	48233135	100.00	12977870	26.91	48233135
Public	82623	70652700	70652700	59.22	70652700.00		70652700.00	59.22	59.22	32153680	45.51			70603560
Non Promoter- Non Public	1	419841	419841		419841		419841.00	0.35		0	0.00			419841
Shares held by Employee Trusts	1	419841	419841	0.35	4,19,841.00		419841.00	0.35	0.35	0	0.00			419841
Total	**82627**	**119305676**	**119305676**	**100**	**119305676.00**		**119305676.00**	**100.00**	**100**	**80386815**	**67.38**	**12977870**	**10.88**	**119256536**

Annexure A

DECLARATION REGARDING AFFIRMATION OF CODE OF CONDUCT

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

I, Gangadi Madhukar Reddy, Chief Executive Officer of MedPlus Health Services Limited hereby confirm that all the Members of the Board and the Senior Management personnel have affirmed Compliance with the Code of Conduct for the year ended March, 2022 in accordance with the Regulation 26(3) of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015.

Gangadi Madhukar Reddy,
Chief Executive Officer & Managing Director
DIN: 00098097

Annexure B

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

THE BOARD OF DIRECTORS,

MedPlus Health Services Limited

A. We have reviewed financial statement and the cash flow statement for the year ended 31st March, 2022 and to the best of our knowledge and belief:

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

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

D. To the best of our knowledge and belief, no transactions entered into by the Company during the year ended 31st March, 2022 which are fraudulent, illegal or violation of the Company's Code of Conduct.

E. We accept responsibility for establishing and maintaining internal control system and that we have evaluated the effectiveness of the internal control system of the Company and we have disclosed to the auditors and the Audit Committee, efficiencies in the design or operation of internal control system, if any, of which we are aware and the steps we have taken or propose to take to rectify these deficiencies.

F. We further certify that we have indicated to the auditors and the Audit Committee:

   a. There have been no significant changes in internal control system during the year;

   b. There have been no significant changes in accounting policies during the year and that the same have been disclosed in the notes to the financial statements; and

   c. There have been no instances of significant fraud of which we have become aware, involving management or an employee having a significant role in the Company's internal control system over financial reporting.

Place: Hyderabad	**Gangadi Madhukar Reddy**	**Hemant Kundavaram**
Date: 30th May, 2022	Managing Director & CEO	Chief Financial Officer

Note: Mr. Hemanth Kundavaram, Chief Financial Officer of your Company has resigned from the post effective from 5th June, 2022

Annexure C

CERTIFICATE OF NON-DISQUALIFICATION OF DIRECTORS

[Pursuant to Regulation 34(3) and Schedule V Para C clause (10)(i) of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015]

To,
The Board of Directors
MedPlus Health Services Limited,
Hyderabad

I have examined the relevant registers, records, forms, returns and disclosures received from the Directors of M/s MedPlus Health Services Limited, bearing CIN: L85110TG2006PLC051845 and having registered office at H. No: 11-6-56, Survey No: 257 & 258/1 Opp: IDPL Railway Siding Road, Moosapet, Kukatpally Hyderabad Telangana 500037 (herein after referred to as 'the Company'), and produced before me by the Company for the purpose of issuing this Certificate, in accordance with Regulation 34(3) read with Schedule V Para - C clause 10 (i) of the Securities Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015.Ensuring the eligibility for the appointment / continuity of every Director on the Board is the responsibility of the management of the Company. Our responsibility is to express an opinion based on our verification. This certificate is neither an assurance as to the future viability of the Company nor of the efficiency or effectiveness with which the management has conducted the affairs of the Company.

In 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 and its officers, I hereby certify as on date that, none of the Directors on the Board of the Company as stated below, 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 Authorities.

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

Ensuring the eligibility 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 the basis of my 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.

For R & A Associates
Companies Secretaries

Rashida Adenwala
Founder Partner
M.No. 4020 C.P. NO.:2224
UDIN: F004020D000830472

Place: Hyderabad
Date: 23th August, 2022

Annexure D

PRACTISING COMPANY SECRETARY CERTIFICATE ON COMPLIANCE OF CORPORATE GOVERNANCE

(Pursuant to Regulation 34(3) and Schedule V(E) of the SEBI
(Listing Obligations and Disclosure Requirements) Regulations, 2015)

To
The Members of
MedPlus Health Services Limited,
Hyderabad.

We have examined the compliance of conditions of Corporate Governance by M/s MedPlus Health Services Limited for the year ended 31st March, 2022 as stipulated in Chapter IV of the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 (Listing Regulations) and as per the Listing Agreement entered into by the said Company with stock exchange.

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

In our opinion and to the best of our information and according to the explanations given to us, the Company has complied with the conditions of Corporate Governance as stipulated in the said listing regulations.

I 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.

For R & A Associates
Companies Secretaries

Rashida Adenwala
Founder Partner
M.No. 4020 C.P. NO.:2224
UDIN: F004020D000830472

Place: Hyderabad
Date: 23th August, 2022

Business Responsibility Report

SECTION A: GENERAL INFORMATION ABOUT THE COMPANY

1.	**Corporate Identity Number (CIN) of the Company**	L85110TG2006PLC051845
2.	**Name of the Company**	MedPlus Health Services Limited
3.	**Registered address**	707, 7th Floor, 5-9-13 Taramandal Commercial Complex, Saifabad Hyderabad, Telangana, 500004
4.	**Website**	www.medplusindia.com
5.	**E-mail id**	cs@medplusindia.com
6.	**Financial Year reported**	2021-22
7.	**Sector(s) that the Company is engaged in (industrial activity code-wise)**	As per NIC - the Company is engaged in the following sectors: • Retail pharmacy under the code 47721/47722 • Diagnostic and private label under the code 86905
8.	**List three key products/services that the Company manufactures/provides (as in balance sheet)**	• Retail pharmacy • Diagnostic • Private label
9.	**Total number of locations where business activity is undertaken by the Company:** **a) Number of International Locations (Provide details of major 5)** **b) Number of National Locations**	a) International Locations: NA b) National Locations: Karnataka, Andhra Pradesh, West Bengal, Orissa, Tamil Nadu, Telangana, and Maharashtra. Total No. of Stores as of 31st March, 2022 – 2,748. Total No. of Warehouses as of 31st March, 2022 – 18.
10.	**Markets served by the Company – Local/State/ National/International**	MedPlus Health Services is the second largest pharmacy retailer in India, in terms of revenue and operates a network of over 2,748 stores distributed across 7 States and 338 Cities in India, as of 31st March, 2022. The geographic presence of the Company is in the South, West, and East part of India. The Company plans to expand further and serve PAN-India in the future.

SECTION B: FINANCIAL DETAILS OF THE COMPANY

1.	Paid up Capital (₹)	₹ 238.60 million
2.	Total Turnover (₹)	₹ 37,792.79 million
3.	Total profit after taxes (₹)	₹ 947.16 million
4.	Total Spending on Corporate Social Responsibility (CSR) as percentage of profit after tax (%)	1.05%
5.	List of activities in which expenditure in 4 above has been incurred: -	a) Rural Development b) Education c) Healthcare d) Research in Healthcare

SECTION C: OTHER DETAILS

MedPlus Health Services Limited has the following Subsidiaries:

- MHS Pharmaceuticals Private Limited
- Nova Sud Pharmaceuticals Private Limited
- Wynclark Pharmaceuticals Private Limited
- Kalyani Meditimes Private Limited
- Optival Health Solutions Private Limited
- Sai Sridhar Pharma Private Limited
- Venkata Krishna Enterprises Private Limited
- Deccan Medisales Private Limited
- Shri Banashankari Pharma Private Limited
- Sidson Pharma Distributors Private Limited
- Clearancekart Private Limited

Business Responsibility Report (Contd.)

These subsidiary Companies participate in the Business Responsibility Initiatives of MedPlus Health Services Limited and ensure transparency throughout the business operations.

No other entities other than the above-mentioned subsidiaries participates in the BR initiatives of the MedPlus Health Services Limited. The Company plans to collaborate/engage with external stakeholders in its BR initiatives for the future and will ensure that all relevant business parties that it does business with, shall abide by the standards and initiatives set.

SECTION D: BR INFORMATION

The Director responsible for implementation of the BR policy/policies is

- DIN Number: 00098097
- Name: Gangadi Madhukar Reddy
- Designation: Managing Directors and Chief Executive Officer

Details of the BR head

Sr. No.	Particulars	Details
1.	DIN Number (if applicable)	00926550
2.	Name	Bhaskar Reddy Cherukupalli
3.	Designation	Chief Operating Officer
4.	Telephone number	040-67246724
5.	e-mail id	bhaskarreddy@medplusindia.com

Principle-wise (as per NVGs) BR Policy/policies

Details of compliance (Reply in Y/N)

Sr. No.	Questions	P 1	P 2	P 3	P 4	P 5	P 6	P 7	P 8	P 9
1.	Do you have a policy/policies for	Y	Y	Y	Y	Y	Y	Y	Y	Y
2.	Has the policy been formulated in consultation with the relevant stakeholders?	Y	Y	Y	Y	Y	Y	Y	Y	Y
3.	Does the policy conform to any national / international standards? If yes, specify?	Y	Y	Y	Y	Y	Y	Y	Y	Y
4.	Has the policy been approved by the Board? Is yes, has it been signed by MD/ owner/ CEO/ appropriate Board of Director?	Y	Y	Y	Y	Y	Y	Y	Y	Y
5.	Does the Company have a specified committee of the Board/ Director/ Official to oversee the implementation of the policy?	Y	Y	Y	Y	Y	Y	Y	Y	Y
6.	Indicate the link for the policy to be viewed online?	https://www.medplusindia.com/ > corporate > Governance> Code & Policies >Policies								
7.	Has the policy been formally communicated to all relevant internal and external stakeholders? A. The policies have been formally communicated to internal and external stakeholders. It has been communicated to the external stakeholders through www.medplusmart.com	Y	Y	Y	Y	Y	Y	Y	Y	Y
8.	Does the Company have in-house structure to implement the policy/ policies?	Y	Y	Y	Y	Y	Y	Y	Y	Y
9.	Does the Company have a grievance redressal mechanism related to the policy/ policies to address stakeholders' grievances related to the policy/ policies?	Y	Y	Y	Y	Y	Y	Y	Y	Y
10.	Has the Company carried out independent audit/ evaluation of the working of this policy by an internal or external agency?	Y	Y	Y	Y	Y	Y	Y	Y	Y

If answer to the question at serial number 1 against any principle, is 'No', please explain why: (Tick up to 2 options)

Sr. No.	Questions	P 1	P 2	P 3	P 4	P 5	P 6	P 7	P 8	P 9
1.	The Company has not understood the Principles	NA	NA	NA	NA	NA	NA	NA	NA	NA
2.	The Company is not at a stage where it finds itself in a position to formulate and implement the policies on specified principles	NA	NA	NA	NA	NA	NA	NA	NA	NA
3.	The Company does not have financial or manpower resources available for the task	NA	NA	NA	NA	NA	NA	NA	NA	NA
4.	It is planned to be done within next 6 months	NA	NA	NA	NA	NA	NA	NA	NA	NA
5.	It is planned to be done within the next 1 year	NA	NA	NA	NA	NA	NA	NA	NA	NA
6.	Any other reason (please specify)	NA	NA	NA	NA	NA	NA	NA	NA	NA

Governance related to BR

The Board of Directors, Committees of the Board and CEO will conduct a BR performance review of MedPlus Health Services on regular basis.

SECTION E: PRINCIPLE-WISE PERFORMANCE

Principle 1: Businesses should conduct and govern themselves with Ethics, Transparency and Accountability

The Company ensures to follow all policies relating to ethics, bribery and corruption and ensures that suppliers are aware of it and abide by it too. The Company is strictly following its policies while encouraging the suppliers and contractors to be equally responsible.

During the FY 2021-2022, the Company has addressed all complaints promptly and 100% of the stakeholders' complaints were resolved. All complaints were resolved on priority basis by the Company. MedPlus Health Services Limited cares for the health and overall wellbeing of its customers and would always do its very best to provide a hi-quality proposition.

Principle 2: Businesses should provide goods and services that are safe and contribute to sustainability throughout their life cycle

The Company is into sourcing and storage of pharmaceutical and FMCG products from Suppliers to sell through retail and e-commerce.

The Company has three manufacturing plants in Telangana, located at:

- Jeedimetla - At this plant, the Company manufactures a range of recyclable plastic products including medicine trays, nebulizers, vaporizers, bottles and caps, and other products in relation to the promotions offered by our Company.
- Moosapet - At this plant, the Company manufactures optical frames and spectacles.
- Pashamylaram - At this plant, the Company manufactures liquid disinfectants, toiletries and cosmetics.

The manufacturing plants of the Company has consent to operate issued by the State Pollution Control Board, State of Telangana. Almost all of the Company's inventories sourced are manufactured by third-party manufacturers, including the Company's private label products on a contract-manufacturing basis.

All products that the Company sells incorporate social or environmental concerns, risks and/or opportunities by abiding by the below mentioned Indian laws:

- Drugs (Control) Act, 1950 ("Drugs Act")
- Drugs and Cosmetics Act, 1940 ("DCA") and the Drugs and Cosmetics Rules, 1945 ("DCA Rules")
- The Cosmetic Rules, 2020 ("Cosmetic Rules")
- Drugs (Prices Control) Order, 2013 ("DPCO")
- The Narcotic Drugs and Psychotropic Substances Act, 1985 ("NDPS Act")
- Drugs and Magic Remedies (Objectionable Advertisements) Act, 1954 ("Drugs and Magic Remedies Act")
- National Pharmaceutical Pricing Policy, 2012 ("2012 Policy")
- Bureau of Indian Standards Act, 2016 ("BIS Act")
- The Sales Promotion Employees (Conditions of Service) Act, 1976 ("Sales Promotion Act")

Business Responsibility Report (Contd.)

- The Food Safety and Standards Act, 2006 (the "FSSA")
- FSSAI Guidance Note on 'Food Hygiene and Safety Guidelines for Food Businesses during Coronavirus Disease (COVID-19) Pandemic' ("COVID-19 Guidance Note")
- Medical Devices Rules, 2017 ("Medical Devices Rules") and the Medical Devices (Amendment) Rules, 2020
- The Infant Milk Substitutes, Feeding Bottles and Infant Foods (Regulation of Production, Supply & Distribution) Act, 1992 ("IMS Act")
- The Pharmacy Act, 1948 ("Pharmacy Act")
- Water (Prevention and Control of Pollution) Act, 1974 ("Water Act")
- Air (Prevention and Control of Pollution) Act, 1981 ("Air Act")
- Environment Protection Act, 1986 ("EP Act") and the Environment Protection Rules, 1986 ("EP Rules")
- The Public Liability Insurance Act, 1991 ("PLI Act") and Public Liability Insurance Rules, 1991 ("PLI Rules")
- Bio-Medical Waste Management Rules, 2016 ("BMW Rules")
- Hazardous and Other Wastes (Management and Transboundary Movement) Rules, 2016 ("Hazardous Waste Rules")
- The Manufacturing, Storage and Import of Hazardous Chemicals Rules, 1989 ("MSIHC Rules")
- Food Safety and Standards (Packaging) Regulations, 2018

Being a service-oriented Company aiming to provide healthcare to cater to reach the classified Indian household including the Tier II and Tier III developed urban and rural areas , the Company strives to abide by all laws required to ensure safety and sustainability of the products and strives towards improving its life cycle.

It further intends to collect data on energy, water, and raw materials of its manufacturing plants in future. It has undertaken active steps to optimize its supply chain to effectively deliver the products and avoid any kinds of wastage. Hence the Company is resource efficient in its operations.

Currently there is no information on the usage of products by consumers. This will be addressed in the future.

The Company also does not have procedures in place for sustainable sourcing but actively works to reduce wastage in sourcing of products (finished goods) based on what the pharmaceutical and DMCG companies provide. It buys the products in bulk from its vendors and uses the original packaging set by the vendors without use of additional packaging. The Company has an optimised end-to-end supply chain that reduces wastage of fuel and resources.

The Company's entire business value chain, from sourcing of products, to warehousing, to distribution to stores, to store operations and interfacing with customers, and to last mile delivery, is supported by integrated technology infrastructure, which has been developed in-house.

The Company is working towards consolidation of direct sourcing, which would yield additional turnover/trade discounts, campaign benefits, and a stronger negotiating position with suppliers.

It shall continue working towards developing its sustainable sourcing procedure in the coming future and further improve its overall operations.

The Company is procuring goods from local producers who are authorised manufacturers of FMCG and Pharmaceutical products (finished goods). The Company is sourcing from 7 locations which are close to the vendors points which helps manage the distributions to all the retail outlets. The Company operates an end-to-end supply chain for all the products from its central warehouse to the retail outlets. Thus, streamlining the supply chain and making it efficient.

The Company takes necessary steps to collect, manage, and recycle waste through authorised companies. These authorised companies abide by - Bio-Medical Waste Management Rules, 2016 ("BMW Rules") and Hazardous & Other Wastes (Management and Transboundary Movement) Rules, 2016 ("Hazardous Waste Rules").

Principle 3: Businesses should promote the wellbeing of all employees

- Total number of employees : 18,086
- Total number of employees hired on temporary/contractual/casual basis : NA.
- Number of permanent women employees : 4,769
- Number of permanent employees with disabilities : 0

Currently there are not any employee association that is recognised by management of the Company or employees.

Sr. No.	Category	No. of complaints filed during the FY 2021-2022	No. of complaints pending as on end of the FY 2021-2022
1.	Child labour/forced labour/involuntary labour	NA	NA
2.	Sexual harassment	NIL	NIL
3.	Discriminatory employment	NIL	NIL

The Number of under mentioned employees were given safety & skill up-gradation training in the last year:

- Permanent Employees – 8,332
- Permanent Women Employees – 1,957
- Casual/Temporary/Contractual Employees NA
- Employees with Disabilities NA

Principle 4: Businesses should respect the interests of, and be responsive towards all stakeholders, especially those who are disadvantaged, vulnerable and marginalised.

The Company has identified and mapped its internal and external stakeholders and ensures to be responsive and sensitive in its business communication.

Special initiatives have been taken to engage with the disadvantaged, vulnerable and marginalised stakeholders include providing employment opportunities to the people of the towns and villages where the Company operates. Employment is provided to local carpenters, truck drivers, painters and other skilled/unskilled workers.

Principle 5: Businesses should respect and promote human rights

The Code of Conduct Policies of the Company covers the human rights and it extends to the Company's subsidiaries. All stakeholder complaints received in 2021-22 are promptly addressed and 100% of the complaints were effectively resolved.

Principle 6: Business should respect, protect, and make efforts to restore the environment

The policy under Principle 6 to respect, protect, and make efforts to restore the environment extends to the Company and its subsidiaries. Before the plastic ban, the Company had incorporated paper bag usage in its business. The Company implements sustainable practices across all facilities, stores, and offices to improve usage of power, LED lighting, and air conditioning.

Even though the Company currently does not have strategies/ initiatives to address global environmental issues such as climate change, global warming, etc. The Company intends to address this in the next financial year. The Company has identified potential environmental risks and will manage this through its risk management policies. The Company will address this in the coming future.

The Company has not currently undertaken any other initiatives on – clean technology, energy efficiency, renewable energy, etc. The Company plans to implement these initiatives in the coming future.

The Company is a service-based business and does not generate significant amount of emissions/waste. But will ensure to collect further data in the future to ensure its operations are greener. The Company has not received any legal notices from CPCB/SPCB in 2021-22.

Principle 7: Businesses, when engaged in influencing public and regulatory policy, should do so in a responsible manner

The Company is currently not a member of any trade and chamber or association. It will work towards addressing this in the coming future and participate in more industry-based improvements. The Company does not advocate/ lobby through any associations for the advancement or improvement of public good. It will take initiatives in the coming future based on the improvements required.

Business Responsibility Report (Contd.)

Principle 8: Businesses should support inclusive growth and equitable development

MedPlus Health Services Limited is aware of the possible rewards of community focused initiatives and the resulting benefits from it. The Company considers it a moral responsibility to serve the community it impacts.

The specified programmes/initiatives/projects undertaken are under the following categories:

- Rural Development
- Education
- Healthcare
- Research in Healthcare

The Company has undertaken the above-mentioned CSR categories through the following subsidiaries of the Company:

- Optival Health Solutions Private Limited
- MHS Pharmaceuticals Private Limited
- Venkata Krishna Enterprises Private Limited

These programmes/projects are undertaken in collaboration with organisations that are reputed and recognised by the Government of India. The Company has not done any impact assessment of its initiatives. The Company will address this in the coming future.

For 2021-22, the Company has contributed ₹ 99,23,147 in Corporate Social Responsibility (CSR) initiatives.

The following table mentioned below provides the details of the projects undertaken:

Sr. No.	CSR Initiatives	Optival Health Solutions Private Limited Amount Paid (In ₹)	MHS Pharmaceuticals Private Limited Amount Paid (In ₹)	Venkata Krishna Enterprises Private Limited Amount Paid (In ₹)
1.	Bharat Vikas Parishad Charitable Trust	15,00,000	-	-
2.	Government of Telangana	7,79,999	-	-
3.	Sri Saraswathi Vidya Peetham	15,00,000	-	-
4.	Ekalavya Foundation - Akhaya Vidya	15,00,000	-	-
5.	Karunasri Seva Samithi	12,00,000	-	-
6.	Vivekananda Pratibha Jyothi Trust	16,00,000	-	-
7.	Prime Minister National Relief Fund	51,360	2,54,787	8,37,001
8.	Hyderabad Eye Instituite	-	7,00,000	-

The community development is done through CSR initiatives by collaborating with recognised and reputed organisations mentioned above.

Principle 9: Businesses should engage with and provide value to their customers and consumers in a responsible manner

The Company has no customer complaints/consumer cases pending at the end of 2021-22 as it addresses each issue promptly to ensure the customer's satisfaction. Furthermore, the Company has a mechanism to effectively collect and address all complaints in a timely manner.

The entity sells products from pharmaceutical and FMCG companies which abide by the following acts/rules and orders:

- The Prevention of Food Adulteration (PFA) Rules, 1955
- The Standards of Weights and Measures (Packaged Commodities) Rules of 1977
- Food Safety and Standards Act, 2006
- Food Safety and Standard Rules, 2011
- Drugs (Control) Act, 1950 ("Drugs Act")
- Drugs and Cosmetics Act, 1940 ("DCA") and the Drugs and Cosmetics Rules, 1945 ("DCA Rules")
- The Cosmetic Rules, 2020 ("Cosmetic Rules")
- Drugs (Prices Control) Order, 2013 ("DPCO")

Hence the product labels display the name, quantity, content of the product, place of business of the manufacturer, packer, or distributor etc. based on the above-mentioned Indian laws and acts.

The Company has maintains ethical transparency in its way of conducting business, thus there has not been any case/cases filed by any stakeholder against the Company regarding unfair trade practices, irresponsible advertising and/or anti-competitive behaviour during the last five years and pending as on end of 2021-22. The Company carries out consumer surveys at the retail stores as well as online to understand consumer needs.

Independent Auditor's Report

To the Members of MedPlus Health Services Limited (Formerly known as MedPlus Health Services Private Limited)

Report on the Audit of the Standalone Financial Statements

OPINION

We have audited the standalone financial statements of MedPlus Health Services Limited (Formerly known as MedPlus Health Services Private Limited) (the "Company"), which comprise the standalone balance sheet as at 31 March 2022, 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 2022, and its profit and other comprehensive income, changes in equity and its cash flows for the year ended on that date.

BASIS FOR OPINION

We conducted our audit in accordance with the Standards on Auditing (SAs) specified under Section 143(10) of the Act. Our responsibilities under those SAs are further described in the Auditor's Responsibilities for the Audit of the Standalone Financial Statements section of our report. We are independent of the Company in accordance with the Code of Ethics issued by the Institute of Chartered Accountants of India together with the ethical requirements that are relevant to our audit of the standalone financial statements under the provisions of the Act and the Rules thereunder, and we have fulfilled our other ethical responsibilities in accordance with these requirements and the Code of Ethics. We believe that the audit evidence obtained by us 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. We have determined that there are no key audit matters to communicate in our report.

OTHER INFORMATION

The Company's Management and Board of Directors are responsible for the other information. The other information comprises the information included in the Company's Annual Report, but does not include the standalone financial statements and our auditor's report thereon. The Company's Annual Report is expected to be made available to us after the date of this auditor's report.

Our opinion on the standalone financial statements does not cover the other information and we do 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 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.

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/loss 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

Independent Auditor's Report (Contd.)

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 standalone 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.

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 and taken on record by the Board of Directors on 2 May 2022, none of the directors is disqualified as on 31 March 2022 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 standalone 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 Auditor's) Rules, 2014, in our opinion and to the best of our information and according to the explanations given to us:

a) The Company does not have any pending litigations which would impact its financial position. Refer note 54 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. Refer note 48 to the standalone financial statements.

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 50 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 persons or entities, 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 ("Ultimate Beneficiaries") by or on behalf of the Company; or
- provide any guarantee, security or the like to or 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 50 to the standalone financial statements, no funds have been received by the Company from any persons or entities, 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 ("Ultimate Beneficiaries") by or on behalf of the Funding Party; or
- provide any guarantee, security or the like from or on behalf of the Ultimate Beneficiaries.

(iii) Based on such audit procedures as considered reasonable and appropriate in the circumstances, nothing has come

Independent Auditor's Report (Contd.)

to our notice that has caused us to believe that the representations under sub-clause (d) (i) and (d) (ii) contain any material mis-statement.

e) The Company has neither declared nor paid any dividend during the year.

(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
ICAI Firm's Registration No. 116231W/ W-100024

Arpan Jain
Partner
Membership No.: 125710
UDIN: 22125710AJWRNQ6815

Place: Hyderabad
Date: 30 May 2022

Annexure A to the Independent Auditors' Report on Standalone Financial Statements

(Referred to in paragraph 1 under 'Report on Other Legal and Regulatory requirements' section of our report of even date)

With reference to the Annexure referred to in the Independent Auditors' Report to the members of the Company on the Standalone financial statements for the year ended 31 March 2022, we report the following:

(i) (a) (A) The Company has maintained proper records showing full particulars, including quantitative details and situation of Property, Plant and Equipment and relevant details of right -of -use -assets.

(B) The Company has maintained proper records showing full particulars of intangible assets.

(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 including right -of -use-assets by which all property, plant and equipment are verified in a phased manner over a period of two years. In accordance with this programme, certain property, plant and equipment were verified during the year. In our opinion, this periodicity of physical verification is reasonable having regard to the size of the Company and the nature of its assets. No discrepancies 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 except for:

Description of property	Gross carrying value (₹ in Millions)	Held in the name of	Whether promoter, director or their relative or employee	Period held- indicate range, where appropriate	Reason for not being held in the name of the Company. Also indicate if in dispute
Free hold Land	63.8	Natco Pharma Limited	No	20 December 2020	Refer Note below

Note: Property has been transferred vide agreement of sale deed dated December 20, 2020.However, the Company is in the process of registration. Also refer Note: 3a to the Standalone financial statements.

(d) According to the information and explanations given to us and on the basis of our examination of the records of the Company, the Company has not revalued its Property, Plant and Equipment (including Right of Use assets) or intangible assets or both during the year.

(e) According to information and explanations given to us and on the basis of our examination of the records of the Company, there are no proceedings initiated or pending against the Company for holding any benami property under the Prohibition of Benami Property Transactions Act, 1988 and rules made thereunder.

(ii) (a) The inventory has been physically verified by the management during the year. In our opinion, the frequency of such verification is reasonable and procedures and coverage as followed by management were appropriate. No discrepancies were noticed on verification between the physical stocks and the book records that were more than 10% in the aggregate of each class of inventory.

(b) According to the information and explanations given to us and on the basis of our examination of the records of the Company, the Company has not been sanctioned any working capital limits in excess of five crore rupees in aggregate from banks and financial institutions on the basis of security of current assets at any point of time of the year. Accordingly, clause 3(ii)(b) of the Order is not applicable to the Company.

(iii) According to the information and explanations given to us and on the basis of our examination of the records of the Company, the Company has not provided any security or advances in the nature of loans to companies, firms, limited liability partnership or any other parties during the year. The Company has made, investments (including Deemed investments), provided guarantee, granted loans, unsecured to companies in respect of which the requisite information is as below. The Company has not made any investments, granted loans to firms, limited liability partnership or any other parties:

Annexure A to the Independent Auditors' Report on Standalone Financial Statements (Contd.)

a) Based on the audit procedures carried on by us and as per the information and explanations given to us, the Company has provided loans or stood guarantee, to any other entity as below:

Particulars	Guarantees** (₹ in Millions)	Loans (₹ in Millions)
Aggregate amount during the year -Subsidiaries*	1,850.00	23.32
Balance outstanding as at balance sheet date --Subsidiaries*	1,850.00	27.82

*As per the Companies Act, 2013

** Given to bank against working capital loan facilities availed by subsidiary.

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, guarantees provided during the year and the terms and conditions of the grant of loans provided 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 has been stipulated and the repayments or receipts have been regular except for the loan of ₹ 4.5 million given to its Subsidiary, Kalyani Meditimes Private Limited which is repayable on demand. As informed to us, the Company has not demanded repayment of the loan during the year. Thus, there has been no default on the part of the party to whom the money has been lent. The payment of interest has been regular. Further, the Company has not given any advance in the nature of loan to any party during the year.

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 given. Further, the Company has not given any advances in the nature of loans to any party during the year.

e) According to the information and explanations given to us and on the basis of our examination of the records of the Company, there is no loan granted falling due during the year, which has been renewed or extended or fresh loans granted to settle the overdues of existing loans given to same parties.

f) According to the information and explanations given to us and on the basis of our examination of the records of the Company, in our opinion the Company has not granted any loans either repayable on demand or without specifying any terms or period of repayment except for the following loans to its subsidiary, being related parties as defined in Clause (76) of Section 2 of the Companies Act, 2013 ("the Act"):

(₹ in Million)

	Related Parties
Aggregate of loans- - Repayable on demand	4.5
Percentage of loans to the total loans	16.18%

(iv) According to the information and explanations given to us and on the basis of our examination of records of the Company, in respect of investments made and loans, guarantees given by the Company, in our opinion the provisions of Section 185 and 186 of the Companies Act, 2013 ("the Act") have been complied with.

(v) The Company has not accepted any deposits or amounts which are deemed to be deposits from the public. Accordingly, clause 3(v) of the Order is not applicable.

(vi) According to the information and explanations given to us, the Central Government has not prescribed the maintenance of cost records under Section 148(1) of the Act for the products manufactured and services provided by it. Accordingly, clause 3(vi) of the Order is not applicable.

(vii) (a) 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 Services Tax ('GST'), Provident fund, Employees' State Insurance, Income-Tax, Duty of Customs, Cess and 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 Services Tax ('GST'), Provident fund, Employees' State Insurance, Income-Tax, Duty of Customs, Cess and other statutory dues were in arrears as at 31 March 2022 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 willful 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.

(f) According to the information and explanations given to us and procedures performed by us, we report that the Company has not raised loans during the year on the pledge of securities held in its subsidiaries (as defined under the Act).

(x) (a) In our opinion and according to the information and explanations given to us, the Company has utilised the money raised by way of initial public offer for the purposes for which they were raised though idle/surplus funds which were not required for immediate utilisation have been invested in fixed deposits with Bank. The Company has not raised any moneys by way of further public offer (including debt instruments) during the year.

(b) According to the information and explanations given to us and on the basis of our examination of the records of the Company, the Company has not made any preferential allotment or private placement of shares or fully or partly convertible debentures during the year. Accordingly, clause 3(x)(b) of the Order is not applicable.

(xi) (a) Based on examination of the books and records of the Company and according to the information and explanations given to us, no fraud by the Company or on the Company has been noticed or reported during the course of the audit.

(b) According to the information and explanations given to us, no report under sub-section (12) of Section 143 of the Act has been filed by the auditors in Form ADT-4 as prescribed under rule 13 of 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.

Annexure A to the Independent Auditors' Report on Standalone Financial Statements (Contd.)

(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) According to the information and explanations provided to us, the Group (as per the provisions of the Core Investment Companies (Reserve Bank) Directions, 2016) does not have CIC.

(xvii) The Company has not incurred cash losses in the current and in the immediately preceding financial year.

(xviii) There has been no resignation of the statutory auditors during the year. Accordingly, clause 3(xviii) of the Order is not applicable.

(xix) According to the information and explanations given to us and on the basis of the financial ratios, ageing and expected dates of realisation of financial assets and payment of financial liabilities, our knowledge of the Board of Directors and management plans and based on our examination of the evidence supporting the assumptions, nothing has come to our attention, which causes us to believe that any material uncertainty exists as on the date of the audit report that the Company is not capable of meeting its liabilities existing at the date of balance sheet as and when they fall due within a period of one year from the balance sheet date. We, however, state that this is not an assurance as to the future viability of the Company. We further state that our reporting is based on the facts up to the date of the audit report and we neither give any guarantee nor any assurance that all liabilities falling due within a period of one year from the balance sheet date, will get discharged by the Company as and when they fall due.

Also refer to the Other Information paragraph of our main audit report which explains that the other information comprising the information included in Annual report is expected to be made available to us after the date of this auditor's report.

(xx) The requirements as stipulated by the provisions of section 135 are not applicable to the Company. Accordingly, clauses 3(xx)(a) and 3(xx)(b) of the Order are not applicable.

For **B S R & Associates LLP**
Chartered Accountants
ICAI Firm's Registration No. 116231W/ W-100024

Arpan Jain
Partner
Membership No.:125710
UDIN: 22125710AJWRNQ6815

Place: Hyderabad
Date: 30 May 2022

Annexure B to the Independent Auditors' report on the standalone financial statements of MedPlus Health Services Limited (Formerly known as MedPlus Health Services Private Limited) for the period ended 31 March 2022.

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 Companies Act, 2013

(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 standalone financial statements of MedPlus Health Services Limited (Formerly known as MedPlus Health Services Private Limited) ("the Company") as of 31 March 2022 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 standalone financial statements and such internal financial controls were operating effectively as at 31 March 2022, based on the internal financial controls with reference to standalone 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' RESPONSIBILITY 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 standalone 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 Companies Act, 2013 (hereinafter referred to as "the Act").

AUDITORS' RESPONSIBILITY

Our responsibility is to express an opinion on the Company's internal financial controls with reference to standalone 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 standalone 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 standalone financial statements were established and maintained and whether 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 standalone financial statements and their operating effectiveness. Our audit of internal financial controls with reference to standalone financial statements included obtaining an understanding of such internal financial controls, 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 standalone financial statements.

MEANING OF INTERNAL FINANCIAL CONTROLS WITH REFERENCE TO STANDALONE FINANCIAL STATEMENTS

A company's internal financial controls with reference to standalone 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 standalone 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;

Annexure B to the Independent Auditors' report on the standalone financial statements of MedPlus Health Services Limited (Formerly known as MedPlus Health Services Private Limited) for the period ended 31 March 2022. (Contd.)

(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 STANDALONE FINANCIAL STATEMENTS

Because of the inherent limitations of internal financial controls with reference to standalone 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 standalone financial statements to future periods are subject to the risk that the internal financial controls with reference to standalone 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
ICAI Firm Registration Number: 116231W/ W-100024

Arpan Jain
Partner
Membership No.: 125710
UDIN: 22125710AJWRNQ6815

Place: Hyderabad
Date: 30 May 2022

Standalone Balance Sheet
as at 31st March, 2022

(All amounts in Indian Rupees in millions except for share data or otherwise stated)

	Notes	As at 31st March, 2022	As at 31st March, 2021
ASSETS			
Non-Current Assets			
Property, plant and equipment	3a	389.17	158.35
Capital work-in-progress	3b	155.20	20.09
Other Intangible assets	3c	28.24	-
Right-of-use assets	4	432.74	68.40
Financial assets			
Investments	5	4,184.50	4,085.01
Others	7	19.15	2.52
Non-current tax assets (net)	8	26.99	6.86
Other non-current assets	9	65.16	78.16
		5,301.15	**4,419.39**
Current Assets			
Inventories	10	39.00	47.85
Financial assets			
Trade receivables	13	212.88	115.06
Cash and cash equivalents	11	9.38	866.79
Bank balances other than cash and cash equivalents	12	65.00	-
Loans	6	27.82	4.50
Other financial assets	7	6,167.90	3.72
Other current assets	9	51.41	26.93
		6,573.39	**1,064.85**
Total Assets		**11,874.54**	**5,484.24**
EQUITY AND LIABILITIES			
Equity			
Equity share capital	14	238.60	4.48
Other equity	15	10,889.21	5,170.32
Total Equity		**11,127.81**	**5,174.80**
Liabilities			
Non-Current Liabilities			
Financial liabilities			
Borrowings	16	-	-
Lease liabilities	18	416.84	64.60
Provisions	20	7.14	8.80
		423.98	**73.40**
Current Liabilities			
Financial liabilities			
Lease liabilities	18	27.32	8.46
Trade payables	17		
- Total outstanding dues of micro and small enterprises		0.43	0.29
- Total outstanding dues of other than micro and small enterprises		54.87	23.35
Other financial liabilities	19	204.78	195.17
Other current liabilities	21	22.40	1.79
Contract liabilities	22	5.59	0.38
Provisions	20	7.36	6.60
		322.75	**236.04**
Total Liabilities		**746.73**	**309.44**
Total Equity and Liabilities		**11,874.54**	**5,484.24**

Summary of significant accounting policies 2.2

The accompanying notes are an integral part of the standalone financial statements.

As per our report of even date attached

For **B S R & Associates LLP**
Chartered Accountants
ICAI Firm Registration Number 116231W/W-100024

Arpan Jain
Partner
Membership Number: 125710

Hyderabad, 30th May, 2022

For and on behalf of the Board of Directors of
MedPlus Health Services Limited
(formerly known as MedPlus Health Services Private Limited)

G. Madhukar Reddy
Chairman and Managing Director
DIN: 00098097

Shilpi Keswani
Company Secretary

Hemanth Kundavaram
Chief Financial Officer

Hyderabad, 30th May, 2022

Standalone Statement of profit and loss

for the year ended 31st March, 2022

(All amounts in Indian Rupees in millions except for share data or otherwise stated)

	Notes	For the year ended 31st March, 2022	For the year ended 31st March, 2021
INCOME			
Revenue from operations	23	1,457.14	683.10
Other income	24	95.41	21.10
Total income (I)		**1,552.55**	**704.20**
EXPENSES			
Purchases of stock-in-trade	25	972.12	412.21
Cost of materials consumed	26	193.56	96.75
Changes in inventories of finished goods, work-in-progress and stock-in-trade	27	20.00	(6.64)
Employee benefits expense	28	137.32	225.75
Finance costs	30	26.31	5.65
Depreciation and amortisation expense	29	46.32	13.15
Other expenses	31	101.13	43.00
Total expenses (II)		**1,496.76**	**789.87**
Profit/(Loss) before tax (III) = (I)-(II)		**55.79**	**(85.67)**
Tax expense			
- Current tax		-	-
Total tax expense (IV)		**-**	**-**
Profit/(Loss) for the year (V) = (III)-(IV)		**55.79**	**(85.67)**
Other Comprehensive Income (OCI)			
Items that will not to be reclassified to profit or loss:			
Re-measurement loss on employee defined benefit plans **(VI)**		1.17	2.91
Income tax effect **(VII)**		-	-
Other comprehensive income for the year, net of tax (VIII) = (VI)+(VII)		**1.17**	**2.91**
Total comprehensive gain/(loss) for the year (IX) = (V)+(VIII)		**56.96**	**(82.76)**
Earnings /(Loss) per equity share (EPES) (In absolute ₹ terms)	32		
Basic		0.50	(0.82)
Diluted		0.50	(0.82)

Summary of significant accounting policies 2.2

The accompanying notes are an integral part of the standalone financial statements.

As per our report of even date attached

For **B S R & Associates LLP**
Chartered Accountants
ICAI Firm Registration Number 116231W/W-100024

Arpan Jain
Partner
Membership Number: 125710

Hyderabad, 30th May, 2022

For and on behalf of the Board of Directors of
MedPlus Health Services Limited
(formerly known as MedPlus Health Services Private Limited)

G. Madhukar Reddy
Chairman and Managing Director
DIN: 00098097

Shilpi Keswani
Company Secretary

Hemanth Kundavaram
Chief Financial Officer

Hyderabad, 30th May, 2022

Standalone Statement of Changes in equity

for the year ended 31st March, 2022

(All amounts in Indian Rupees in millions except for share data or otherwise stated)

A. EQUITY SHARE CAPITAL:

Balance as at 1st April, 2021	Changes in equity share capital due to prior period errors	Restated balance as at 1st April, 2021	Changes in equity share capital during the year*	Balance as at 31st March, 2022
4.48	-	4.48	234.12	238.60

Balance as at 1st April, 2020	Changes in equity share capital due to prior period errors	Restated balance as at 1st April, 2020	Changes in equity share capital during the year*	Balance as at 31st March, 2021
2.04	-	2.04	2.44	4.48

* Refer note 14(a).

B. OTHER EQUITY

Particulars	Equity component of compound financial instruments (including securities premium on CCPS)	Reserves and surplus						Total other equity
		Securities premium	Share based payment reserve	General reserve	Amalgamation adjustment account	Capital reserve	Retained earnings	
As at 1st April, 2020	**2,361.34**	**2,784.53**	**86.95**	**28.64**	**(20.29)**	**7.62**	**(1,294.65)**	**3,954.14**
Pursuant to a BTA (refer note 47)	-	-	-	-	(78.10)	-	-	(78.10)
Share based payment (refer note- 35)	-	-	399.60	-	-	-	-	399.60
Utilisation for bonus issue of shares during the year	(56.11)	(369.28)	-	-	-	-	-	(425.39)
Bonus issue of (refer table below and note 14(g)):								
Equity shares								
- 0.001% Series A CCPS	56.11	-	-	-	-	-	-	56.11
- 0.001% Series B CCPS	239.03	-	-	-	-	-	-	239.03
- 0.001% Series B1 CCPS	61.07	-	-	-	-	-	-	61.07
- 0.001% Series B2 CCPS	66.62	-	-	-	-	-	-	66.62
Issue of 0.001% Series C1 CCPS (refer table below and note 45)	777.90	-	-	-	-	-	-	777.90
Issue of 0.001% Series C2 CCPS (refer table below and note 45)	222.10	-	-	-	-	-	-	222.10
Less: Share issue expenses	(20.00)	-	-	-	-	-	-	(20.00)
Loss for the year	-	-	-	-	-	-	(85.67)	(85.67)
Actuarial loss on post-employment benefit obligations, net of tax benefit	-	-	-	-	-	-	2.91	2.91

Standalone Statement of Changes in equity

for the year ended 31st March, 2022

(All amounts in Indian Rupees in millions except for share data or otherwise stated)

Particulars	Equity component of compound financial instruments (including securities premium on CCPS)	Reserves and surplus						Total other equity
		Securities premium	Share based payment reserve	General reserve	Amalgamation adjustment account	Capital reserve	Retained earnings	
As at 31st March, 2021	**3,708.06**	**2,415.25**	**486.55**	**28.64**	**(98.39)**	**7.62**	**(1,377.41)**	**5,170.32**
Share based payment (refer note- 35)	-	-	107.37	-	-	-	-	107.37
Stock options lapsed	-	-	(3.42)	3.42	-	-	-	-
Conversion of CCPS to equity shares								-
- 0.001% Series A CCPS	(56.72)	28.36	-	-	-	-	-	(28.36)
- 0.001% Series B CCPS	(239.03)	119.52	-	-	-	-	-	(119.51)
- 0.001% Series B1 CCPS	(61.07)	30.54	-	-	-	-	-	(30.53)
- 0.001% Series B2 CCPS	(66.62)	33.63	-	-	-	-	-	(32.99)
- 0.001% Series C1 CCPS	(11.22)	5.61	-	-	-	-	-	(5.61)
- 0.001% Series C2 CCPS	(3.20)	1.28	-	-	-	-	-	(1.92)
Less: Transfer Series A CCPS securities premium in to securities premium	(1,981.65)	1,981.65	-	-	-	-	-	-
Less: Transfer Series C1 CCPS securities premium in to securities premium	(751.12)	751.12	-	-	-	-	-	-
Less: Transfer Series C2 CCPS securities premium in to securities premium	(214.46)	214.46	-	-	-	-	-	-
Less: Transfer to General reserve (Increase in fair value of Series A CCPS)	(322.97)	-	-	322.97	-	-	-	-
Transfer on account of exercise of share options	-	409.05	(409.05)	-	-	-	-	-
Transfer to amount recoverable from ESOP trust in kind	-	67.51	(67.51)	-	-	-	-	-
Proceeds from equity shares under ESOP's	-	5.86	-	-	-	-	-	5.86
Less: Share issue expenses	-	(217.27)	-	-	-	-	-	(217.27)
Add: Issue of new shares through IPO	-	5,984.91	-	-	-	-	-	5,984.91
Profit for the year	-	-	-	-	-	-	55.79	55.79
Actuarial loss on post-employment benefit obligations, net of tax benefit	-	-	-	-	-	-	1.17	1.17
As at 31st March, 2022	**-**	**11,831.46**	**113.94**	**355.03**	**(98.39)**	**7.62**	**(1,320.45)**	**10,889.21**

Standalone Statement of Changes in equity

for the year ended 31st March, 2022

(All amounts in Indian Rupees in millions except for share data or otherwise stated)

Equity component of compound financial instruments includes the following:	As at 31st March, 2022	As at 31st March, 2021
(i) Par value of the instruments issued:		
0.001% Series A CCPS of ₹ 20/- each		
At the beginning of the year	56.72	0.61
Add: Bonus shares issued during the year	-	56.11
Less: Conversion of 0.001% Series A CCPS into equity shares	(56.72)	
At the end of the year	**-**	**56.72**
0.001% Series B CCPS of ₹ 20/- each		
At the beginning of the year	239.03	-
Add: Bonus shares issued during the year	-	239.03
Less: Conversion of 0.001% Series B CCPS into equity shares	(239.03)	-
At the end of the year	**-**	**239.03**
0.001% Series B1 CCPS of ₹ 20/- each		
At the beginning of the year	61.07	-
Add: Bonus shares issued during the year	-	61.07
Less: Conversion of 0.001% Series B1 CCPS in to equity shares	(61.07)	-
At the end of the year	**-**	**61.07**
0.001% Series B2 CCPS of ₹ 20/- each		
At the beginning of the year	66.62	-
Add: Bonus shares issued during the year	-	66.62
Less: Conversion of 0.001% Series B2 CCPS in to equity shares	(66.62)	-
At the end of the year	**-**	**66.62**
0.001% Series C1 CCPS of ₹ 20/- each		
At the beginning of the year	11.22	-
Add: Issued during the year (refer note 45)	-	11.22
Less: Conversion of 0.001% Series C1 CCPS in to equity shares	(11.22)	-
At the end of the year	**-**	**11.22**
0.001% Series C2 CCPS of ₹ 20/- each		
At the beginning of the year	3.20	-
Add: Issued during the year (refer note 45)	-	3.20
Less: Conversion of 0.001% Series C2 CCPS in to equity shares	(3.20)	-
At the end of the year	**-**	**3.20**
(ii) Securities premium on CCPS issued		
Opening balance	3,270.20	2,360.73
Add: Issue of CCPS	-	985.58
Less: Transfer of CCPS securities premium in to securities premium account	(2,947.23)	-
Less: CCPS issue expenses	-	(20.00)
Less: Fair value movement in the value of the CCPS transfer to general reserve	(322.97)	-
Less: Utilisation for bonus issue	-	(56.11)
Less: Amount classified as borrowing (being the liability component of the CCPS) **	-	-
Closing balance	**-**	**3,270.20**
Amount included in 'Equity component of compound financial instruments' above	**-**	**3,708.06**

* Rounded off to millions.

The accompanying notes are an integral part of the standalone financial statements.

As per our report of even date attached

For **B S R & Associates LLP**
Chartered Accountants
ICAI Firm Registration Number 116231W/W-100024

Arpan Jain
Partner
Membership Number: 125710

Hyderabad, 30th May, 2022

For and on behalf of the Board of Directors of
MedPlus Health Services Limited
(formerly known as MedPlus Health Services Private Limited)

G. Madhukar Reddy
Chairman and Managing Director
DIN: 00098097

Shilpi Keswani
Company Secretary

Hemanth Kundavaram
Chief Financial Officer

Hyderabad, 30th May, 2022

Standalone Statement of Cash Flows

for the year ended 31st March, 2022.

(All amounts in Indian Rupees in millions except for share data or otherwise stated)

	For the year ended 31st March, 2022	For the year ended 31st March, 2021
Cash flow from operating activities		
Profit/(Loss) before tax	55.79	(85.67)
Adjustments for:		
Depreciation of property, plant and equipment	14.23	6.20
Amortisation of right-of-use assets	32.09	6.95
Provision for gratuity and leave benefits	3.60	2.02
Provision for doubtful debts	0.35	0.01
Advances/debts written off	-	0.02
Interest on lease liabilities	25.85	4.66
Interest income	(75.85)	(8.21)
Financial guarantee income	(9.29)	(9.17)
Liabilities no longer required written back	(0.02)	(1.13)
Changes to amalgamation adjustment reserve	-	(78.10)
Gain on de-recognition of right-of-use assets	(1.76)	-
Employees stock option compensation expenses	17.28	158.92
Operating profit/(loss) before working capital changes	**62.27**	**(3.50)**
Change in assets and liabilities		
Decrease/(Increase) in inventories	8.85	(8.49)
Increase in non-current financial assets	(27.01)	(1.38)
Increase in current financial assets	(261.16)	(33.70)
Increase in other assets	(29.78)	(90.90)
Increase in current financial liabilities	42.62	73.97
Increase/(Decrease) in other current liabilities	20.61	(1.92)
(Decrease)/Increase in provisions	(3.33)	0.73
Cash used in operations	**(186.93)**	**(65.19)**
Taxes (paid)/ refund received, net	(20.13)	2.82
Net cash used in operating activities (A)	**(207.06)**	**(62.37)**
Cash flow from investing activities		
Purchase of property, plant and equipment and intangibles including capital work-in-progress and capital advances	(406.28)	(124.84)
Proceeds from sale of property, plant and equipment	33.78	-
Investment in subsidiaries	(0.10)	(24.38)
Proceeds from Investment in subsidiaries	-	0.09
Business Purchase consideration paid	(13.50)	(5.55)
Investment in bank deposits, net	(5,988.07)	-
Interest received	37.57	7.00
Net cash used in investing activities (B)	**(6,336.60)**	**(147.68)**
Cash flows from financing activities		
Proceeds from issue of equity shares	5,936.36	-
Proceeds from equity shares under ESOP's (refer to note 35)	5.86	-

Standalone Statement of Cash Flows

for the year ended 31st March, 2022. (Contd.)

(All amounts in Indian Rupees in millions except for share data or otherwise stated)

	For the year ended 31st March, 2022	For the year ended 31st March, 2021
Share Issue expenses (refer note 51)	(217.27)	
Proceeds from issue of compulsorily convertible preference shares	-	980.00
Repayment of lease liabilities	(38.70)	(10.60)
Net cash generated from financing activities (C)	**5,686.25**	**969.40**
Net (decrease) / increase in cash and cash equivalents (A+B+C)	(857.41)	759.35
Cash and cash equivalents at the beginning of the year	866.79	107.44
Cash and cash equivalents at the end of the year	**9.38**	**866.79**
Components of cash and cash equivalents		
Cash on hand	0.28	0.08
Deposits with original maturity of less than 3 months	-	846.00
Balance with banks in current accounts	9.10	20.71
Total cash and cash equivalents (refer note no.11)	**9.38**	**866.79**

Summary of significant accounting policies 2.2

Notes:

The cash flow statement has been prepared under the indirect method as set out in Indian Accounting Standard (Ind AS 7) Statement of cash flows.

The accompanying notes are an integral part of the standalone financial statements.

As per our report of even date attached

For **B S R & Associates LLP**
Chartered Accountants
ICAI Firm Registration Number 116231W/W-100024

Arpan Jain
Partner
Membership Number: 125710

Hyderabad, 30th May, 2022

For and on behalf of the Board of Directors of
MedPlus Health Services Limited
(formerly known as MedPlus Health Services Private Limited)

G. Madhukar Reddy
Chairman and Managing Director
DIN: 00098097

Shilpi Keswani
Company Secretary

Hemanth Kundavaram
Chief Financial Officer

Hyderabad, 30th May, 2022

Notes to Standalone Financial Statements

for the year ended 31st March, 2022

(All amounts in Indian Rupees in millions except for share data or otherwise stated)

1. CORPORATE INFORMATION

MedPlus Health Services Limited (the 'Company') is a public company domiciled in India and is incorporated under the provisions of the Companies Act applicable in India. The registered office of the Company is located at H.No:11-6-56, Survey No: 257 & 258/1, Opp: IDPL Railway Siding Road,(Moosapet), Kukatpally, Hyderabad. The Company is in the business of pathological laboratory testing and manufacturing, wholesale trading and contract manufacturing of pharma, fast-moving consumer goods and beauty products and rendering of management services to group companies and holds investments in subsidiary companies. The Company was converted from MedPlus Health Services Private Limited to MedPlus Health Services Limited w.e.f. 28th June, 2021 and accordingly the corporate identification number (CIN) changed to L85110TG2006PLC051845.

The Company was the subsidiary of Gangadi Investments Private Limited until 05 February 2021.

The Board of Directors approved the standalone financial statements for the year ended 31st March, 2022 and authorised for issue on 30th May, 2022.

2. SIGNIFICANT ACCOUNTING POLICIES

2.1 a. Statement of compliance

These standalone financial statements have been prepared in accordance with the Indian Accounting Standards (referred to as "Ind AS") as prescribed under section 133 of the Companies Act, 2013 read with the Companies (Indian Accounting Standards) Rules as amended from time to time.

b. Basis of preparation

The standalone financial statements of a company have been prepared and presented in accordance with the Indian Accounting Standards ("Ind AS") notified under the Companies (Indian Accounting Standards) Rules, 2015 (as amended from time to time).

These financial statements have been prepared on a historical cost basis, except for the following assets and liabilities which have been measured at fair value:

(i) certain financial assets and financial liabilities that are measured at fair values or at amortised cost depending on the classification at the end of each reporting period,

(ii) employee defined benefit assets/(liability) are recognised as the net total of the fair value of plan assets, plus actuarial losses, less actuarial gains and the present value of the defined benefit obligation as stated in the accounting policies set out below.

(iii) Share-Based payments are measured at fair value.

c. Functional and presentation currency

These standalone financial statements are presented in Indian rupees (₹), which is also the functional currency of the Company. All financial information presented in Indian rupees has been rounded to the nearest millions (₹ 000,000), unless otherwise indicated. The amount reflected as "0.00" in financials are value with less than ten thousand.

2.2 Summary of significant accounting policies

a. Recent accounting pronouncements:

Ministry of Corporate Affairs ("MCA") notifies new standard or amendments to the existing standards under Companies (Indian Accounting Standards) Rules as issued from time to time. On 23rd March, 2022, MCA amended the Companies (Indian Accounting Standards) Amendment Rules, 2022, applicable from 1st April, 2022, as below:

Ind AS 103 – Reference to Conceptual Framework

The amendments specify that to qualify for recognition as part of applying the acquisition method, the identifiable assets acquired and liabilities assumed must meet the definitions of assets and liabilities in the Conceptual Framework for Financial Reporting under Indian Accounting Standards (Conceptual Framework) issued by the Institute of Chartered Accountants of India at the acquisition date. These changes do not significantly change the requirements of Ind AS 103. The Company does not expect the amendment to have any significant impact in its financial statements.

Ind AS 16 – Proceeds before intended use

The amendments mainly prohibit an entity from deducting from the cost of property, plant and equipment amounts received from selling items

(All amounts in Indian Rupees in millions except for share data or otherwise stated)

produced while the Company is preparing the asset for its intended use. Instead, an entity will recognise such sales proceeds and related cost in profit or loss. The Company does not expect the amendments to have any impact in its recognition of its property, plant and equipment in its financial statements.

Ind AS 37 – Onerous Contracts - Costs of Fulfilling a Contract

The amendments specify that that the 'cost of fulfilling' a contract comprises the 'costs that relate directly to the contract'. Costs that relate directly to a contract can either be incremental costs of fulfilling that contract (examples would be direct labour, materials) or an allocation of other costs that relate directly to fulfilling contracts. The amendment is essentially a clarification and the Company does not expect the amendment to have any significant impact in its financial statements.

Ind AS 109 – Annual Improvements to Ind AS (2021)

The amendment clarifies which fees an entity includes when it applies the '10 percent' test of Ind AS 109 in assessing whether to derecognise a financial liability. The Company does not expect the amendment to have any significant impact in its financial statements.

Ind AS 106 – Annual Improvements to Ind AS (2021)

The amendments remove the illustration of the reimbursement of leasehold improvements by the lessor in order to resolve any potential confusion regarding the treatment of lease incentives that might arise because of how lease incentives were described in that illustration. The Company does not expect the amendment to have any significant impact in its financial statements.

b. Significant accounting, estimates and assumptions

The preparation of these standalone financial statements is in conformity with the recognition and measurement principles of Ind AS which requires the management to make judgments, estimates and assumptions that affect the application of accounting policies and reported amounts of assets, liabilities, income and expenses and the disclosure of contingent liabilities as at the date of the standalone financial statements.

Accounting estimates could change from period to period. Actual results could differ from those estimates. Appropriate changes in estimates are made as management becomes aware of those estimates. Changes in estimates are reflected in the standalone financial statements in the year in which changes are made, if material, their effects are disclosed in the notes to the standalone financial statements.

Judgements

Information about judgements made in applying accounting policies that have the most significant effects on the amounts recognised in the financial statements is included in the following notes:-

Note 35- Leases

Assumptions and estimation uncertainties

Information about significant areas of assumptions, estimation uncertainty and critical judgements in applying accounting policies that have the most significant effect on the amounts recognised in the standalone financial statements are:

Impairment of trade receivables

The Company has measured the lifetime expected credit loss by using practical expedients. It has accordingly used a provision matrix derived by using a flow rate model to measure the expected credit losses for trade receivables. Further, need for incremental provisions have been evaluated on a case to case basis where forward looking information on the financial health of a customer is available and in cases where there is an ongoing litigation/dispute.

Useful lives of property, plant and equipment and intangible assets

The Company reviews the useful life of property, plant and equipment and intangible at the end of each reporting period. This reassessment may result in change in depreciation expense in future periods.

Valuation of deferred tax assets and liabilities

Deferred tax assets and liabilities are recognised for the future tax consequences of temporary differences between the carrying values of assets

Notes to Standalone Financial Statements for the year ended 31st March, 2022 (Contd.)

(All amounts in Indian Rupees in millions except for share data or otherwise stated)

and liabilities and their respective tax bases, and unutilised business loss and depreciation carry-forwards and tax credits. Deferred tax assets are recognised to the extent there is reasonable certainty of future taxable income which will be available against the deductible temporary differences, unused tax losses and depreciation carry-forwards.

Defined benefit plans

The obligation arising from defined benefit plan is determined on the basis of actuarial assumptions. Key actuarial assumptions include discount rate, trends in salary escalation, actuarial rates and life expectancy. The discount rate is determined by reference to market yields at the end of the reporting period on government bonds. The period to maturity of the underlying bonds correspond to the probable maturity of the post-employment benefit obligations. Due to complexities involved in the valuation and its long term nature, defined benefit obligation is sensitive to changes in these assumptions. All assumptions are reviewed at each reporting period.

Provisions and contingent liabilities

Provisions

The Company estimates the provisions that have present obligations as a result of past events and it is probable that outflow of resources will be required to settle the obligations. These provisions are reviewed at the end of each reporting period and are adjusted to reflect the current best estimates.

Contingent liabilities

The Company uses significant judgements to disclose contingent liabilities. Contingent liabilities are disclosed when there is a possible obligation arising from past events, the existence of which will be confirmed only by the occurrence or non-occurrence of one or more uncertain future events not wholly within the control of the Company or a present obligation that arises from past events where it is either not probable that an outflow of resources will be required to settle the obligation or a reliable estimate of the amount cannot be made. Contingent assets are neither recognised nor disclosed in the financial statements.

Fair value measurement of financial instruments

When the fair value of financial assets and financial liabilities recorded in the balance sheet cannot be measured based on quoted prices in active markets, their fair value is measured using valuation techniques including the Discounted Cash Flow model. The inputs to these models are taken from observable markets where possible, but where this is not feasible, a degree of judgement is required in establishing fair values. Judgements include considerations of inputs such as liquidity risk, credit risk and volatility. Changes in assumptions about these factors could affect the reported fair value of financial instruments.

Leases

The Company evaluates if an arrangement qualifies to be a lease as per the requirements of Ind AS 116. Identification of a lease requires significant judgement. The Company uses significant judgement in assessing the lease term (including anticipated renewals) and the applicable discount rate.

The Company determines the lease term as the non-cancellable period of a lease, together with both periods covered by an option to extend the lease of the Company is reasonably certain to exercise that option and periods covered by an option to terminate the lease if the Company is reasonably certain not to exercise that option. In assessing whether the Company is reasonably certain to exercise an option to extend a lease, or not to exercise an option to terminate the lease, it considers all relevant facts and circumstances that create an economic incentive for the Company to exercise the option to extend the lease, or not to exercise the option to terminate the lease. The Company revises the lease term if there is a change in the non-cancellable period of a lease.

The discount rate is generally based on the incremental borrowing rate specific to the lease being evaluated or for a portfolio of leases with similar characteristics.

c. Operating segments

Operating segments are reported in a manner consistent with the internal reporting provided to chief operating decision maker (CODM). The Managing Director is the Company CODM within the meaning of Ind AS 108.

d. **Current and non current classification**

The Company presents assets and liabilities in the balance sheet based on current/ non-current classification. An asset is treated as current when it is:

- Expected to be realised or intended to be sold or consumed in normal operating cycle
- Held primarily for the purpose of trading
- Expected to be realised within twelve months after the reporting period, or
- Cash or cash equivalent unless restricted from being exchanged or used to settle a liability for at least twelve months after the reporting period

All other assets are classified as non-current.

A liability is current when :

- It is expected to be settled in normal operating cycle
- It is held primarily for the purpose of trading
- It is due to be settled within twelve months after the reporting period, or
- There is no unconditional right to defer the settlement of the liability for at least twelve months after the reporting period

The Company classifies all other liabilities as non-current.

Deferred tax assets and liabilities are classified as non-current assets and liabilities.

The operating cycle is the time between the acquisition of assets for processing and their realisation in cash and cash equivalents. The Company has identified twelve months as its operating cycle.

e. **Foreign currencies**

Initial recognition

Transactions in foreign currencies are translated into functional currency of the Company at the exchange rates at the dates of the transactions or an average rate if the average rate approximates the actual rate at the date of the transaction.

Conversion

Monetary assets and liabilities denominated in foreign currencies at the reporting date are translated into the functional currency at the exchange rate at that date. Non-monetary items that are measured based on historical cost in a foreign currency are translated at the exchange rate at the date of the transaction. Non-monetary items that are measured at fair value in a foreign currency are translated using the exchange rates at the date when the fair value was measured.

Exchange differences

Exchange differences arising on the settlement of monetary items or on translating monetary items at rates different from those at which they were translated on initial recognition during the period or in previous standalone financial statements are recognised in the statement of profit and loss in the period in which they arise.

f. **Fair Value Measurement**

In determining the fair value of its financial instruments, the Company uses following hierarchy and assumptions that are based on market conditions and risks existing at each reporting date.

All assets and liabilities for which fair value is measured or disclosed in the standalone financial statements are categorised within the fair value hierarchy, described as follows, based on the lowest level input that is significant to the fair value measurement as a whole:

Level 1: Quoted (unadjusted) market prices in active markets for identical assets or liabilities.

Level 2: Valuation techniques for which the lowest level input that is significant to the fair value measurement is directly or indirectly observable.

Level 3: Valuation techniques for which the lowest level input that is significant to the fair value measurement is unobservable.

For assets and liabilities that are recognised in the financial statements on a recurring basis, the Company determines whether transfers have occurred between levels in the hierarchy by re-assessing categorisation (based on the lowest level input that is significant to the fair value measurement as a whole) at the end of each reporting period.

When the fair values of financial assets and financial liabilities recorded in the financial statements cannot be measured based on

Notes to Standalone Financial Statements for the year ended 31st March, 2022 (Contd.)

(All amounts in Indian Rupees in millions except for share data or otherwise stated)

quoted prices in active markets, their fair value is measured using valuation techniques including the discounted cash flow model. The inputs to these models are taken from observable markets where possible, but where this is not feasible, a degree of judgements is required in establishing fair values. Judgements include considerations of inputs such as liquidity risk, credit risk volatility and discount rates. Changes in assumptions about these factors could affect the reported fair value of financial instruments.

g. Revenue recognition

Revenue is recognised to the extent that it is probable that the economic benefits will flow to the Company and the revenue can be reliably measured, regardless of when the payment is being made. Revenue is measured at the fair value of the consideration received or receivable, taking into account contractually defined terms of payment and excluding taxes or duties collected on behalf of the government. However Goods and Service Tax (GST) is not received by the Company on its own account. Rather, it is tax collected on value added to the commodity by the seller on behalf of the government. Accordingly, it is excluded from revenue.

The specific recognition criteria described below must also be met before revenue is recognised.

Sale of goods

Revenue from sale of goods is recognised when all the significant risks and rewards of ownership of the goods have been passed to the buyer, usually on delivery of the goods. Revenue from the sale of goods is measured at the fair value of the consideration received or receivable, net of returns and allowances, trade discounts and volume rebates.

Brand Fee

Brand fee is a percentage on revenue generated by subsidiaries, recognised on accrual basis in accordance with the terms of the relevant agreement and there is significant certainty as to its collectability.

Management fee

Management fee is recognised based on the services rendered and as per the terms of agreement and there is significant certainty as to its collectability.

Rental Income

Rental income arising from operating leases on building is accounted for on a straight-line basis over the lease terms and is included in revenue in the statement of profit and loss due to its operating nature.

Income from diagnostic services

Revenue from diagnostics services is recognized on amount billed net of discounts/ concessions if any. No element of financing is deemed present as the sales are made primarily on cash and carry basis. The Company recognises revenue when the amount of revenue can be reliably measured, it is probable that economic benefits will flow to the entity and when the underlying tests are conducted, samples are processed for requisitioned diagnostic tests. Each diagnostic service is generally a separate performance obligation and therefore revenue is recognised at a point in time when the tests are conducted, samples are processed. For multiple tests, the Company measures the revenue in respect of each performance obligation at its relative stand alone selling price and the transaction price is allocated accordingly. The price that is regularly charged for a test separately registered is considered to be the best evidence of its stand alone selling price. Revenue contracts are on principal to principal basis and the Company is primarily responsible for fulfilling the performance obligation. A contract liability is the obligation to transfer services to a customer for which the Company has received consideration from the customer. If a customer pays consideration before the Company transfers services to the customer, a contract liability is recognised when the payment is made. Contract liabilities are recognised as revenue when the Company performs its obligation under the contract.

h. Taxes

Current income tax

Current income tax assets and liabilities are measured at the amount expected to be recovered from or paid to the income tax authority. The tax rates and tax laws used to compute the amount are those that are enacted or substantively enacted at the reporting date.

Current income tax relating to items recognised outside profit or loss is recognised outside profit or loss (either in other comprehensive income or in equity). Current tax items are recognised in correlation to the underlying transaction either in OCI or directly in equity. Management periodically evaluates positions taken in the tax return with respect to situations in which applicable tax regulations are subject to interpretation and establishes provisions where appropriate.

Deferred tax

Deferred tax is provided using the balance sheet method on temporary differences between the tax bases of assets and liabilities and their carrying amounts for financial reporting purposes at the reporting date.

Deferred tax liabilities are recognised for all taxable temporary differences, except, when the deferred tax liability arises from the initial recognition of goodwill or an asset or liability in a transaction that is not a business combination and, at the time of the transaction, affects neither the accounting profit nor taxable profit or loss.

Deferred tax assets are recognised for all deductible temporary differences, the carry forward of unused tax credits and any unused tax losses. Deferred tax assets are recognised to the extent that it is probable that taxable profit will be available against which the deductible temporary differences, and the carry forward of unused tax credits and unused tax losses can be utilised, except, When the deferred tax asset relating to the deductible temporary difference arises from the initial recognition of an asset or liability in a transaction that is not a business combination and, at the time of the transaction, affects neither the accounting profit nor taxable profit or loss.

The carrying amount of deferred tax assets is reviewed at each reporting date and reduced to the extent that it is no longer probable that sufficient taxable profit will be available to allow all or part of the deferred tax asset to be utilised. Unrecognised deferred tax assets are re-assessed at each reporting date and are recognised to the extent that it has become probable that future taxable profits will allow the deferred tax asset to be recovered.

Deferred tax assets and liabilities are measured at the tax rates that are expected to apply in the year when the asset is realised or the liability is settled, based on tax rates (and tax laws) that have been enacted or substantively enacted at the reporting date.

Deferred tax relating to items recognised outside profit or loss is recognised outside profit or loss (either in other comprehensive income or in equity). Deferred tax items are recognised in correlation to the underlying transaction either in OCI or directly in equity.

Deferred tax assets and deferred tax liabilities are offset if a legally enforceable right exists to set off current tax assets against current tax liabilities and the deferred taxes relate to the same taxable entity and the same taxation authority.

Tax benefits acquired as part of a business combination, but not satisfying the criteria for separate recognition at that date, are recognised subsequently if new information about facts and circumstances change. Acquired deferred tax benefits recognised within the measurement period reduce goodwill related to that acquisition if they result from new information obtained about facts and circumstances existing at the acquisition date. If the carrying amount of goodwill is zero, any remaining deferred tax benefits are recognised in OCI/ capital reserve depending on the principle explained for bargain purchase gains. All other acquired tax benefits realised are recognised in profit or loss.

i. Property, Plant and Equipment

Capital work in progress is stated at cost, net of accumulated impairment loss, if any. Plant and equipment are stated at cost net of accumulated depreciation and accumulated impairment losses, if any. Such cost includes the cost of replacing part of the plant and equipment and borrowing costs for long-term construction projects if the recognition criteria are met. Cost includes purchase price, non-recoverable taxes and duties, labour cost and direct overheads for self-constructed assets and other direct costs incurred up to the date the asset is ready for its intended use. When significant parts of plant and equipment are required to be replaced at intervals, the Company depreciates them separately based on their specific useful lives. Likewise, when a major inspection is performed, its cost is recognised in the carrying amount of the plant and equipment as a replacement if the recognition criteria are satisfied. All other repair

Notes to Standalone Financial Statements for the year ended 31st March, 2022 (Contd.)

(All amounts in Indian Rupees in millions except for share data or otherwise stated)

and maintenance costs are recognised in profit or loss as incurred. The present value of the expected cost for the decommissioning of an asset after its use is included in the cost of the respective asset if the recognition criteria for a provision are met.

Items of stores and spares that meet the definition of property, plant and equipment are capitalised at cost and depreciated over their useful life. Otherwise, such items are classified as inventories, unless expected to be capitalised and classified as capital work in progress. The Company identifies and determines cost of each component/ part of the asset separately, if the component/ part has a cost which is significant to the total cost of the asset and has useful life that is materially different from that of the remaining asset.

An item of property, plant and equipment and any significant part initially recognised is derecognised upon disposal or when no future economic benefits are expected from its use or disposal. Any gain or loss arising on derecognition of the asset (calculated as the difference between the net disposal proceeds and the carrying amount of the asset) is included in the standalone statement of profit and loss when the asset is derecognised.

Property, plant and equipment held for sale is valued at lower of their carrying amount and net realisable value. Any write-down is recognised in the standalone statement of profit and loss.

Depreciation

Depreciation on property, plant and equipment other than leasehold improvements is calculated on a straight-line basis using the following rates arrived at based on the useful lives estimated by the management which coincide with the lives prescribed under the schedule II to the Companies Act, 2013, except for depreciation on Leasehold Improvements:

Asset class	Useful lives estimated by the management (years)	Estimated useful as per schedule III
Furniture and fixtures	10	10
Vehicles	10	10
Data Processing Equipment	3-6	3-6
Plant and Equipment	5-10	5-10

Depreciation on leasehold improvements is provided over the lease term or 5 years, whichever is shorter, which is higher than the rates prescribed under the schedule II to the Companies Act, 2013.

The residual values, useful lives and methods of depreciation of property, plant and equipment are reviewed at each financial year end and adjusted prospectively, if appropriate.

j. Intangible assets

Intangibles

Intangible assets acquired separately are measured on initial recognition at cost. The cost of intangible assets acquired in a business combination is their fair value at the date of acquisition. Following initial recognition, intangible assets are carried at cost less accumulated amortisation and accumulated impairment losses, if any. Internally generated intangibles, excluding capitalised development costs, are not capitalised and the related expenditure is reflected in profit or loss in the period in which the expenditure is incurred.

Amortisation

The useful lives of intangible assets are assessed as either finite or indefinite.

Intangible assets of the Company represents having finite lives are amortised over the useful economic life and assessed for impairment whenever there is an indication that the intangible asset may be impaired. The amortisation period and the amortisation method are reviewed at least at the end of each reporting period. Changes in the expected useful life or the expected pattern of consumption of future economic benefits embodied in the asset are considered to modify the amortisation period or method, as appropriate, and are treated as changes in accounting estimates. The amortisation expense on these intangible assets is recognised in the statement of profit and loss unless such expenditure forms part of carrying value of another asset.

Intangible assets with indefinite useful lives are not amortised, but are tested for impairment annually, either individually or at the cash-generating unit level. The assessment of indefinite life is reviewed annually to determine whether the indefinite life continues to be supportable. If not, the change in useful life from indefinite to finite is made on a prospective basis.

(All amounts in Indian Rupees in millions except for share data or otherwise stated)

Gains or losses arising from de-recognition of an intangible asset are measured as the difference between the net disposal proceeds and the carrying amount of the asset and are recognised in the statement of profit and loss when the asset is derecognised.

Intangible assets consist of rights under licensing agreement and software licences which are amortised over licence period which equates the economic useful life ranging between 2-5 years on a straight-line basis over the period of its economic useful life.

k. Borrowing costs

Borrowing costs directly attributable to the acquisition, construction or production of an asset that necessarily takes a substantial period of time to get ready for its intended use or sale are capitalised as part of the cost of the asset. All other borrowing costs are expensed in the period in which they occur. Borrowing costs consist of interest and other costs that an entity incurs in connection with the borrowing of funds.

l. Leases

A contract is, or contains, a lease if the contract conveys the right to control the use of an identified asset for a period of time in exchange for consideration.

Company as a lessee

The Company accounts for each lease component within the contract as a lease separately from non-lease components of the contract and allocates the consideration in the contract to each lease component on the basis of the relative standalone price of the lease component and the aggregate standalone price of the non-lease components.

The Company recognises right-of-use asset representing its right to use the underlying asset for the lease term at the lease commencement date. The cost of the right-of-use asset measured at inception shall comprise of the amount of the initial measurement of the lease liability adjusted for any lease payments made at or before the commencement date less any lease incentives received, plus any initial direct costs incurred and an estimate of costs to be incurred by the lessee in dismantling and removing the underlying asset or restoring the underlying asset or site on which it is located. The right-of-use assets is subsequently measured at cost less any accumulated depreciation, accumulated impairment losses, if any and adjusted for any remeasurement of the lease liability. The right-of-use assets is depreciated using the straight-line method from the commencement date over the shorter of lease term or useful life of right-of-use asset. The estimated useful lives of right-of-use assets are determined on the same basis as those of property, plant and equipment. Right-of-use assets are tested for impairment whenever there is any indication that their carrying amounts may not be recoverable. Impairment loss, if any, is recognised in the statement of profit and loss.

The Company measures the lease liability at the present value of the lease payments that are not paid at the commencement date of the lease. The lease payments are discounted using the interest rate implicit in the lease, if that rate can be readily determined. If that rate cannot be readily determined, the Company uses incremental borrowing rate. For leases with reasonably similar characteristics, the Company, on a lease-by-lease basis, may adopt either the incremental borrowing rate specific to the lease or the incremental borrowing rate for the portfolio as a whole. The lease payments shall include fixed payments, variable lease payments, residual value guarantees, exercise price of a purchase option where the Company is reasonably certain to exercise that option and payments of penalties for terminating the lease, if the lease term reflects the lessee exercising an option to terminate the lease. The lease liability is subsequently remeasured by increasing the carrying amount to reflect interest on the lease liability, reducing the carrying amount to reflect the lease payments made and remeasuring the carrying amount to reflect any reassessment or lease modifications or to reflect revised in-substance fixed lease payments. The Company recognises the amount of the re-measurement of lease liability due to modification as an adjustment to the right-of-use asset and statement of profit and loss depending upon the nature of modification. Where the carrying amount of the right-of-use asset is reduced to zero and there is a further reduction in the measurement of the lease liability, the Company recognises any remaining amount of the re-measurement in statement of profit and loss.

Notes to Standalone Financial Statements for the year ended 31st March, 2022 (Contd.)

(All amounts in Indian Rupees in millions except for share data or otherwise stated)

The Company has elected not to apply the requirements of Ind AS 116 Leases to short-term leases of all assets that have a lease term of 12 months or less and leases for which the underlying asset is of low value. The lease payments associated with these leases are recognised as an expense on a straight-line basis over the lease term.

Company as a lessor

At the inception of the lease the Company classifies each of its leases as either an operating lease or a finance lease. The Company recognises lease payments received under operating leases as income on a straight-line basis over the lease term. In case of a finance lease, finance income is recognised over the lease term based on a pattern reflecting a constant periodic rate of return on the lessor's net investment in the lease. When the Company is an intermediate lessor it accounts for its interests in the head lease and the sub-lease separately. It assesses the lease classification of a sub-lease with reference to the right-of-use asset arising from the head lease, not with reference to the underlying asset. If a head lease is a short-term lease to which the Company applies the exemption described above, then it classifies the sub-lease as an operating lease.

If an arrangement contains lease and non-lease components, the Company applies Ind AS 115 Revenue from contracts with customers to allocate the consideration in the contract.

m. Inventories

Inventories comprise of raw materials, packing materials, finished goods, stock-in-trade and stores and consumables and are valued at lower of cost or net realisable value. Cost includes cost of purchase, cost of conversion and other costs incurred in bringing the inventories to their present location and condition.

Cost is determined on first in first out basis. Net realisable value is the estimated selling price in the ordinary course of business reduced by the estimated costs to affect the sale. Stores and spares which do not meet the definition of property, plant and equipment are accounted as inventories until expected to be capitalised.

The factors that the Company considers in determining the valuation of inventory includes shelf life and ageing of Inventory. The Company considers these factors and adjust valuation to reflect actual value of inventory.

n. Impairment of Non-Financial Assets

The Company assesses at each reporting date whether there is an indication that an asset may be impaired. If any indication exists, or when annual impairment testing for an asset is required, the Company estimates the asset's recoverable amount. An asset's recoverable amount is the higher of an asset's net selling price and its value in use. The recoverable amount is determined for an individual asset, unless the asset does not generate cash inflows that are largely independent of those from other assets or groups of assets. Where the carrying amount of an asset exceeds its recoverable amount, the asset is considered impaired and is written down to its recoverable amount. In assessing value in use, the estimated future cash flows are discounted to their present value using a pre-tax discount rate that reflects current market assessments of the time value of money and the risks specific to the asset. In determining net selling price, recent market transactions are taken into account, if available. If no such transactions can be identified, an appropriate valuation model is used.

Impairment losses, including impairment on inventories, are recognised in the standalone statement of profit and loss.

After impairment, depreciation is provided on the revised carrying amount of the asset over its remaining useful life.

An assessment is made at each reporting date as to whether there is any indication that previously recognised impairment losses may no longer exist or may have decreased. If such indication exists, the Company estimates the asset's or cash-generating unit's recoverable amount. A previously recognised impairment loss is reversed only if there has been a change in the assumptions used to determine the asset's recoverable amount since the last impairment loss was recognised. The reversal is limited so that the carrying amount of the asset does not exceed its recoverable amount, nor exceed the carrying amount that would have been determined, net of depreciation, had no impairment loss been recognised for the asset in prior years. Such reversal is recognised in the statement of profit and loss unless the asset is carried at a revalued amount, in which case the reversal is treated as a revaluation increase.

o. Provisions, contingent liabilities and contingent assets

Provisions

Provisions are recognised when the Company has a present obligation (legal or constructive) as a result of a past event, it is probable that an outflow of resources embodying economic benefits will be required to settle the obligation and a reliable estimate can be made of the amount of the obligation. When the Company expects some or all of a provision to be reimbursed, the reimbursement is recognised as a separate asset, but only when the reimbursement is virtually certain. The expense relating to a provision is presented in the standalone statement of profit and loss net of any reimbursement. If the effect of the time value of money is material, provisions are discounted using a current pre-tax rate that reflects, when appropriate, the risks specific to the liability. When discounting is used, the increase in the provision due to the passage of time is recognised as a finance cost.

Contingent liabilities

A contingent liability is a possible obligation that arises from past events whose existence will be confirmed by the occurrence or non-occurrence of one or more uncertain future events beyond the control of the Company or a present obligation that is not recognised because it is not probable that an outflow of resources will be required to settle the obligation. A contingent liability also arises in extremely rare cases where there is a liability that cannot be recognised because it cannot be measured reliably. The Company does not recognise a contingent liability but discloses its existence in the standalone financial statements.

Contingent assets

Contingent assets has to be recognised in the financial statements in the period in which if it is virtually certain that an inflow of economic benefits will arise. Contingent assets are assessed continually and no such benefits were found for the current financial year.

p. Retirement and other employee benefits

Retirement benefit in the form of provident fund is a defined contribution scheme. The Company has no obligation, other than the contribution payable to the provident fund. The Company recognises the contribution payable to the provident fund scheme as an expense, when an employee renders the related service. If the contribution payable to the scheme for service received before the balance sheet date exceeds the contribution already paid, the deficit payable to the scheme is recognised as a liability after deducting the contribution already paid. If the contribution already paid exceeds the contribution due for services received before the balance sheet date, then excess is recognised as an asset.

The Company operates a defined benefit plan for its employees, viz., gratuity. The costs of providing benefits under the plan are determined on the basis of actuarial valuation at each year-end using the projected unit credit method consistent with the advice of qualified actuaries.

Remeasurements, comprising of actuarial gains and losses, the effect of the asset ceiling, excluding amounts included in net interest on the net defined benefit liability and the return on plan assets (excluding amounts included in net interest on the net defined benefit liability), are recognised immediately in the balance sheet with a corresponding debit or credit to retained earnings through OCI in the period in which they occur. Remeasurements are not reclassified to statement of profit and loss in subsequent periods.

Past service costs are recognised in profit or loss on the earlier of:

- The date of the plan amendment or curtailment, and
- The date that the Company recognises related restructuring costs

Net interest is calculated by applying the discount rate to the net defined benefit liability or asset. The Company recognises the following changes in the net defined benefit obligation as an expense in the standalone statement of profit and loss:

- Service costs comprising current service costs, past-service costs, gains and losses on curtailments and non-routine settlements; and
- Net interest expense or income

Notes to Standalone Financial Statements for the year ended 31st March, 2022 (Contd.)

(All amounts in Indian Rupees in millions except for share data or otherwise stated)

Accumulated leave, which is expected to be utilised within the next 12 months, is treated as short-term employee benefit. The Company measures the expected cost of such absences as the additional amount that it expects to pay as a result of the unused entitlement that has accumulated at the reporting date.

The Company treats accumulated leave expected to be carried forward beyond twelve months, as long-term employee benefit for measurement purposes. Such long-term compensated absences are provided for based on the actuarial valuation using the projected unit credit method at the year-end. Actuarial gains/losses are immediately taken to the statement of profit and loss and are not deferred. The Company presents the entire leave as a current liability in the balance sheet, since it does not have an unconditional right to defer its settlement for 12 months after the reporting date.

q. Employee share based payments

Employees (including senior executives) of the Company receive remuneration in the form of share based payment transactions, whereby employees render services as consideration for equity instruments.

The cost of equity-settled transactions is determined by the fair value at the date when the grant is made using an appropriate valuation model.

That cost is recognised, together with a corresponding increase in share-based payment (SBP) reserves in equity, over the period in which the performance and/or service conditions are fulfilled in employee benefits expense. The cumulative expense recognised for equity-settled transactions at each reporting date until the vesting date reflects the extent to which the vesting period has expired and the Company's best estimate of the number of equity instruments that will ultimately vest.

The statement of profit and loss expense or credit for a period represents the movement in cumulative expense recognised as at the beginning and end of that period and is recognised in employee benefits expense.

The amount of expenses pertaining to options granted to employees of the Company's subsidiaries are treated as Deemed Investments in respective subsidiaries to which employees belong and are recognised at each reporting period date until the vesting date, with corresponding impact in Share-based payment reserve.

Service and non-market performance conditions are not taken into account when determining the grant date fair value of awards, but the likelihood of the conditions being met is assessed as part of the Company's best estimate of the number of equity instruments that will ultimately vest. Market performance conditions are reflected within the grant date fair value.

Any other conditions attached to an award, but without an associated service requirement, are considered to be non-vesting conditions. Non-vesting conditions are reflected in the fair value of an award and lead to an immediate expensing of an award unless there are also service and/or performance conditions.

No expense is recognised for awards that do not ultimately vest because non-market performance and/or service conditions have not been met. Where awards include a market or non-vesting condition, the transactions are treated as vested irrespective of whether the market or non-vesting condition is satisfied, provided that all other performance and/or service conditions are satisfied.

When the terms of an equity-settled award are modified, the minimum expense recognised is the expense had the terms had not been modified, if the original terms of the award are met. An additional expense is recognised for any modification that increases the total fair value of the share-based payment transaction, or is otherwise beneficial to the employee as measured at the date of modification. Where an award is cancelled by the entity or by the counterparty, any remaining element of the fair value of the award is expensed immediately through statement of profit and loss.

The dilutive effect of outstanding options is reflected as additional share dilution in the computation of diluted earnings per share, unless its anti-dilutive to Company's earnings in nature.

Shares allotted to Trust:

The Company has created an Employees benefit trust (Trust) for implementation of the schemes that are notified or may be notified from time to time by the Company under the plan, providing share based payment to its employees. The Company allocated shares to Trust at the time of formation of trust. The Company treats trust as its extension and these equity instruments are recognised at cost and deducted from equity."

r. Financial Instruments

A financial instrument is any contract that gives rise to a financial asset of one entity and a financial liability or equity instrument of another entity.

Financial assets

Initial recognition and measurement

All financial assets are recognised initially at fair value plus, in the case of financial assets not recorded at fair value through profit or loss, transaction costs that are attributable to the acquisition of the financial asset. Purchases or sales of financial assets that require delivery of assets within a time frame established by regulation or convention in the market place (regular way trades) are recognised on the trade date, i.e., the date that the Company commits to purchase or sell the asset.

Subsequent measurement

For purposes of subsequent measurement, financial assets are classified in four categories:

i) Debt instruments at amortised cost

ii) Debt instruments at fair value through other comprehensive income (FVTOCI)

iii) Debt instruments, derivatives and equity instruments at fair value through profit or loss (FVTPL)

iv) Equity instruments measured at fair value through other comprehensive income (FVTOCI)

Debt instruments at amortised cost

A 'debt instrument' is measured at the amortised cost if both the following conditions are met:

a) The asset is held within a business model whose objective is to hold assets for collecting contractual cash flows, and

b) Contractual terms of the asset give rise on specified dates to cash flows that are solely payments of principal and interest (SPPI) on the principal amount outstanding.

After initial measurement, such financial assets are subsequently measured at amortised cost using the effective interest rate (EIR) method. Amortised cost is calculated by taking into account any discount or premium on acquisition and fees or costs that are an integral part of the EIR. The EIR amortisation is included in other income in the statement of profit and loss. The losses arising from impairment are recognised in the statement of profit and loss. This category generally applies to trade and other receivables.

Derecognition

A financial asset (or, where applicable, a part of a financial asset or part of a group of similar financial assets) is primarily derecognised (i.e. removed from the Company's balance sheet) when:

- the rights to receive Cash flows from the asset have expired, or

- The Company has transferred its rights to receive cash flows from the asset or has assumed an obligation to pay the received cash flows in full without material delay to a third party under a 'pass-through' arrangement; and either (a) the Company has transferred substantially all the risks and rewards of the asset, or (b) the Company has neither transferred nor retained substantially all the risks and rewards of the asset, but has transferred control of the asset.

When the Company has transferred its rights to receive cash flows from an asset or has entered into a pass-through arrangement, it valuates if and to what extent it has retained the risks and rewards of ownership. When it has neither transferred nor retained substantially all of the risks and rewards of the asset, nor transferred control of the asset, the Company continues to recognise the transferred asset to the extent of the Company's continuing involvement. In that case, the Company also recognises an associated liability. The transferred asset and the associated liability are measured on a basis that reflects the rights and obligations that the Company has retained.

Continuing involvement that takes the form of a guarantee over the transferred asset is measured

Notes to Standalone Financial Statements for the year ended 31st March, 2022 (Contd.)

(All amounts in Indian Rupees in millions except for share data or otherwise stated)

at the lower of the original carrying amount of the asset and the maximum amount of consideration that the Company could be required to repay.

Impairment of financial assets

In accordance with Ind AS 109, the Company applies expected credit loss (ECL) model for measurement and recognition of impairment loss on the following financial assets and credit risk exposure:

a) Financial assets that are debt instruments, and are measured at amortised cost e.g., loans, debt securities, deposits, trade receivables and bank balance.

b) Financial assets that are debt instruments and are measured as at FVTOCI

In case of trade receivables, the Company follows a simplified approach wherein an amount equal to lifetime ECL is measured and recognised as loss allowance. The application of simplified approach does not require the Company to track changes in credit risk. Rather, it recognises impairment loss allowance based on lifetime ECLs at each reporting date, right from its initial recognition.

For recognition of impairment loss on other financial assets and risk exposure, the Company determines that whether there has been a significant increase in the credit risk since initial recognition. If credit risk has not increased significantly, 12-month ECL is used to provide for impairment loss. However, if credit risk has increased significantly, lifetime ECL is used. If, in a subsequent period, credit quality of the instrument improves such that there is no longer a significant increase in credit risk since initial recognition, then the entity reverts to recognising impairment loss allowance based on 12-month ECL.

Lifetime ECL are the expected credit losses resulting from all possible default events over the expected life of a financial instrument. The 12-month ECL is a portion of the lifetime ECL which results from default events that are possible within 12 months after the reporting date.

ECL is the difference between all contractual cash flows that are due to the Company in accordance with the contract and all the cash flows that the entity expects to receive (i.e., all cash shortfalls), discounted at the original EIR. When estimating the cash flows, an entity is required to consider:

- All contractual terms of the financial instrument (including prepayment, extension, call and similar options) over the expected life of the financial instrument. However, in rare cases when the expected life of the financial instrument cannot be estimated reliably, then the entity is required to use the remaining contractual term of the financial instrument.
- Cash flows from the sale of collateral held or other credit enhancements that are integral to the contractual terms

As a practical expedient, the Company uses a provision matrix to determine impairment loss allowance on portfolio of its trade receivables. The provision matrix is based on its historically observed default rates over the expected life of the trade receivables and is adjusted for forward-looking estimates. At every reporting date, the historical observed default rates are updated and changes in the forward-looking estimates are analysed.

ECL impairment loss allowance (or reversal) recognised during the period is recognised as income/ expense in the Statement of Profit and Loss under the head 'Other expenses'. The balance sheet presentation for various financial instruments are Financial assets measured as at amortised cost, contractual revenue receivables and lease receivables:

ECL is presented as an allowance, i.e., as an integral part of the measurement of those assets in the balance sheet. The allowance reduces the net carrying amount. Until the asset meets write-off criteria, the Company does not reduce impairment allowance from the gross carrying amount.

Financial Liabilities

Financial liability, Equity and Compound Financial Instruments

The debt and equity instruments that are issued are classified as either financial liabilities or as equity in accordance with the substance of the contractual arrangement.

Initial recognition and measurement

Financial liabilities :

Financial liabilities are classified, at initial recognition, as financial liabilities at fair value through profit or loss, loans and borrowings, payables, as appropriate.

All financial liabilities are recognised initially at fair value and, in the case of loans and borrowings and payables, net of directly attributable transaction costs.

The Company's financial liabilities include trade and other payables, loans and borrowings including bank overdrafts, financial guarantee contracts.

Equity:

An equity instrument is any contract that evidences a residual interest in the assets of an entity after deducting all of its liabilities. Equity instruments issued by the Company are recognised at the proceeds received, net of direct issue costs.

A conversion option that will be settled by the exchange of a fixed amount of cash or another financial asset for a fixed number of the Company's own equity instruments is an equity instrument.

Compound instruments

Compound financial instruments issued by the Company comprise of compulsorily convertible preference shares that can be converted into equity shares where the number of shares to be issued is fixed and does not vary with change in fair value. When establishing the accounting treatment for these non-derivative instruments, the Company first establishes whether the instrument is a compound instrument and classifies such instrument's components separately as financial liabilities or equity instruments in accordance with Ind AS 32.

The liability component of a compound financial instrument is initially recognised at the fair value of a similar liability that does not have an equity conversion option. The equity component is initially recognised at the difference between the fair value of the compound financial instrument as a whole and the fair value of the liability component. Subsequently the liability is measured as per requirement of Ind AS 109. The equity component of a compound financial instrument is not subsequently measured.

A Cumulative Compulsorily Convertible Preference Shares (CCPS), with an option to holder to convert the instrument into variable number of equity shares of the entity upon redemption is classified as a financial liability and dividend including dividend distribution tax is accrued on such instruments and recorded as finance cost.

Subsequent measurement

The measurement of financial liabilities depends on their classification, as described below:

Financial liabilities at fair value through profit or loss

Financial liabilities at fair value through profit or loss include financial liabilities held for trading and financial liabilities designated upon initial recognition as at fair value through profit or loss. Financial liabilities are classified as held for trading if they are incurred for the purpose of repurchasing in the near term.

Gains or losses on liabilities held for trading are recognised in the standalone statement of profit and loss.

Financial liabilities designated upon initial recognition at fair value through profit or loss are designated as such at the initial date of recognition, and only if the criteria in Ind AS 109 are satisfied. For liabilities designated as FVTPL, fair value gains/ losses attributable to changes in own credit risk are recognised in OCI. These gains/ losses are not subsequently transferred to the statement of profit and loss. However, the Company may transfer the cumulative gain or loss within equity. All other changes in fair value of such liability are recognised in the standalone statement of profit and loss.

Loans and borrowings

After initial recognition, interest-bearing loans and borrowings are subsequently measured at amortised cost using the EIR method. Gains and losses are recognised in the statement of profit and loss when the liabilities are derecognised as well as through the EIR amortisation process.

Amortised cost is calculated by taking into account any discount or premium on acquisition and fees or costs that are an integral part of the EIR. The EIR amortisation is included as finance costs in the standalone statement of profit and loss.

Notes to Standalone Financial Statements for the year ended 31st March, 2022 (Contd.)

(All amounts in Indian Rupees in millions except for share data or otherwise stated)

Derecognition

A financial liability is derecognised when the obligation under the liability is discharged or cancelled or expires. When an existing financial liability is replaced by another from the same lender on substantially different terms, or the terms of an existing liability are substantially modified, such an exchange or modification is treated as the derecognition of the original liability and the recognition of a new liability. The difference in the respective carrying amounts is recognised in the standalone statement of profit and loss.

The Company also derecognises a financial liability when its terms are modified and the cash flows under the modified terms are substantially different."

Offsetting of financial instruments

Financial assets and financial liabilities are offset and the net amount is reported in the balance sheet if there is a currently enforceable legal right to offset the recognised amounts and there is an intention to settle on a net basis, to realise the assets and settle the liabilities simultaneously.

s. Financial Guarantee

In a financial guarantee where the parent company has provided guarantee to its subsidiaries, Company treats the fair value of the guarantee as an equity infusion at the time of initial recognition and subsequently recognise the Guarantee premium over the period of guarantee.

t. Cash and cash equivalents

Cash and cash equivalent in the balance sheet comprise cash at banks and on hand and short-term deposits with an original maturity of three months or less, which are subject to an insignificant risk of changes in value.

For the purpose of the statement of cash flows, cash and cash equivalents consist of cash and short-term deposits, as defined above, net of outstanding bank overdrafts as they are considered an integral part of the Company's cash management.

u. Investment in subsidiaries

Investments in subsidiaries are carried at cost less accumulated impairment losses, if any. Where an indication of impairment exists, the carrying amount of the investment is assessed and written down immediately to its recoverable amount. On disposal of investments in subsidiaries, the difference between net disposal proceeds and the carrying amounts are recognised in the standalone statement of profit and loss.

v. Interest income

Interest income from financial instruments measured either at amortised cost or at fair value through other comprehensive income is recorded using the effective interest rate (EIR). EIR is the rate that exactly discounts the estimated future cash payments or receipts over the expected life of the financial instrument or a shorter period, where appropriate, to the gross carrying amount of the financial asset or to the amortised cost of a financial liability. When calculating the effective interest rate, the Company estimates the expected cash flows by considering all the contractual terms of the financial instrument (for example, prepayment, extension, call and similar options) but does not consider the expected credit losses. Interest income is included in other income in the standalone statement of profit and loss.

w. Earnings per equity share

Basic earnings equity per share is calculated by dividing the net profit or loss attributable to equity holder of parent company (after deducting preference dividends and attributable taxes) by the weighted average number of equity shares outstanding during the period. Partly paid equity shares are treated as a fraction of an equity share to the extent that they are entitled to participate in dividends relative to a fully paid equity share during the reporting period. Equity shares that will be issued upon the conversion of a mandatorily convertible instrument are included in the calculation of basic earnings per share from the date the contract is entered into. The weighted average number of equity shares outstanding during the period is adjusted for events such as bonus issue, bonus element in a rights issue, share split, and reverse share split (consolidation of shares) that have changed the number of equity shares outstanding, without a corresponding change in resources.

(All amounts in Indian Rupees in millions except for share data or otherwise stated)

For the purpose of calculating diluted earnings equity per share, the net profit or loss for the period attributable to equity shareholders and the weighted average number of shares outstanding during the period are adjusted for the effects of all dilutive potential equity shares.

x. Cash flow statement

Cash flow statement is prepared in accordance with the indirect method prescribed in Ind AS 7 'Statement of Cash Flows'.

y. Share issue expenses

The share issue expenses incurred by the Company on account of new shares issued are netted off from securities premium account. The share issue expenses incurred by the Company on behalf of selling shareholders are considered to be recoverable from selling shareholders and are classified as share issue expenses recoverable under other current financials assets.

z. Events after Reporting date

Where events occurring after the Balance Sheet date provide evidence of conditions that existed at the end of the reporting period, the impact of such events is adjusted within the standalone financial statements. Otherwise, events after the Balance Sheet date of material size or nature are only disclosed.

Notes to Standalone Financial Statements for the year ended 31st March, 2022 (Contd.)

(All amounts in Indian Rupees in millions except for share data or otherwise stated)

3A. PROPERTY, PLANT AND EQUIPMENT

Particulars	Land	Leasehold improvements	Plant and equipment	Data processing equipment	Furniture and fixtures	Vehicles	Total Tangible assets
Gross Carrying amount							
As at 1st April, 2020	**-**	**4.04**	**56.77**	**1.87**	**3.11**	**0.54**	**66.33**
Additions	79.50	-	32.65	0.75	0.10	2.28	115.28
Disposals	-	-	(0.15)	-	-	-	(0.15)
As at 31st March, 2021	**79.50**	**4.04**	**89.28**	**2.62**	**3.21**	**2.82**	**181.46**
Additions	63.80	25.18	169.65	8.85	9.02	0.85	277.35
Disposals	-	-	(34.89)	(0.15)	(0.20)	(0.34)	(35.58)
As at 31st March, 2022	**143.30**	**29.22**	**224.04**	**11.32**	**12.03**	**3.33**	**423.23**
Accumulated Depreciation							
Up to 1st April, 2020	**-**	**1.08**	**11.28**	**0.95**	**2.79**	**0.53**	**16.63**
Charge for the year	-	0.85	5.03	0.56	0.05	0.08	6.57
Disposals	-	-	(0.09)	-	-	-	(0.09)
Up to 31st March, 2021	**-**	**1.93**	**16.22**	**1.51**	**2.84**	**0.61**	**23.11**
Charge for the year	-	1.71	9.03	1.36	0.36	0.29	12.75
Disposals	-	-	(1.40)	(0.04)	(0.02)	(0.34)	(1.80)
Up to 31st March, 2022	**-**	**3.64**	**23.85**	**2.83**	**3.18**	**0.56**	**34.06**
Net Block							
As at 31st March, 2021	**79.50**	**2.10**	**73.05**	**1.11**	**0.37**	**2.21**	**158.35**
As at 31st March, 2022	**143.30**	**25.58**	**200.18**	**8.49**	**8.85**	**2.77**	**389.17**

Title deeds of Immovable Properties not held in name of the Company:

Particulars	Description of item of property	Gross carrying value	Title deeds held in the name of	Whether title deed holder is a promoter, director or relative of promoter/ director or employee of promoter/ director	Property held since	Reason for not held in the name of company
Property, plant and equipment	Land	63.80	Natco Pharma Limited	No	20th December, 2020	refer note 1 below

Note 1: Propety has been transferred vide agreement of sale deed dated 20th December, 2020. However, the Company is in the process of registration of the same.

Notes to Standalone Financial Statements for the year ended 31st March, 2022 (Contd.)

(All amounts in Indian Rupees in millions except for share data or otherwise stated)

3b. Capital work-in-progress

	As at 31st March, 2022	As at 31st March, 2021
Gross carrying amount		
Opening Balances	20.09	9.51
Additions during the year	244.04	29.00
Less: Capitalised during the year	(108.94)	(18.42)
Closing Balance	155.20	20.09

Note: 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.

Capital work-in-progress Ageing Schedule

As at 31st March, 2022

Particulars	Amount in capital-work-in-progress for a period of				Total
	Less than 1 year	1-2 years	2-3 years	More than 3 years	
Projects in progress	143.39	11.81	-	-	155.20
Projects temporarily suspended	-	-	-	-	-

As at 31st March, 2021

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	10.59	9.50	-	-	20.09
Projects temporarily suspended	-	-	-	-	-

3c. Intangible assets

Particulars	Software	Total Intangible assets
Gross Carrying amount		
As at 1st April, 2020	**0.08**	**0.08**
Additions	-	-
Disposals	-	-
As at 31st March, 2021	**0.08**	**0.08**
Additions	29.72	29.72
Disposals	-	-
As at 31st March, 2022	**29.80**	**29.80**
Accumulated Amortisation		
Up to 1st April, 2020	**0.08**	**0.08**
Charge for the year	-	0.00
Disposals	-	0.00
Up to 31st March, 2021	**0.08**	**0.08**
Charge for the year	1.48	1.48
Disposals	-	-
Up to 31st March, 2022	**1.56**	**1.56**
Net Block		
As at 31st March, 2021	**-**	**-**
As at 31st March, 2022	**28.24**	**28.24**

Notes to Standalone Financial Statements for the year ended 31st March, 2022 (Contd.)

(All amounts in Indian Rupees in millions except for share data or otherwise stated)

4. RIGHT-OF-USE ASSETS

	As at 31st March, 2022	As at 31st March, 2021
Right-of-use assets (Refer note: 36)	432.74	68.40
	432.74	**68.40**

5. INVESTMENTS

	As at 31st March, 2022	As at 31st March, 2021
Investments in subsidiaries carried at cost less impairment		
a) Unquoted equity instruments		
19,95,21,041 (31st March, 2021: 19,95,21,041) equity shares of ₹ 10 each fully paid-up in Optival Health Solutions Private Limited	3,599.45	3,599.45
70,10,000 (31st March, 2021: 70,10,000) equity shares of ₹ 10 each fully paid-up in MHS Pharmaceuticals Private Limited	70.10	70.10
68,60,000 (31st March, 2021: 68,60,000) equity shares of ₹ 10 each fully paid-up in Nova Sud Pharmaceuticals Private Limited (formerly known as Pan India Pharma Distributors Private Limited)	68.60	68.60
1,40,77,350 (31st March, 2021: 1,40,77,350) equity shares of ₹ 10 each fully paid-up in Wynclark Pharmaceuticals Private Limited (formerly known as Med supply Distributors Private Limited)	140.77	140.77
Investment in Clearancekart Private Limited (refer note 1 below)	0.10	-
3,86,636 (31st March, 2021: 3,86,636) equity shares of ₹ 10 each fully paid-up in Kalyani Meditimes Private Limited (refer note 2 below)	35.00	35.00
Aggregate gross value on unquoted investments (A)	**3,914.02**	**3,913.92**
b) Deemed investment (refer note 40)		
Optival Health Solutions Private Limited	388.03	289.18
MHS Pharmaceuticals Private Limited	1.92	1.92
Venkata Krishna Enterprises Private Limited	6.21	5.76
Sidson Pharma Distributors Private Limited	0.09	-
Aggregate value on deemed investments (B)	**396.25**	**296.86**
Aggregate value on unquoted investments including deemed investments (C=A+B)	**4,310.27**	**4,210.78**
Less: Impairment in value of investments	(125.77)	(125.77)
Aggregate amount of impairment in value of investments (D)	**(125.77)**	**(125.77)**
Total (C+D)	**4,184.50**	**4,085.01**
Aggregate value on unquoted investments including deemed investments	4,310.27	4,210.78
Aggregate provision for impairment in value of investments	(125.77)	(125.77)
Movement in provision for impairment:		
Opening balance	(125.77)	(125.87)
Addition during the year	-	-
Deletion during the year	-	0.10
Closing balance	**(125.77)**	**(125.77)**

Note 1

The Company subscribed to 10,000 shares of ₹ 10 each of a Company named ClearanceKart Private Limited, which was incorporated on 9th March, 2021 under the Companies Act, 2013. The transfer of shares and transfer of consideration happened during the year ended 31st March, 2022.

Note 2

The Company holds 100% (31st March, 2021: 100%) of the shareholding in all subsidiaries except for Kalyani Meditimes Private Limited wherein the Company's holding constitutes to 65.53 % (31st March, 2021: 65.53%) of the paid-up capital of the subsidiary.

Notes to Standalone Financial Statements for the year ended 31st March, 2022 (Contd.)

(All amounts in Indian Rupees in millions except for share data or otherwise stated)

6. LOANS

	As at 31st March, 2022	As at 31st March, 2021
Loan to Subsidiary (refer note below)	27.82	4.50
	27.82	**4.50**

Note:

Loan 1

During the year ended 31st March, 2021, the Company has given loan of ₹ 4.50 million to Kalyani Meditimes Private Limited ("Borrower") for use by the borrower towards its working capital and general corporate use purposes and carries an interest rate of 18% p.a. and payable monthly. The loan is repayable on demand within one working day of such demand. The outstanding balance of the loan as at 31st March, 2022 is ₹ 4.50 millions.

Loan 2

The Company in current year had given loan of ₹ 23.32 million to Kalyani Meditimes Private Limited ("Borrower") for use by the borrower towards its working capital and general corporate use purposes and carries an interest rate of 18% p.a. and payable yearly. The loan is repayable in 12 months from the issue date.

7. OTHER FINANCIAL ASSETS

		As at 31st March, 2022	As at 31st March, 2021
Non-current			
Unsecured, considered good			
Security deposits		19.15	2.52
	(A)	**19.15**	**2.52**
Unsecured, considered Doubtful			
Security deposits		0.46	0.46
		0.46	0.46
Less: Provision for doubtful deposits		(0.46)	(0.46)
	(B)	**-**	**-**
Total non-current	**(A+B)**	**19.15**	**2.52**
Current			
Unsecured, considered good			
Bank Deposits with remaining maturity of less than 12 months		5,923.07	-
Deposit with others*		30.00	-
Interest accrued on fixed deposits		41.46	3.66
Advances to employees		1.09	0.06
Share issue expense receivable**		172.28	-
Total current		**6,167.90**	**3.72**

* Deposits paid to Bombay Stock Exchange Limited ('BSE') for the purpose of IPO.

** The Company has spent/ accrued ₹ 536.83 million towards IPO related expenses which includes legal expenses, certification fees, listing fees, audit expenses and others. These expenses are shared between the selling shareholders and company in proportion of their shares. The share issue expenses incurred by the Company on behalf of selling shareholders are considered to be recoverable from selling shareholders/ IPO public issue account and are classified as share issue expenses receivable under other current financials assets.

Notes to Standalone Financial Statements for the year ended 31st March, 2022 (Contd.)

(All amounts in Indian Rupees in millions except for share data or otherwise stated)

8. NON-CURRENT TAX ASSET

	As at 31st March, 2022	As at 31st March, 2021
Unsecured, considered good		
Advance Tax (Net of provision ₹ Nil (31st March, 2021: ₹ Nil))	26.99	6.86
Total	**26.99**	**6.86**

9. OTHER ASSETS

	As at 31st March, 2022	As at 31st March, 2021
Non-current		
Unsecured, Considered Good		
Balances with statutory / government authorities	5.51	0.21
Capital advances	59.65	77.95
Unsecured, considered doubtful		
Balances with statutory / government authorities	0.11	0.11
	65.27	**78.27**
Provision for doubtful balances	(0.11)	(0.11)
Total non-current	**65.16**	**78.16**
Current		
Balances with statutory / government authorities	3.69	4.87
Advance to vendors	45.72	21.59
Prepaid expenses	2.00	0.47
Total current	**51.41**	**26.93**

10. INVENTORIES

	As at 31st March, 2022	As at 31st March, 2021
(Valued at lower of cost or net realisable value)		
Raw material (including packing material)	29.76	20.14
Work In progress	1.25	0.71
Finished goods	4.86	5.97
Stores and consumables	2.18	0.65
Stock-in-trade	0.95	20.38
	39.00	**47.85**

11. CASH AND CASH EQUIVALENTS

	As at 31st March, 2022	As at 31st March, 2021
Cash on hand	0.28	0.08
Balances with banks		
- On current accounts	9.10	20.71
Bank deposits with original maturity of less than three months	-	846.00
	9.38	**866.79**

12. OTHER BANK BALANCES

	As at 31st March, 2022	As at 31st March, 2021
Bank deposits with original maturity of more than 3 months and less than 12 months	65.00	-
	65.00	**-**

Notes to Standalone Financial Statements for the year ended 31st March, 2022 (Contd.)

(All amounts in Indian Rupees in millions except for share data or otherwise stated)

13. TRADE RECEIVABLES

	As at 31st March, 2022	As at 31st March, 2021
Considered good		
Trade receivables considered good - unsecured*	212.88	115.06
Trade receivables which have significant increase in credit risk	-	-
Trade receivables - credit impaired	0.39	0.04
	213.27	**115.10**
Less: Allowance for expected credit loss and credit impairment	(0.39)	(0.04)
Total	**212.88**	**115.06**

* Includes amount receivable from related parties (refer note 40)

No trade or other receivable are due from directors or other officers of the Company either severally or jointly with any other person. Nor any trade or other receivable are due from firms or private companies respectively in which any director is a partner, a director or a member.

Trade receivables are non-interest bearing and are generally on terms of 30 to 60 days.

Ageing for trade receivables as at 31st March, 2022 is as follows:

Particulars	Not Due	Outstanding for following periods from due date of payment					Total
		Less than 6 months	6 months - 1 year	1-2 years	2-3 years	More than 3 years	
Trade receivables - Billed							
(i) Undisputed Trade receivables – considered good	135.88	77.00	0.00	0.00	0.00	0.00	212.88
(ii) Undisputed Trade Receivables – which have significant increase in credit risk	-	-	-	-	-	-	-
(iii) Undisputed Trade Receivables – credit impaired	-	-	0.34	0.02	0.01	0.02	0.39
(iv) Disputed Trade Receivables– considered good	-	-	-	-	-	-	-
(v) Disputed Trade Receivables – which have significant increase in credit risk	-	-	-	-	-	-	-
(vi) Disputed Trade Receivables – credit Impaired	-	-	-	-	-	-	-
Total	**135.88**	**77.00**	**0.34**	**0.02**	**0.01**	**0.02**	**213.27**
Less: Allowance for doubtful trade receivables - Billed							**(0.39)**
							212.88

Ageing for trade receivables as at 31st March, 2021 is as follows:

Particulars	Not Due	Outstanding for following periods from due date of payment					Total
		Less than 6 months	6 months - 1 year	1-2 years	2-3 years	More than 3 years	
Trade receivables - Billed							
(i) Undisputed Trade receivables – considered good	57.05	58.01	-	-	-	-	115.06
(ii) Undisputed Trade Receivables – which have significant increase in credit risk	-	-	-	-	-	-	-
(iii) Undisputed Trade Receivables – credit impaired	-	-	0.04	-	-	-	0.04
(iv) Disputed Trade Receivables– considered good	-	-	-	-	-	-	-
(v) Disputed Trade Receivables – which have significant increase in credit risk	-	-	-	-	-	-	-
(vi) Disputed Trade Receivables – credit Impaired	-	-	-	-	-	-	-
Total	**57.05**	**58.01**	**0.04**	**-**	**-**	**-**	**115.10**
Less: Allowance for doubtful trade receivables - Billed							**(0.04)**
							115.06

Notes to Standalone Financial Statements for the year ended 31st March, 2022 (Contd.)

(All amounts in Indian Rupees in millions except for share data or otherwise stated)

14. SHARE CAPITAL

	As at 31st March, 2022	As at 31st March, 2021
Equity shares		
Authorised share capital		
(i) Equity shares of ₹ 2/- each (31st March, 2021: ₹ 10/- each)		
As at beginning of the year (4,65,000 (31st March, 2021: 2,15,000) equity shares)	4.65	2.15
Increase during the year on account of split (18,60,000 (31st March, 2021: Nil equity shares of ₹ 10/- each) equity shares of ₹ 2/- each)*		
Cancellation of 2,19,50,000 unissued preference shares having face value of ₹ 20 each and increase of 2,19,500,000 equity shares having face value of ₹ 2 each	439.00	-
Increase during the year (4,90,58,000 (31st March, 2021: 2,50,000) equity shares)	98.12	2.50
As at end of the year (27,08,83,000 (31st March, 2021: 465,000 equity shares of ₹ 10/- each) equity shares of ₹ 2 /- each)	**541.77**	**4.65**
*On 23rd July, 2021 the equity shares of the Company having the face value of ₹ 10 each were subdivided into 5 equity shares having face value of ₹ 2 each. Accordingly 4,65,000 equity shares of face value of ₹ 10 each were subdivided into 23,25,000 equity shares of face value of ₹ 2 each.		
(ii) Preference shares of ₹ 20/- each		
As at beginning of the year (2,19,50,000 (31st March, 2021: 61,17,500) preference shares) of ₹ 10/- each preference shares	439.00	122.35
Increase during the year (Nil (31st March, 2021: 1,58,32,500) preference shares)	-	316.65
Cancellation of 2,19,50,000 unissued preference shares having face value of ₹ 20 each and increase of 21,95,00,000 equity shares having face value of ₹ 2 each	(439.00)	-
As at end of the year (Nil (31st March, 2021: 21,950,000) preference shares)	**-**	**439.00**
Total Authorised share capital	**541.77**	**443.65**
Equity shares		
Issued, subscribed and fully paid up shares (No's)		
(i) Equity shares		
11,93,05,676 (31st March, 2021: 458,409 equity shares of ₹ 10/- each) equity shares of ₹ 2/- each	238.61	4.58
Less: amount recoverable from MedPlus Employees Benefit Trust (ESOP Trust) 10,420 (31st March, 2021: 21,764 equity shares of ₹ 10/- each) equity shares of ₹ 2/- each, allotted to MedPlus Employees Benefit Trust (refer note 35)	(0.01)	(0.10)
Total Issued, subscribed and fully paid up equity share capital	**238.60**	**4.48**
(ii) CCPS		
Series A		
0.001% Series A CCPS of ₹ 20/- each (31st March, 2022: Nil ; 31st March, 2021: 28,36,421) (refer note 45 and 14(g))	-	56.72
Less: CCPS included under equity component of compound financial instrument (refer note 45)	-	(56.72)
	-	**-**
Series B		
0.001% Series B CCPS of ₹ 20/- each (31st March, 2022: Nil ; 31st March, 2021:1,19,51,680) (refer note 45 and 14(g))	-	239.03
Less: CCPS included under equity component of compound financial instrument (refer note 45)	-	(239.03)
	-	**-**
Series B1		
0.001% Series B1 CCPS of ₹ 20/- each (31st March, 2022: Nil ; 31st March, 2021: 30,53,560) (refer note 45 and 14(g))	-	61.07
Less: CCPS included under equity component of compound financial instrument (refer note 45)	-	(61.07)
	-	**-**
Series B2		
0.001% Series B2 CCPS of ₹ 20/- each (31st March, 2022: Nil ; 31st March, 2021: 33,31,120) (refer note 45 and 14(g))	-	66.62
Less: CCPS included under equity component of compound financial instrument (refer note 45)	-	(66.62)
	-	**-**

Notes to Standalone Financial Statements for the year ended 31st March, 2022 (Contd.)

(All amounts in Indian Rupees in millions except for share data or otherwise stated)

14. SHARE CAPITAL (CONTD.)

	As at 31st March, 2022	As at 31st March, 2021
Series C1		
0.001% Series C1 CCPS of ₹ 20/- each (31st March, 2022: Nil ; 31st March, 2021: 5,60,896) (refer note 45)	-	11.22
Less: CCPS included under equity component of compound financial instrument (Refer note 45)	-	(11.22)
	-	**-**
Series C2		
0.001% Series C2 CCPS of ₹ 20/- each (31st March, 2022: Nil ; 31st March, 2021: 1,60,147) (refer note 45)	-	3.20
Less: CCPS included under equity component of compound financial instrument (Refer note 45)	-	(3.20)
	-	-
Total issued, subscribed and fully paid up share capital	**238.60**	**4.48**

(a) Reconciliation of the shares outstanding at the beginning and at the end of the reporting year

i) Equity shares	As at 31st March, 2022		As at 31st March, 2021	
	No. of shares	₹	No. of shares	₹
At the beginning of the year	4,58,409	4.58	2,03,735	2.04
Increase in shares on account of subdivision *	18,33,636	-	-	-
Conversion of Series A CCPS in to equity shares	1,41,82,105	28.36		
Conversion of Series B CCPS in to equity shares	5,97,58,400	119.52	-	-
Conversion of Series B1 CCPS in to equity shares	1,52,67,800	30.54	-	-
Conversion of Series B2 CCPS in to equity shares	1,68,16,850	33.63	-	-
Conversion of Series C1 CCPS in to equity shares	28,04,480	5.61	-	-
Conversion of Series C2 CCPS in to equity shares	6,39,485	1.28	-	-
Increase in shares on account of Fresh Issue of shares in IPO**	75,44,511	15.09	-	-
Bonus shares issued during the year (Refer note 14(g))	-	-	2,54,674	2.54
Outstanding at the end of the year	**11,93,05,676**	**238.61**	**4,58,409**	**4.58**
Less : Recoverable from ESOP trust	(4,19,841)	(0.01)	(21,764)	(0.10)
Net outstanding at the end of the year	**11,88,85,835**	**238.60**	**4,36,645**	**4.48**

* On 23rd July, 2021 the equity shares of the Company having the face value of ₹ 10 each were subdivided into 5 equity shares having face value of ₹ 2 each. Accordingly 4,58,409 equity shares of face value of ₹ 10 each were subdivided into 22,92,045 equity shares of face value of ₹ 2 each.

** The Company has completed its Initial Public Offer ('IPO') and listed its equity shares on Bombay Stock Exchange Limited ('BSE') and National Stock Exchange of India Limited ('NSE') on 23rd December, 2021.The Company has made fresh Issue of 75,44,511 equity shares.(refer note 51 for details of the same).

ii) 0.001% Series A CCPS	As at 31st March, 2022		As at 31st March, 2021	
	No. of shares	₹	No. of shares	₹
At the beginning of the year	28,36,421	-	30,747	0.61
Bonus shares issued during the year (Refer note 14(g))	-	-	28,05,674	56.11
Conversion of 28,36,421, 0.001% Series A CCPS into 1,41,82,105 equity shares of ₹ 2 each	(28,36,421)	-	-	-
CCPS included under equity component of compound financial instruments (Refer note 45)	-	-	(28,36,421)	(56.72)
Outstanding at the end of the year	**-**	**-**	**-**	**-**

Notes to Standalone Financial Statements for the year ended 31st March, 2022 (Contd.)

(All amounts in Indian Rupees in millions except for share data or otherwise stated)

14. SHARE CAPITAL (CONTD.)

iii) 0.001% Series B CCPS	As at 31st March, 2022		As at 31st March, 2021	
	No. of shares	₹	No. of shares	₹
At the beginning of the year	1,19,51,680	239.03	-	-
Bonus shares issued during the year (Refer note 14(g))	-	-	1,19,51,680	239.03
Conversion of 1,19,51,680, 0.001% Series B CCPS into 5,97,58,400 equity shares of ₹ 2 each	(1,19,51,680)	(239.03)	-	-
CCPS included under equity component of compound financial instruments (refer note 45)	-	-	(1,19,51,680)	(239.03)
Outstanding at the end of the year	**-**	**-**	**-**	**-**

iv) 0.001% Series B1 CCPS	As at 31st March, 2022		As at 31st March, 2021	
	No. of shares	₹	No. of shares	₹
At the beginning of the year	30,53,560	61.07	-	-
Bonus shares issued during the year (refer note 14(g))	-	-	30,53,560	61.07
Conversion of 30,53,560, 0.001% Series B1 CCPS into 1,52,67,800 equity shares of ₹ 2 each	(30,53,560)	(61.07)	-	-
CCPS included under equity component of compound financial instruments (refer note 45)	-	-	(30,53,560)	(61.07)
Outstanding at the end of the year	**-**	**-**	**-**	**-**

v) 0.001% Series B2 CCPS	As at 31st March, 2022		As at 31st March, 2021	
	No. of shares	₹	No. of shares	₹
At the beginning of the year	33,31,120	66.62	-	-
Bonus shares issued during the year (Refer note 14(g))	-	-	33,31,120	66.62
Conversion of 16,54,702, 0.001% Series B2 CCPS into 82,73,510 equity shares of ₹ 2 each	(16,54,702)	(33.09)	-	-
Conversion of 16,76,418, 0.001% Series B2 CCPS into 85,43,340 equity shares of ₹ 2 each	(16,76,418)	(33.53)	-	-
CCPS included under equity component of compound financial instruments (Refer note 45)	-	-	(33,31,120)	(66.62)
Outstanding at the end of the year	**-**	**-**	**-**	**-**

vi) 0.001% Series C1 CCPS	As at 31st March, 2022		As at 31st March, 2021	
	No. of shares	₹	No. of shares	₹
At the beginning of the year	5,60,896	11.22	-	-
Issued during the year (Refer note 45)	-	-	5,60,896	11.22
Conversion of 5,60,896, 0.001% Series C1 CCPS into 28,04,480 equity shares of ₹ 2 each	(5,60,896)	(11.22)	-	-
CCPS included under equity component of compound financial instruments (Refer note 45)	-	-	(5,60,896)	(11.22)
Outstanding at the end of the year	**-**	**-**	**-**	**-**

vii) 0.001% Series C2 CCPS	As at 31st March, 2022		As at 31st March, 2021	
	No. of shares	₹	No. of shares	₹
At the beginning of the year	1,60,147	3.20	-	-
Issued during the year (Refer note 45)	-	-	1,60,147	3.20
Conversion of 1,60,147, 0.001% Series C2 CCPS into 6,39,485 equity shares of ₹ 2 each	(1,60,147)	(3.20)	-	-
CCPS included under equity component of compound financial instruments (Refer note 45)	-	-	(1,60,147)	(3.20)
Outstanding at the end of the year	**-**	**-**	**-**	**-**

(All amounts in Indian Rupees in millions except for share data or otherwise stated)

14. SHARE CAPITAL (CONTD.)

(b) Terms and rights attached to equity shares

i) Equity shares

The Company has only one class of equity shares having par value of ₹ 2 per share (31st March, 2021 - ₹ 10 per share). Each holder of equity shares is entitled to one vote per share. The Company declares and pays dividends in Indian rupees.

In the event of liquidation of the Company, the holders of equity shares will be entitled to receive remaining assets of the Company, after distribution of all preferential amounts. The distribution will be in proportion to the number of equity shares held by the shareholders (also Refer note 45).

ii) 0.001% Series A CCPS

The Company has issued 0.001% Series A CCPS having face value of ₹ 20 per share. The CCPS carries preference as to dividend over equity share holders. If dividend on cumulative preference shares is not declared for a financial year, the entitlement thereto is carried forward to the next year. The preference share holders are entitled to one vote per share at meetings of the Company on any resolutions of the Company directly affecting their rights on fully convertible basis. In the event of liquidation, preference shareholders have a preferential right over equity shareholders to be repaid to the extent of capital paid-up and dividend in arrears on such shares (also Refer note 45).

iii) 0.001% Series B CCPS

The Company has issued 0.001% Series B CCPS having face value of ₹ 20 per share. The CCPS carries preference as to dividend over equity share holders. If dividend on cumulative preference shares is not declared for a financial year, the entitlement thereto is carried forward to the next year. The preference share holders are entitled to one vote per share at meetings of the Company on any resolutions of the Company directly affecting their rights on fully convertible basis (also Refer note 45).

iv) 0.001% Series B1 CCPS

The Company has issued 0.001% Series B1 CCPS having face value of ₹ 20 per share. The CCPS carries preference as to dividend over equity share holders. If dividend on cumulative preference shares is not declared for a financial year, the entitlement thereto is carried forward to the next year. The preference share holders are entitled to one vote per share at meetings of the Company on any resolutions of the Company directly affecting their rights on fully convertible basis (also Refer note 45).

v) 0.001% Series B2 CCPS

The Company has issued 0.001% Series B2 CCPS having face value of ₹ 20 per share. The CCPS carries preference as to dividend over equity share holders. If dividend on cumulative preference shares is not declared for a financial year, the entitlement thereto is carried forward to the next year. The preference share holders are entitled to one vote per share at meetings of the Company on any resolutions of the Company directly affecting their rights on fully convertible basis (also Refer note 45).

vi) 0.001% Series C1 CCPS

The Company has issued 0.001% Series C1 CCPS having face value of ₹ 20 per share. The CCPS carries preference as to dividend over equity share holders. If dividend on cumulative preference shares is not declared for a financial year, the entitlement thereto is carried forward to the next year. The preference share holders are entitled to one vote per share at meetings of the Company on any resolutions of the Company directly affecting their rights on fully convertible basis. In the event of liquidation, preference shareholders have a preferential right in accordance with the terms of the agreement (also Refer note 45).

vii) 0.001% Series C2 CCPS

The Company has issued 0.001% Series C2 CCPS having face value of ₹ 20 per share. The CCPS carries preference as to dividend over equity share holders. If dividend on cumulative preference shares is not declared for a financial

Notes to Standalone Financial Statements for the year ended 31st March, 2022 (Contd.)

(All amounts in Indian Rupees in millions except for share data or otherwise stated)

14. SHARE CAPITAL (CONTD.)

year, the entitlement thereto is carried forward to the next year. The preference share holders are entitled to one vote per share at meetings of the Company on any resolutions of the Company directly affecting their rights on fully convertible basis. In the event of liquidation, preference shareholders have a preferential right in accordance with the terms of the agreement (also Refer note 45).

(c) Terms of conversion of preference shares

i) 0.001% Series A CCPS

0.001% Series A CCPS having face value of ₹ 20 per share shall be entitled to be converted into equity shares at the earliest of the following events in the manner stipulated under Articles of association ('AOA'):

a. upon filing of the Draft Red Herring Prospectus with SEBI in connection with the Initial Public Offer ('IPO') and

b. exercise of option by the CCPS shareholder in respect of either the full or part of the CCPS , not later than maturity date i.e., 19 years from the issue date.

ii) 0.001% Series B CCPS

0.001% Series B CCPS having face value of ₹ 20 per share shall be entitled to be converted into equity shares at the earliest of the following events in the manner stipulated under Articles of association ('AOA'):

a. upon filing of the Red Herring Prospectus with SEBI in connection with the IPO and

b. exercise of option by the CCPS shareholder in respect of either the full or part of the CCPS, not later than maturity date i.e., 19 years from the issue and allotment date.

iii) 0.001% Series B1 CCPS

0.001% Series B1 CCPS having face value of ₹ 20 per share shall be entitled to be converted into equity shares at the earliest of the following events in the manner stipulated under Articles of association ('AOA'):

a. upon occurrence of the B1 Measurement Event i.e., (i) one day prior to filing of the Red Herring Prospectus ('RHP') for an IPO or Qualified IPO as defined in the agreement or (ii) Transfer of all New Investor 3 Specific Shares pursuant to (a) a Third Party Sale, (b) a Strategic Sale or (c) any other sale of all the New Investor 3 Specific Shares, which, in case of (ii) above, would be deemed to be Transferred last, i.e., after Transfer of all other Shares in the Company held by the New Investor 3; and

b. B1 CCPS that have not been converted into Equity Shares as per option above, shall compulsorily convert into Equity Shares on the Maturity Date i.e.,19 years from the issue and allotment date.

iv) 0.001% Series B2 CCPS

0.001% Series B2 CCPS having face value of ₹ 20 per share shall be entitled to be converted into equity shares at the earliest of the following events in the manner stipulated under Articles of association ('AOA'):

a. upon occurrence of the B2 Measurement Event i.e., (i) one day prior to filing of the Red Herring Prospectus ('RHP') for an IPO or Qualified IPO as defined in the agreement or (ii) Transfer of all the Subscription Shares 2 pursuant to (a) a Third Party Sale, (b) a Strategic Sale or (c) any other sale of all Subscription Shares 2 Shares, which, in case of (ii) above, would be deemed to be Transferred last, i.e., after Transfer of all other Shares in the Company held by the Investor; and

b. B2 CCPS that have not been converted into Equity Shares as per option above, shall compulsorily convert into Equity Shares on the Maturity Date i.e.,19 years from the issue and allotment date.

v) 0.001% Series C1 CCPS

0.001% Series C1 CCPS having face value of ₹ 20 per share shall be entitled to be converted into equity shares at the earliest of the following events in the manner stipulated under Articles of association ('AOA'):

a. upon occurrence of the New Investor 3 Measurement Event i.e.,(i) one day prior to filing of the Red Herring Prospectus ('RHP') for an IPO or Qualified IPO as defined in the agreement or (ii) Transfer of all New Investor 3 Specific Shares pursuant to (a) a Third Party Sale, (b) a Strategic Sale or (c) any other sale of all the New Investor

(All amounts in Indian Rupees in millions except for share data or otherwise stated)

14. SHARE CAPITAL (CONTD.)

3 Specific Shares, which, in case of (ii) above, would be deemed to be Transferred last, i.e., after Transfer of all other Shares in the Company held by the New Investor 3; and

b. exercise of option by the CCPS shareholder in respect of either the full or part of the CCPS, not later than maturity date i.e., 19 years from the issue and allotment date.

vi) 0.001% Series C2 CCPS

0.001% Series C2 CCPS having face value of ₹ 20 per share shall be entitled to be converted into equity shares at the earliest of the following events in the manner stipulated under Articles of association ('AOA'):

a. upon occurrence of the Investor Measurement Event i.e., (i) one day prior to filing of the Red Herring Prospectus ('RHP') for an IPO or Qualified IPO as defined in the agreement or (ii) Transfer of all the Subscription Shares 2 pursuant to (a) a Third Party Sale, (b) a Strategic Sale or (c) any other sale of all the Subscription Shares 2 Shares, which, in case of (ii) above, would be deemed to be Transferred last, i.e., after Transfer of all other Shares in the Company held by the Investor; and

b. exercise of option by the CCPS shareholder in respect of either the full or part of the CCPS, not later than maturity date i.e., 19 years from the issue and allotment date.

(d) Details of shareholders holding more than 5% shares in the Company

	As at 31st March, 2022		As at 31st March, 2021	
	No. of shares	% of holding	No. of shares	% of holding
Equity shares of ₹ 2 each (As at 31st March,2021, equity shares of ₹ 10 each) fully paid up				
G.Madhukar Reddy*	1,53,50,400	12.87%	74,880	16.33%
PI Opportunities Fund I	1,68,34,759	14.11%	47,999	10.47%
Lavender Rose Investment Limited	2,05,63,607	17.24%	1,20,335	26.25%
Lone furrow investment private limited	1,72,33,240	14.44%	83,278	18.17%
Agilemed Investments Private Limited	1,56,49,495	13.12%	76,339	16.65%
SBI Mutual Fund	1,06,23,576	8.90%	-	0.00%
0.001% Series A CCPS				
PI Opportunities Fund I	-	-	28,36,421	100%
0.001% Series B CCPS				
Madhukar Reddy Gangadi	-	-	29,95,200	25.06%
MedPlus Employees Benefit Fund	-	-	8,70,560	7.28%
PI Opportunities Fund I	-	-	19,19,960	16.06%
Lavender Rose Investment Limited	-	-	48,13,400	40.27%
0.001% Series B1 CCPS				
Agilemed Investments Private Limited	-	-	30,53,560	100%
0.001% Series B2 CCPS				
Lone furrow investment private limited	-	-	33,31,120	100%
0.001% Series C1 CCPS				
Lavender Rose Investment Limited	-	-	5,60,896	100%
0.001% Series C2 CCPS				
PI Opportunities Fund I	-	-	1,60,147	100%

* Includes 2,600 shares pledged in favour of the Debenture Trustees for the Debentures obtained by Gangadi Investments Private Limited during the previous years which was discharged in February 2021.

Notes to Standalone Financial Statements for the year ended 31st March, 2022 (Contd.)

(All amounts in Indian Rupees in millions except for share data or otherwise stated)

14. SHARE CAPITAL (CONTD.)

(e) During the five years immediately preceding the year, ended 31st March, 2022, no shares have been bought back or issued for consideration other than cash except for bonus shares issued which have been disclosed in point (g) below.

(f) Shares reserved for issue under options

For details of shares reserved for issue under the Employee Stock Options and Shares Plan, 2009 (ESOP 2009) of the Company. (Refer note 35)

(g)

Details of Bonus issue	Number of shares
During the year ended 31st March, 2021 the following bonus shares were issued by way of capitalisation of securities premium balance:	
(i) 1.25 equity shares issued as bonus for every 1 equity share held by the equity share holders, rounded off to nearest number	2,54,674
(ii) 1.25 Series A CCPS shares issued as bonus for every 1 Series A CCPS held by the Series A CCPS holders, rounded off to nearest number	38,434
(iii) 40 Series A CCPS shares issued as bonus for every 1 Series A CCPS held by the Series A CCPS holders after considering the impact of bonus issue as per (ii) above, rounded off to nearest number	27,67,240
(iv) 40 Series B CCPS shares issued as bonus for every 1 equity shares held by the equity share holders after considering the impact of bonus issue as per (i) above and except to Lone furrow investment private limited and Agilemed Investments Private Limited, rounded off to nearest number	1,19,51,680
(v) 40 Series B1 CCPS shares issued as bonus for every 1 equity shares held by Agilemed Investments Private Limited after considering the impact of bonus issue as per (i) above, rounded off to nearest number	30,53,560
(vi) 40 Series B2 CCPS shares issued as bonus for every 1 equity shares held by Lone furrow investment private limited after considering the impact of bonus issue as per (i) above, rounded off to nearest number	33,31,120
	2,13,96,708

(h) Details of Promoter shareholding

Promoter Name	As at 31st March, 2022			As at 31st March, 2021	
	No. of Shares	% of total shares	% Change during the year	No. of Shares	% of total shares
Madhukar Reddy Gangadi	1,53,50,400	12.87%	-3.47%	74,880	16.33%
Agilemed Investments Private Limited	1,56,49,495	13.12%	-3.54%	76,339	16.65%
Lone Furrow Investment Limited	1,72,33,240	14.44%	-3.72%	83,278	18.17%
CCPS					
Series B					
Madhukar Reddy Gangadi	-	-	-	29,95,200	25.06%
Series B1					
Agilemed Investments Private Limited	-	-	-	30,53,560	100.00%
Series B2					
Lone Furrow Investment Private Limited	-	-	-	33,31,120	100.00%

(All amounts in Indian Rupees in millions except for share data or otherwise stated)

15. OTHER EQUITY

	As at 31st March, 2022	As at 31st March, 2021
(i) Securities premium		
Opening balance	2,492.69	2,861.97
Add: Issue of shares (refer note 14(a))	5,984.91	-
Less: Share Issue expenses	(217.27)	-
Add: Conversion of CCPS to equity	3,166.15	-
Add: Transferred from share based payment reserve upon exercise of options	409.05	-
Less: Utilised for issue of bonus shares	-	(369.28)
	11,835.53	2,492.69
Less: Amount recoverable from ESOP trust in kind (refer note 35)	(77.44)	(77.44)
Add: Share based payment reserve adjusted against securities premium	67.51	-
Add: Proceeds from equity shares under ESOP's	5.86	-
	(4.07)	(77.44)
Closing Balance	**11,831.46**	**2,415.25**
(ii) Equity component of compound financial instruments		
Opening balance	3,708.06	2,361.34
Less: Utilised for issue of bonus shares	-	(56.11)
Add: Bonus Issue of 0.001% Series A CCPS (refer note 14)	-	56.11
Add: Bonus Issue of 0.001% Series B CCPS (refer note 14)	-	239.03
Add: Bonus Issue of 0.001% Series B1 CCPS (refer note 14)	-	61.07
Add: Bonus Issue of 0.001% Series B2 CCPS (refer note 14)	-	66.62
Add: Issue of 0.001% Series C1 CCPS (refer note 45)	-	777.90
Add: Issue of 0.001% Series C2 CCPS (refer note 45)	-	222.10
Less: Conversion of 0.001% Series A CCPS into Equity shares	(56.72)	-
Less: Conversion of 0.001% Series B CCPS into Equity shares	(239.03)	-
Less: Conversion of 0.001% Series B1 CCPS	(61.07)	-
Less: Conversion of 0.001% Series B2 CCPS	(66.62)	-
Less: Conversion of 0.001% Series C1 CCPS	(11.22)	-
Less: Conversion of 0.001% Series C2 CCPS	(3.20)	-
Less: Share issue expenses	-	(20.00)
Less: Transfer of Series A CCPS securities premium in to securities premium account	(1,981.65)	-
Less: Transfer of Series C1 CCPS securities premium in to securities premium account	(751.12)	-
Less: Transfer of Series C2 CCPS securities premium in to securities premium account	(214.46)	-
Less: Transfer of Series C2 CCPS fair value increment in to General reserve	(322.97)	-
Closing Balance	**-**	**3,708.06**

Equity component of compound financial instruments includes the following:	As at 31st March, 2022	As at 31st March, 2021
(i) Par value of the instruments issued:		
0.001% Series A CCPS of ₹ 20/- each		
At the beginning of the year	56.72	0.61
Less: Conversion of 0.001% Series A CCPS into equity shares	(56.72)	-
Add: Bonus shares issued during the year		56.11
At the end of the year	**-**	**56.72**
0.001% Series B CCPS of ₹ 20/- each		
At the beginning of the year	239.03	-
Add: Bonus shares issued during the year	-	239.03
Less: Conversion of 0.001% Series B CCPS into equity shares	(239.03)	-
At the end of the year	**-**	**239.03**

Notes to Standalone Financial Statements for the year ended 31st March, 2022 (Contd.)

(All amounts in Indian Rupees in millions except for share data or otherwise stated)

15. OTHER EQUITY (CONTD.)

Equity component of compound financial instruments includes the following:	As at 31st March, 2022	As at 31st March, 2021
0.001% Series B1 CCPS of ₹ 20/- each		
At the beginning of the year	61.07	-
Add: Bonus shares issued during the year	-	61.07
Less: Conversion of 0.001% Series B1 CCPS in to equity shares	(61.07)	-
At the end of the year	**-**	**61.07**
0.001% Series B2 CCPS of ₹ 20/- each		
At the beginning of the year	66.62	-
Add: Bonus shares issued during the year	-	66.62
Less: Conversion of 0.001% Series B2 CCPS in to equity shares	(66.62)	-
At the end of the year	**-**	**66.62**
0.001% Series C1 CCPS of ₹ 20/- each		
At the beginning of the year	11.22	-
Less: Conversion of 0.001% Series C1 CCPS in to equity shares	(11.22)	-
Add: Issued during the year (refer note 45)	-	11.22
At the end of the year	**-**	**11.22**
0.001% Series C2 CCPS of ₹ 20/- each		
At the beginning of the year	3.20	-
Less: Conversion of 0.001% Series C2 CCPS in to equity shares	(3.20)	-
Add: Issued during the year (refer note 45)	-	3.20
At the end of the year	**-**	**3.20**
(ii) Securities premium on CCPS issued		
Opening balance	3,708.06	2,360.73
Add: Issue of CCPS (refer note 45)	-	985.58
Less: CCPS issue expenses	-	(20.00)
Less: Fair value movement in the value of the CCPS transfer to general reserve	(322.97)	-
Less: Transfer to Securities premium account due to conversion of CCPS in to Equity	(3,385.09)	(56.11)
Less: Amount classified as borrowing (being the liability component of the CCPS) *	-	-
Amount included in 'Equity component of compound financial instruments' above	**-**	**3,708.06**

* Rounded off to millions.

Equity component of compound financial instruments includes the following:	As at 31st March, 2022	As at 31st March, 2021
(iii) Share based payment reserve		
Opening balance	486.55	86.95
Add: Gross compensation for options granted during the year	107.37	-
Add: Impact of modification to ESOP Plan	-	399.60
Less: Transfer to Security premium account	(409.05)	-
Less: Stock options lapsed	(3.42)	-
Less: Transfer to Amount Recoverable From ESOP Trust In Kind	(67.51)	-
Closing balance	**113.94**	**486.55**
(iv) General reserve		
Balance at the beginning of the year	28.64	28.64
Add: Stock options lapsed	3.42	-
Add: Fair value movement in the value of the CCPS transfer to general reserve	322.97	-
Balance at the end of the year	**355.03**	**28.64**
(v) Capital reserve		
Opening balance	7.62	7.62
Add: During the year	-	-
Closing balance	**7.62**	**7.62**

Notes to Standalone Financial Statements for the year ended 31st March, 2022 (Contd.)

(All amounts in Indian Rupees in millions except for share data or otherwise stated)

15. OTHER EQUITY (CONTD.)

Equity component of compound financial instruments includes the following:	As at 31st March, 2022	As at 31st March, 2021
(vi) Amalgamation adjustment account		
Opening balance	(98.39)	(20.29)
Add: Pursuant to a BTA (refer note 47)	-	(78.10)
Closing balance	**(98.39)**	**(98.39)**
(vii) Retained earnings		
Opening balance	(1,377.41)	(1,294.65)
Profit/(Loss) for the year	55.79	(85.67)
Other comprehensive income for the year	1.17	2.91
Closing balance	**(1,320.45)**	**(1,377.41)**
Total Other equity ((i)+(ii)+(iii)+(iv)+(v)+(vi)+(vii))	**10,889.21**	**5,170.32**

16. BORROWINGS

	As at 31st March, 2022	As at 31st March, 2021
Unsecured, others		
Liability component of compound financial instrument *	-	-
	-	**-**

* Rounded off to millions.

17. TRADE PAYABLES

	As at 31st March, 2022	As at 31st March, 2021
- Total outstanding dues to micro and small enterprises (MSME) (refer note 39)	0.43	0.29
- Total outstanding dues other than micro and small enterprises:		
- to related parties (Refer note 40)	-	0.83
- to others	54.87	22.52
	55.30	**23.64**

Ageing of trade payables outstanding as at 31st March, 2022 is as follows:

Particulars	Not Due	Outstanding for following periods from due date of payment				Total
		Less than 1 year	1-2 years	2-3 years	More than 3 years	
(i) MSME	-	0.43	-	-	-	0.43
(ii) Others	1.92	48.32	0.44	-	0.02	50.70
(iii) Disputed dues - MSME	-	-	-	-	-	-
(iv) Disputed dues - Others	-	-	-	-	-	-
Total	**1.92**	**48.75**	**0.44**	**-**	**0.02**	**51.13**
Accrued expenses						**4.17**
						55.30

Ageing of trade payables outstanding as at 31st March, 2021 is as follows:

Particulars	Not Due	Outstanding for following periods from due date of payment				Total
		Less than 1 year	1-2 years	2-3 years	More than 3 years	
(i) MSME	-	0.29	-	-	-	0.29
(ii) Others	0.71	20.09	0.09	-	-	20.89
(iii) Disputed dues - MSME	-	-	-	-	-	-
(iv) Disputed dues - Others	-	-	-	-	-	-
Total	**0.71**	**20.38**	**0.09**	**-**	**-**	**21.18**
Accrued expenses						**2.46**
						23.64

Notes to Standalone Financial Statements for the year ended 31st March, 2022 (Contd.)

(All amounts in Indian Rupees in millions except for share data or otherwise stated)

18. LEASE LIABILITIES

	As at 31st March, 2022	As at 31st March, 2021
Non-current		
Lease liabilities (refer note 36)	416.84	64.60
	416.84	**64.60**
Current		
Lease liabilities (refer note 36)	27.32	8.46
	27.32	**8.46**

19. OTHER FINANCIAL LIABILITIES

	As at 31st March, 2022	As at 31st March, 2021
Creditors for capital goods	18.23	0.63
Employee dues payable	10.56	5.05
Purchase consideration payable (refer note 47)	**175.99**	**189.49**
	204.78	**195.17**

20. PROVISIONS

	As at 31st March, 2022	As at 31st March, 2021
Non-current		
Provision for gratuity, partly funded (refer note 34)	7.14	8.80
	7.14	**8.80**
Current		
Provision for gratuity, partly funded (refer note 34)	1.38	1.20
Provision for compensated absences	5.98	5.40
	7.36	**6.60**

21. OTHER CURRENT LIABILITIES

	As at 31st March, 2022	As at 31st March, 2021
Statutory liabilities	22.40	1.79
	22.40	**1.79**

22. CONTRACT LIABILITIES

	As at 31st March, 2022	As at 31st March, 2021
Advance from customers	1.18	0.38
Deferred revenue on Membership fees	4.41	-
	5.59	**0.38**
As at beginning of the year	-	-
Deferred during the year	4.90	-
Released to the statement of profit and loss	(0.49)	-
As at end of the year	**4.41**	**-**

Notes to Standalone Financial Statements for the year ended 31st March, 2022 (Contd.)

(All amounts in Indian Rupees in millions except for share data or otherwise stated)

23. REVENUE FROM CONTRACT WITH CUSTOMERS

		For the year ended 31st March, 2022	For the year ended 31st March, 2021
a.	**Revenue from Operations**		
	Sale of services	74.76	22.77
	Sale of general and pharmaceutical items	1,285.95	588.80
		1,360.71	**611.57**
b.	**Other operating revenue**		
	Management and administrative fees income	41.44	26.49
	Brand fee	54.99	45.04
		96.43	**71.53**
	Total	**1,457.14**	**683.10**

Refer note 40 for transactions with related parties

Disclosures as per Ind AS 115 - Revenue from contract with customers

a. Reconciliation of Revenue from contract with customers

Particulars	For the year ended 31st March, 2022	For the year ended 31st March, 2021
Revenue from contract with customers at contracted price	1,462.95	627.82
Less: Discounts offered	(102.24)	(16.25)
Revenue from contract with customers	**1,360.71**	**611.56**

b. Disaggregation of revenues

(i) Based on geography: Entire revenue from contract with customers is from India.

(ii) Based on segment:

Particulars	For the year ended 31st March, 2022	For the year ended 31st March, 2021
Diagnostic services	74.76	22.77
Sale of general and pharmaceutical items	1,285.95	588.80
Revenue from contract with customers	**1,360.71**	**611.57**

c. Details of deferred revenue

Tabulated below is the reconciliation of deferred revenue for the year ended 31st March, 2022 and 31st March, 2021:

As at beginning of the year	-	-
Deferred during the year	4.90	-
Released to the statement of profit and loss	(0.49)	-
As at end of the year	4.41	-

d. Revenues from significant customers

Revenues from one customer amounts to ₹ 979.95 million (31st March, 2021: ₹ 154.69 million)

e. Contract balances:

Particulars	As at 31st March, 2022	As at 31st March, 2021
Trade receivables	212.88	115.06
Advance from customers	1.18	0.38
Deferred revenue	4.41	-

Notes to Standalone Financial Statements for the year ended 31st March, 2022 (Contd.)

(All amounts in Indian Rupees in millions except for share data or otherwise stated)

24. OTHER INCOME

	For the year ended 31st March, 2022	For the year ended 31st March, 2021
Interest income		
- On bank deposits	71.95	7.35
- Others	3.90	0.86
Rental income (refer notes 36 and 40)	3.30	1.67
Financial guarantee income (Refer note 38)	9.29	9.17
Liabilities no longer required written back	0.02	1.13
Gain on de-recognition of right-of-use assets	1.76	-
Miscellaneous income	5.19	0.92
	95.41	**21.10**

25. PURCHASES OF STOCK-IN-TRADE

	For the year ended 31st March, 2022	For the year ended 31st March, 2021
Purchases of stock-in-trade	972.12	412.21
	972.12	**412.21**

26. COST OF MATERIALS CONSUMED

	For the year ended 31st March, 2022	For the year ended 31st March, 2021
Raw materials at the beginning of the year	20.79	18.95
Add: Purchases	204.71	98.59
Less: Raw materials at the end of the year	31.94	20.79
	193.56	**96.75**

27. CHANGES IN INVENTORIES OF FINISHED GOODS, WORK-IN-PROGRESS AND STOCK-IN-TRADE

	For the year ended 31st March, 2022	For the year ended 31st March, 2021
Inventories at the beginning of the year		
Finished goods	5.97	9.99
Work-in-progress	0.71	0.26
Stock-in-trade	20.38	10.17
	27.06	**20.42**
Less : Inventories at the end of the year		
Finished goods	4.86	5.97
Work-in-progress	1.25	0.71
Stock-in-trade	0.95	20.38
	7.06	**27.06**
Change in inventories	**20.00**	**(6.64)**

28. EMPLOYEE BENEFITS EXPENSE

	For the year ended 31st March, 2022	For the year ended 31st March, 2021
Salaries and wages	109.14	60.70
Contribution to provident fund and other funds (Refer note 34)	3.82	2.65
Gratuity expense (refer note 34)	2.70	2.00
Staff welfare expenses	4.38	1.47
Employees stock option compensation expenses (refer note 35)	17.28	158.92
	137.32	**225.75**

Notes to Standalone Financial Statements for the year ended 31st March, 2022 (Contd.)

(All amounts in Indian Rupees in millions except for share data or otherwise stated)

29. DEPRECIATION AND AMORTISATION EXPENSE

	For the year ended 31st March, 2022	For the year ended 31st March, 2021
Depreciation of property, plant and equipment (refer note 3a)	12.75	6.57
Amortisation on Intangible asset (refer note 3c)	1.48	-
Amortisation on right-of-use assets (refer note 36)	32.09	6.95
Less: Amount transferred to capital work-in-progress	-	(0.37)
	46.32	**13.15**

30. FINANCE COSTS

	For the year ended 31st March, 2022	For the year ended 31st March, 2021
Interest on lease liabilities (refer note 36)	25.85	4.66
Interest on others	0.46	0.99
	26.31	**5.65**

31. OTHER EXPENSES

	For the year ended 31st March, 2022	For the year ended 31st March, 2021
Lease rent (refer note 36)	-	0.30
Rates and taxes	8.67	5.37
Electricity charges	5.72	1.77
Communication costs	0.26	0.27
Travelling and conveyance	2.84	3.13
Printing and stationary	1.67	0.75
Legal and professional charges	29.02	23.52
Payment to auditors (refer details below)	1.86	1.15
Directors sitting fees	3.85	-
Insurance	1.07	0.31
Repairs and maintenance		
- Plant and machinery	5.09	3.16
Advertisement and sales promotion	34.09	0.65
Provision for doubtful debts	0.35	0.01
Loss on sale of property, plant and equipment	-	0.01
Advances/debts written off	-	0.02
Miscellaneous expenses	6.64	2.58
	101.13	**43.00**

Payment to auditor

	For the year ended 31st March, 2022	For the year ended 31st March, 2021
As auditors:		
Statutory audit fee*	1.37	1.05
Certification fee	0.32	0.10
Reimbursement of expenses	0.17	-
	1.86	**1.15**

* Auditor's fees of ₹ 18.81 millions towards IPO deliverables is not included.

Notes to Standalone Financial Statements for the year ended 31st March, 2022 (Contd.)

(All amounts in Indian Rupees in millions except for share data or otherwise stated)

32. EARNINGS PER EQUITY SHARE (EPES)

The following reflects the earnings and share data used in the basic and diluted EPES computations:

	For the year ended 31st March, 2022	For the year ended 31st March, 2021
Profit/ (Loss) attributable to equity holders of the Company for basic and diluted	55.79	(85.67)
Earnings/(loss) per equity share		
Weighted average number of shares for considered for Basic EPES		
(i) Equity shares		
Number of shares at the beginning of the year	4,36,645	1,94,062
Weighted average number of shares issued during the year	20,46,319	-
Add: Bonus issue of shares during the year *	-	2,42,583
Add: Conversion of preference shares to equity	4,77,74,742	-
Add: Exercise of employee stock options during the period	65,813	-
Add: Increase on account of share split during the year	17,46,580	17,46,580
Weighted average number of shares outstanding during the year	**5,20,70,099**	**21,83,225**
(ii) CCPS		
Number of shares at the beginning of the year	2,10,23,264	30,747
Weighted average number of shares issued during the year	-	1,00,748
Add: Bonus issue of shares during the year *	-	2,02,71,474
Add: Increase on account of share split during the year*	8,40,93,056	8,16,11,878
Add: Exercise of employee stock options during the year	26,32,517	-
Less: Conversion of preference shares to equity	(4,77,74,742)	-
Weighted average number of shares outstanding during the year	**5,99,74,095**	**10,20,14,847**
Weighted average number of shares considered for Basic EPES (i)+(ii)	**11,20,44,194**	**10,41,98,072**
Add: Number of dilutive potential equity shares on account of share options granted including bonus shares issued during the year	4,31,204	
Weighted average number of equity shares for diluted EPES*	11,24,75,398	10,41,98,072
Face value of each equity share (In absolute ₹ terms)	2.00	2.00
Face value of each CCPS considered as equity (In absolute ₹ terms)	-	20.00
Earnings/(loss) per equity share (In absolute ₹ terms)		
- Basic	0.50	(0.82)
- Diluted	0.50	(0.82)

* In line with the requirements of para 28 of Ind AS 33, for the purpose of EPES calculations, bonus shares issued and share split have been considered as if the event of bonus issue/ share split had occurred at the beginning of the earliest year presented.

As at 31st March, 2021, the potential equity shares would decrease the loss per share and hence are considered to be anti-dilutive. The effects of anti-dilutive potential equity shares are ignored in calculating diluted earning per share as per Ind AS 33 "Earnings per share".

33. TAXES

(a) The major components of income tax expenses for the year ended 31st March, 2022 and 31st March, 2021 are:

(i) Profit or loss

Particulars	For the year ended 31st March, 2022	For the year ended 31st March, 2021
Current tax :		
Current income tax charge	-	-
Interest on income tax	-	-
Deferred tax		
Relating to origination and reversal of temporary differences	-	-
Total income tax expense recognised in statement of Profit and Loss	**-**	**-**

Notes to Standalone Financial Statements for the year ended 31st March, 2022 (Contd.)

(All amounts in Indian Rupees in millions except for share data or otherwise stated)

33. TAXES (CONTD.)

(ii) Other Comprehensive Income (OCI)

Particulars	For the year ended 31st March, 2022	For the year ended 31st March, 2021
Deferred tax Relating to origination and reversal of temporary differences	-	-
Income tax charged to OCI	-	-

(b) Reconciliation of tax expense and the accounting profit multiplied by India's domestic tax rate for 31st March, 2022 and 31st March, 2021:

	For the year ended 31st March, 2022	For the year ended 31st March, 2021
Profit/(Loss) before tax	55.79	(85.67)
Enacted tax rate in India	25.17%	25.17%
Expected tax expenses*	14.04	-
Others	(14.04)	-
Total Tax expense	**-**	**-**
Tax expense as per Statement of Profit and Loss Account	**-**	**-**

*The current tax for the year ended 31st March, 2022 is Nil, due to carry forward of previous year losses.

(c) As a matter of prudence, the Company has not recorded deferred tax asset (net) on the carrying amounts of assets as at 31st March, 2022 aggregating to ₹ 134.43 millions (31st March, 2021: ₹ 51.97 millions), since the Company is not probable that taxable profit will be available against which the deferred tax asset can be utilised. The details of deferred tax asset considered to the extent of deferred tax liabilities are as follows:

	For the year ended 31st March, 2022	For the year ended 31st March, 2021
Deferred tax liabilities	109.78	8.60
Deferred tax assets	(109.78)	(8.60)
Net amount accounted	**-**	**-**

The Company has bussiness losses amounting to ₹ 118.94 millions which can be carried forward for the next 7 years and unabsorbed depreciation loss amounting to ₹ 8.24 millions.

34. EMPLOYEE BENEFITS

I. Post Employment Benefits

A. Defined Benefits Plan - Gratuity

Company has a defined benefit plan which provides for gratuity payments for its employees. Under the plan, every employee who has completed at least five years of service gets gratuity on departure @ 15 days salary (based on last drawn basic salary) for each completed year of service. The scheme is partly funded by an insurance company in the form of a qualifying insurance policy managed by Life Insurance Corporation of India.

The components of gratuity cost recognised in the standalone statement of profit and loss for the year ended 31st March, 2022 and 31st March, 2021 consist of the following:

Particulars	For the year ended 31st March, 2022	For the year ended 31st March, 2021
Changes in the present value of defined benefit obligations are as follows:		
Defined benefit obligations at the beginning of the year	11.72	9.90
Defined benefit obligations acquired pursuant to BTA (Refer note 47)	-	3.15
Current service cost	2.06	1.23
Past service cost	-	-
Interest on defined obligations	0.77	0.66
Benefits paid	(0.97)	(0.32)

Notes to Standalone Financial Statements for the year ended 31st March, 2022 (Contd.)

(All amounts in Indian Rupees in millions except for share data or otherwise stated)

34. EMPLOYEE BENEFITS (CONTD.)

Particulars	For the year ended 31st March, 2022	For the year ended 31st March, 2021
Re-measurements due to:		
- change in assumptions	(0.33)	(0.08)
- due to experience adjustment	(0.91)	(2.82)
Defined benefit obligations at the end of the year	**12.34**	**11.72**
Changes in the fair value of plan assets are as follows:		
Fair value of plan assets at the beginning of the year	1.72	1.88
Employer contributions	3.01	0.05
Interest on plan assets	0.19	0.12
Benefits paid	(0.97)	(0.29)
Expenses	(0.06)	(0.05)
Remeasurements-return on plan assets	(0.07)	0.01
Plan assets at the end of the year	**3.82**	**1.72**
Amount to be recognised in Statement of Profit and Loss:		
Current service cost	2.06	1.23
Past service cost	-	-
Interest on net defined benefit liability, net	0.83	0.66
Reimbursement Service Cost	-	0.06
Excepted return on plan assets	(0.19)	(0.12)
Gratuity cost recognised in statement of profit and loss*	**2.70**	**1.83**

* The above amount doesn't include the gratuity cost related to employees of the acquired MHS Pharmaceuticals business.

Remeasurement on the net defined benefit liability:		
Remeasurements - due to change in assumptions	(0.33)	(0.08)
Remeasurements - due to experience adjustment	(0.91)	(2.82)
Remeasurements - return on plan assets	0.07	(0.01)
Components of defined benefit costs recognised in other comprehensive income	**(1.17)**	**(2.91)**

Details of the employee defined benefits obligations and plan assets are provided below:

	As at 31st March, 2022	As at 31st March, 2021
Present value of funded obligations	12.34	11.72
Fair value of plan assets	(3.82)	(1.72)
Net defined benefit liability recognised	**8.52**	**10.00**

Bifurcation of net defined benefit liability

	As at 31st March, 2022	As at 31st March, 2021
Current liabilities	1.38	1.20
Non- current Liabilities	7.14	8.80
	8.52	**10.00**

(All amounts in Indian Rupees in millions except for share data or otherwise stated)

34. EMPLOYEE BENEFITS (CONTD.)

Sensitivity Analysis: ((Increase)/ decrease in obligation)

	For the year ended 31st March, 2022	For the year ended 31st March, 2021
(a) Effect of 1% change in assumed discount rate		
- 1% increase	(0.71)	(0.71)
- 1% decrease	0.81	0.80
(b) Effect of 1% change in assumed salary escalation rate		
- 1% increase	0.58	0.55
- 1% decrease	(0.51)	(0.50)
(c) Effect of 1% change in assumed attrition rate		
- 1% increase	(0.04)	(0.02)
- 1% decrease	0.05	0.02

	For the year ended 31st March, 2022	For the year ended 31st March, 2021
Discount rate	7.34%	6.91%
Rate of return of plan assets	7.34%	6.91%
Attrition rate	10.00%	10.00%
Rate of compensation increase	9.00%	9.00%

The expected future cash flows in respect of gratuity were as follows:

	For the year ended 31st March, 2022	For the year ended 31st March, 2021
Expected future benefit payments		
Less than a year	1.38	1.20
Between 2-5 years	6.88	5.68
More than 5 years	4.44	5.23

B. Defined Contribution Plan

Provident fund and other funds

The Company makes contributions, determined as a specified percentage of employee salaries, in respect of qualifying employees towards provident fund and Employee state insurance, which is defined contribution plan. The Company has no obligations other than to make specified contributions. The contributions are charged to the statement of profit and loss as they accrue.

The amount recognised as an expense towards for the year aggregated to ₹ 3.82 millions (31st March, 2021: ₹ 1.86 millions) and is included in "contribution to provident fund and other funds".

II. Other benefits - Leave Encashment

The employees of the Company are entitled to leave encashment which are both accumulating and non-accumulating in nature. The expected cost of accumulating leave encashment is determined by actuarial valuation based on the additional amount expected to be paid as a result of the unused entitlement that has accumulated at the balance sheet date. Expense on non-accumulating leaves is recognised in the year in which the absences occur.

The amount recognised as an expense towards year encashment for the year aggregated to ₹ 0.90 millions (31st March, 2021: ₹ 1.37 millions).

Notes to Standalone Financial Statements for the year ended 31st March, 2022 (Contd.)

(All amounts in Indian Rupees in millions except for share data or otherwise stated)

35. EMPLOYEE STOCK OPTION PLAN

(i) MedPlus Employees Stock Option and Shares Plan 2009 (ESOP 2009)

(a) The Company instituted MedPlus Employees Stock Option and Shares Plan 2009 (ESOP 2009). The Board of directors approved the plan on November 16, 2009. The plan is effective from 1st November, 2009 which provided for issue of 9,673 ((21,764 equity shares and 870,570 CCPS options, including bonus issue) stock options to eligible employees. The options vest over a period of four years or as approved by remuneration committee and would be settled by issue of fully paid equity shares.

Pursuant to a resolution passed by the Board of Directors on 17th February, 2011, the Company had formed a trust (MedPlus Employee Benefit Trust) to implement and administer ESOP 2009 and had allotted 9,673 (21,764 equity shares and 870,570 CCPS options, including bonus issue) of ₹ 10 each to the Trust.

The Company has allotted (before giving impact of bonus and split) 4,110 equity shares and 5,563 shares to the trust at premium of ₹ 11,016.12 per share and ₹ 5,781 per share respectively, aggregating total securities premium of ₹ 77.44 million.

Amount receivable from the trust for options granted aggregating to ₹ 77.54 million (Face value – ₹ 0.10 million and Premium of ₹ 77.44 million) has been accounted as 'Amount recoverable from Trust in kind' and has been deducted from share capital and securities premium respectively as these are in the nature of own shares held. The same will be adjusted at the time of exercise of options by the employees.

During the year 31st March, 2022, 8,760 options were exercised by employees which resulted in

(i) increase in paid up capital by ₹ 0.09 million and

(ii) increase of securities premium by ₹ 67.51 million

Further, recovery of ₹ 5.86 million from ESOP trust was done on account of exercised options.

Employees stock option and share plan 2009

Particulars	As at 31st March, 2022	As at 31st March, 2021
Number of options granted	905	9173
Method of settlement (Cash/Equity)	Equity	Equity
Vesting period	300 options have vested 266 options vest over the financial year 2022-23 174 options vest over the financial year 2023-24 153 options vest over the financial year 2024-25 12 options vest over the financial year 2025-26	2,310 options vested immediately on the grant date. 1,055 options equally on completion of every quarter, over the period of next two years from the grant date. 5,744 options vest over the period of one year from the grant date. 64 options vest 25% each year over the period of 4 years from the grant date.
Exercise period	4 years for 905 options Committee may extend the Exercise period on case to case basis.	6 years for 9,173 options Committee may extend the Exercise period on case to case basis.
Vesting conditions	None	None

(All amounts in Indian Rupees in millions except for share data or otherwise stated)

35. EMPLOYEE STOCK OPTION PLAN (CONTD.)

(b) The details of the activity have been summarised below

	As at 31st March, 2022 (No. of options)	As at 31st March, 2021 (No. of options)
Outstanding at the beginning of the year	9,173	8,770
Exercisable at the beginning of the year	8,770	8,770
Granted during the year	562	403
Forfeited during the year	-	-
Exercised during the year	8,760	-
Vested during the year	355	-
Expired during the year	70	-
Outstanding at the end of the year*	905	9,173
Exercisable at the end of the year	300	8,770
Weighted average remaining contractual life (in years)	-	-

*One option equals to 461.25 equity shares

(c) Stock options granted during the year

The Black Scholes valuation model has been used for computing the weighted average fair value considering the following inputs:

	31st March, 2022 Scheme 4	31st March, 2022 Scheme 5
Weighted average share price/ market value	244.20	1,163.20
Exercise price (₹ per share)	10.00	1,155.70
Options granted	62	500
Date of grant	05th August 2021	01st April 2021
Expected volatility	29.1% - 30.1%	29.2% - 31.1%
Life of the options granted (vesting and exercise period) in years	Vesting period + 3 years	Vesting period + 3 years
Expected dividend	0%	0%
Average risk-free interest rate	6.17%	6.06%
Expected term based on vesting period	1 year - 4 years	1 year - 4 years
Weighted average fair value of the option granted	237.33	1,163.20

(e) Modification of terms of options granted in earlier years

The Company had during the previous year modified the exercise price in relation 5,405 options granted and vested in earlier years, the details of which are as mentioned below:

	As at 31st March, 2021		
	Scheme 2	Scheme 2	Scheme3
Options granted	175	5,195	35
Grant date	01st March 2018	01st March 2018	01st February 2019
Modification date	01st July 2020	01st July 2020	01st July 2020
Original Exercise price (₹ per share)	43,562.00	43,562.00	43,562.00
Revised Exercise price (₹ per share)	37,099.00	10.00	10.00
Weighted average share price/ market value on the date of modification	76,842.50	76,842.50	76,842.50
Expected Life of the options in years	2.30	2.30	2.80
Expected volatility	30.27%	30.27%	28.73%
Expected dividends	0.00%	0.00%	0.00%
Average risk-free interest rate	4.21%	4.21%	4.40%
Weighted average fair value of the option granted	43,551.10	76,833.40	76,833.70

During the previous year, there was change in exercise price resulting to additional cost of share based payments amounting to ₹ 137.59 millions. This excludes as amount ₹ 242.19 millions pertaining to ESOP issued to employees of subsidaries.

Notes to Standalone Financial Statements for the year ended 31st March, 2022 (Contd.)

(All amounts in Indian Rupees in millions except for share data or otherwise stated)

35. EMPLOYEE STOCK OPTION PLAN (CONTD.)

(ii) MedPlus Employees Stock Option and Shares Plan 2021 (ESOP 2021)

(a) The Company instituted MedPlus Employees Stock Option and Shares Plan 2021 (ESOP 2021). The Board of directors approved the plan on 9th August, 2021. The plan is effective from 9th August, 2021 which provided for issue of 1,117,612 stock options to eligible employees. The options vest over a period of four years from the grant date at 10%, 25%, 25% and 40% respectively, as a % of options granted. Vesting period may be accelerated on deserving cases, subject to applicable law and minimum vesting period of at least one year. During the year ended 31st March, 2022 the Company has granted 70,317 ESOPs to its employees and 865,587 ESOP's to the employees of its subsidiaries under Employee stock option and Share plan 2021 after taking necessary approval at an exercise price of ₹ 232 per option on 22nd November, 2021.

Employees stock option and share plan 2021

Particulars	As at 31st March, 2022
Number of options granted	935,904
Method of settlement (Cash/Equity)	Equity
Vesting period	106,316 options vest in 12 months from the grant date. 239,574 options vest in 24 months from the grant date. 5,095 options vest in 30 months from the grant date. 224,289 options vest in 36 months from the grant date. 5,095 options vest in 42 months from the grant date. 355,535 options vest in 48 months from the grant date.
Exercise period	3 years Committee may extend the Exercise period on case to case basis.
Vesting conditions	None

(b) The details of the activity have been summarised below

Particulars	31st March, 2022 (No. of options)
Outstanding at the beginning of the year	-
Exercisable at the beginning of the year	-
Granted during the year	935,904
Forfeited during the year	-
Exercised during the year	-
Vested during the year	-
Expired during the year	-
Outstanding at the end of the year	9,35,904
Exercisable at the end of the year	-
Weighted average remaining contractual life (in years)	-

(c) Stock options granted during the year

The Black Scholes valuation model has been used for computing the weighted average fair value considering the following inputs:

Particulars	31st March, 2022
Weighted average share price/ market value	795.80
Exercise price (₹ per share)	232.00
Options granted	935,904
Date of grant	22nd November, 2021
Expected volatility	28.8% to 30.04%
Life of the options granted (vesting and exercise period) in years	Vesting period + 3 years
Expected dividend	0%
Average risk-free interest rate	5.4% to 6.2%
Expected term based on vesting period	1 year - 4 years
Weighted average fair value of the option granted	634.37

(All amounts in Indian Rupees in millions except for share data or otherwise stated)

35. EMPLOYEE STOCK OPTION PLAN (CONTD.)

Effect of the employee option plan on the Statement of Profit and Loss and on its financial position

	For the year ended 31st March, 2022	For the year ended 31st March, 2021
Total employee compensation cost pertaining to stock option plan *	17.28	158.92
Reserves - employee stock option plan outstanding as at the period end	113.94	486.55

*Does not include ₹ 90.10 millions (31st March, 2021: ₹ 242.47 millions) pertaining to ESOP's issued to the employees of subsidiaries.

36. LEASES

The Company recognises right-of-use asset representing its right to use the underlying asset for the lease term at the lease commencement date. The cost of the right-of-use asset measured at inception shall comprise of the amount of the initial measurement of the lease liability adjusted for any lease payments made at or before the commencement date less any lease incentives received, plus any initial direct costs incurred and an estimate of costs to be incurred by the lessee in dismantling and removing the underlying asset or restoring the underlying asset or site on which it is located. The right-of-use assets is subsequently measured at cost less any accumulated depreciation, accumulated impairment losses, if any and adjusted for any remeasurement of the lease liability. The right-of-use assets is depreciated using the straight-line method from the commencement date over the shorter of lease term or useful life of right-of-use asset.

A Movement of right of use asset for the year ended 31st March, 2022 and 31st March, 2021:

Particulars	Category of Right of use Assets (Buildings)
Balance as at 1st April, 2020	**25.70**
Additions	53.39
Deletions	1.55
Balance as at 31st March, 2021	**77.54**
Additions	423.43
Deletions	29.36
Balance as at 31st March, 2022	**471.61**
Accumulated amortisation	
Balance as at 1st April, 2020	**(3.74)**
Amortisation charge for the year	(6.95)
Deletions	1.55
Balance as at 31st March, 2021	**(9.14)**
Amortisation charge for the year	(32.09)
Deletions	2.36
Balance as at 31st March, 2022	**(38.87)**

Carrying amounts

Balance as at 31st March, 2021	**68.40**
Balance as at 31st March, 2022	**432.74**

* The aggregate amortisation expenses for the year on right -of-use assets is included under depreciation and amortisation expense in the Statement of profit and loss.

B The Following is the rental expenses recorded for short term leases, variable leases and low value leases for the year ended 31st March, 2022 and 31st March, 2021:

	For the year ended 31st March, 2022	For the year ended 31st March, 2021
Short - term lease expense	-	0.30
Rental income from sub-lease	3.30	1.67

Notes to Standalone Financial Statements for the year ended 31st March, 2022 (Contd.)

(All amounts in Indian Rupees in millions except for share data or otherwise stated)

36. LEASES (CONTD.)

C Following are the changes in the lease liabilities for the year ended 31st March, 2022 and 31st March, 2021:

Particulars	Lease liabilities
Balance as at 1st April, 2020	**25.61**
Additions	51.79
Finance cost accrued during the year	4.66
Deletions	-
Payment of lease liabilities	9.00
Balance as at 31st March, 2021	**73.06**
Additions	412.55
Finance cost accrued during the year	25.85
Deletions	28.60
Payment of lease liabilities	38.70
Balance as at 31st March, 2022	**444.16**

* Lease payments during the year have been disclosed under financing activities in the Statement of Cash flows.

Bifurcation of lease liabilities	For the year ended 31st March, 2022	For the year ended 31st March, 2021
Non-current lease liabilities	416.84	64.60
Current lease liabilities	27.32	8.46

D The following is the cash outflow on leases during the year ended 31st March, 2022:

Particulars	For the year ended 31st March, 2022	For the year ended 31st March, 2021
Payment of lease liabilities	38.70	9.00
Short-term lease expense	-	0.30
Total cash outflow on leases	**38.70**	**9.30**

E The table below provides details regarding the contractual maturities of lease liabilities on an undiscounted basis :

Particulars	As at 31st March, 2022	As at 31st March, 2021
Less than 1 year	71.80	16.06
1 to 5 years	289.92	61.68
Over 5 years	439.09	27.89

The Company does not face a significant liquidity risk with regards to its lease liabilities as the current assets are sufficient to meet the obligations related to lease liabilities as and when fall due.

37. SEGMENT REPORTING

In accordance with Ind AS 108, Operating Segments, segment information has been given in the consolidated financial statements of MedPlus Health Services Limited and therefore no separate disclosure on segment information is given in these standalone financial statements.

38. COMMITMENTS AND CONTINGENT LIABILITIES

a. Commitments

As at 31st March, 2022 the Company has commitments of ₹ 141.77 millions relating to contracts remaining to be executed on capital account. (31st March, 2021: Nil)

b. Contingent liabilities

The Company has given corporate guarantee to banks against the loan taken by its subsidiary company - Optival Health Solutions Private Limited of ₹ 1,850.00 million (31st March, 2021 : ₹ 1,850.00 million) for the purpose of funding its working capital requirements.

Notes to Standalone Financial Statements for the year ended 31st March, 2022 (Contd.)

(All amounts in Indian Rupees in millions except for share data or otherwise stated)

39. DETAILS OF DUES TO MICRO AND SMALL ENTERPRISES AS DEFINED UNDER THE MSMED ACT, 2006

The Ministry of Micro, Small and Medium Enterprises has issued an Office Memorandum dated 26th August, 2008 which recommends that the Micro and Small Enterprises should mention in their correspondence with its customers the Entrepreneurs Memorandum Number as allocated after filling the Memorandum. Accordingly, the disclosure in respect of the amounts payable to such enterprises as at 31st March, 2022 has been made in the standalone financial statements based on information received and available with the Company. Further in the view of the Management, the impact of interest, if any, that may be payable in accordance with the provisions of the Act is not expected to be material. The Company has not received any claim for interest from any supplier under the said Act.

Particulars	As at 31st March, 2022	As at 31st March, 2021
The amounts remaining unpaid to micro and small suppliers as at the end of the year		
- Principal	0.43	0.29
- Interest	-	-
The amount of interest paid by the buyer as per the MSMED Act, 2006	-	-
The amounts of the payments made to micro and small suppliers beyond the appointed day during each accounting year.	-	-
The amount of interest due and payable for the year of delay in making payment (which have been paid but beyond the appointed day during the year) but without adding the interest specified under MSMED Act;	-	-
The amount of interest accrued and remaining unpaid at the end of each accounting year	-	-
The amount of further interest remaining due and payable even in the succeeding years, until such date when the interest dues as above are actually paid to the small enterprises for the purposes of disallowances as a deductible expenditure under the MSMED Act, 2006	-	-

Note: This information is required to be disclosed under the MSMED Act and has been determined to the extent such parties have been identified on the basis of information available with the Company and has been relied upon by the auditors.

40. RELATED PARTY DISCLOSURE

A Nature of relationship and names of related parties

(i) Parent

1. Gangadi Investments Private Limited (upto 5th February, 2021)(refer note a)

(ii) Subsidiaries

1. Optival Health Solutions Private Limited
2. MHS Pharmaceuticals Private Limited
3. Nova Sud Pharmaceuticals Private Limited (formerly known as Pan India Pharma Distributors Private Limited)
4. Agilemed Investments Private Limited (formerly known as Agilemed Investment Private Limited) (upto 4th December, 2020)
5. Wynclark Pharmaceuticals Private Limited (formerly known as Medsupply Distributors Private Limited)
6. Kalyani Meditimes Private Limited
7. Sai Sridhar Pharma Private Limited – Subsidiary of Nova Sud Pharmaceuticals Private Limited
8. Venkata Krishna Enterprises Private Limited – Subsidiary of Nova Sud Pharmaceuticals Private Limited
9. Deccan Medisales Private Limited – Subsidiary of Nova Sud Pharmaceuticals Private Limited
10. Shri Banashankari Pharma Private Limited – Subsidiary of Nova Sud Pharmaceuticals Private Limited
11. Sidson Pharma Distributors Private Limited – Subsidiary of Nova Sud Pharmaceuticals Private Limited
12. Clearancekart Private Limited

Notes to Standalone Financial Statements for the year ended 31st March, 2022 (Contd.)

(All amounts in Indian Rupees in millions except for share data or otherwise stated)

40. RELATED PARTY DISCLOSURE (CONTD.)

(iii) Key management personnel

1. G. Madhukar Reddy – Managing Director (refer note a and b)
2. C. Bhaskar Reddy – Executive Director (until 5th July, 2021)(refer note a and b)
3. Hemanth Kundavaram - Chief Financial Officer (from 2nd January, 2021)
4. Parag Jain - Company Secretary (upto 14th January, 2022)
5. Shilpi Keswani- Company Secretary (w.e.f 15th January, 2022)

(iv) Directors

1. Murali Sivaraman - Independent Director (from 11th June, 2021)
2. Madhavan Ganesan - Independent Director (from 11th June, 2021)
3. Hiroo Mirchandani - Independent Director (from 5th July, 2021)
4. Anish Kumar Saraf- Director (w.e.f 6th February, 2021)
5. Atul Gupta- Director (w.e.f 6th February, 2021)

(v) Entities over which shareholders, key management personnel exercise control or significant influence

1. Hinshitsu Manufacturing Private Limited
2. Agilemed Investments Private Limited (formerly known as Agilemed Investment Private Limited) (from 4th December, 2020) (refer note b)
3. Lone furrow investment private limited (refer note b)

a) The Company has issued 1.25 equity shares and 40 bonus preference shares for each equity share held for the year ended 31st March, 2021.

b) Conversion of preference shares to equity was done for the year ended 31st March, 2022

B Related party transactions during the year ended

(i) Subsidiaries

	For the year ended 31st March, 2022	For the year ended 31st March, 2021
1. Optival Health Solutions Private Limited		
Rental income	3.30	1.59
Rental expenses [including GST of ₹ 0.94 million (31st March, 2021 : GST of ₹ 0.44 million)]	6.18	3.10
Guarantee given	-	75.00
Management services rendered	40.81	25.81
Brand fee received	54.99	45.04
Reimbusresement of Expenses - Paid	-	0.08
Sale of stock-in-trade (net of taxes)	919.42	142.45
Sale of maintenance Items	60.53	12.26
Purchase of intangible asset	15.70	-
software services rendered	4.43	-
Collection comission expense paid	0.13	-
Deemed investment		
Corporate Guarantee income	9.29	9.17
Share-based payment expense (refer note 35)	89.55	235.32

(All amounts in Indian Rupees in millions except for share data or otherwise stated)

40. RELATED PARTY DISCLOSURE (CONTD.)

	For the year ended 31st March, 2022	For the year ended 31st March, 2021
2. MHS Pharmaceuticals Private Limited		
Management services rendered	0.08	0.48
Rental income	-	0.06
Rental expenses	8.27	2.98
Purchase consideration for business transfer pursuant to BTA	-	195.04
Purchase of Asset	-	3.28
Purchase of traded goods (net of taxes)	-	1.23
Reimbursement of expenses	0.81	0.11
Share-based payment expense	-	1.79
3. Wynclark Pharmaceuticals Private Limited		
Management services rendered	0.55	0.20
Reimbursement of expenses	0.01	0.02
Investment in subsidiary (refer note no. 5)	-	10.00
4. Venkata Krishna Enterprises Private Limited		
Share-based payment expense	0.45	5.36
5. Kalyani Meditimes Private Limited		
Investment in subsidiary (refer note 5)	-	7.50
Unsecured loan given (refer note 6)	23.32	4.50
Interest on unsecured loan	3.11	0.43
Software license fees	0.45	-
6. NovaSud Pharmaceuticals Private Limited		
Investment in subsidiary (refer note 5)	-	5.00
7. Clearancekart Private Limited		
Investment in subsidiary (refer note 5)	0.10	-
8. Sidson Pharma Distributors Private Limited		
Share-based payment expense	0.09	-
Unsecured loan extended	-	60.00
Unsecured loan received back	-	60.00
Interest on unsecured loan	-	0.99

(ii) Entities over which shareholders, key management personnel exercise control or significant influence

	For the year ended 31st March, 2022	For the year ended 31st March, 2021
1. Hinshitsu Manufacturing Private Limited		
Purchase of intangible asset	11.19	-
Purchase of asset	12.90	0.09
Sale of asset	36.05	-
Purchase of Traded Goods	-	0.85
Rent expense	0.68	-
2. Agilemed Investments Private Limited		
Rental income	0.03	0.02
Investment in subsidiary	-	0.82
Unsecured loan given	-	5.00
Interest on unsecured loan	-	0.09
Issue of bonus shares (series B1 CCPS)	-	61.07

Notes to Standalone Financial Statements for the year ended 31st March, 2022 (Contd.)

(All amounts in Indian Rupees in millions except for share data or otherwise stated)

40. RELATED PARTY DISCLOSURE (CONTD.)

(iii) Key Management Personnel

	For the year ended 31st March, 2022	For the year ended 31st March, 2021
1. G. Madhukar Reddy		
a. Managerial remuneration		
- Short-term employee benefits	4.00	4.00
b. Rent	0.07	0.06
c. Issue of bonus shares (Equity shares)	-	0.48
d. Issue of bonus shares (series B CCPS)	-	59.90
2. C. Bhaskar Reddy		
a. Managerial remuneration		
- Short-term employee benefits	1.53	7.78
b. Share-based payment expense	5.14	91.01
3. Hemanth Kundavaram		
a. Remuneration		
- Short-term employee benefits	9.79	2.12
b. Share-based payment expense	1.85	-
4. Parag Jain		
a. Remuneration		
- Short-term employee benefits	1.01	1.20
5. Shilpi Keswani		
a. Remuneration	0.21	-
6. Sitting fees paid to directors	**3.85**	**-**

C Balances outstanding as at debit/(credit)*

(i) Subsidiaries

	For the year ended 31st March, 2022	For the year ended 31st March, 2021
1. Optival Health Solutions Private Limited	209.70	114.76
2. Agilemed Investments Private Limited	-	0.01
3. MHS Pharmaceuticals Private Limited	176.08	188.66
4. Wynclark Pharmaceuticals Private Limited	0.29	0.13
5. Kalyani Meditimes Private Limited	29.02	4.50
Guarantee outstanding on behalf of Optival Health Solutions Private Limited (Refer note 38 (a))	1,850.00	1,850.00

(ii) Entities over which shareholders, key management personnel exercise control or significant influence

1. Hinshitsu Manufacturing Private Limited	(1.93)	(0.95)

(iii) Key Management Personnel

1. G. Madhukar Reddy		
a. Rent	(0.01)	(0.01)

* Excluding equity shares of the Company, investments and deemed investments. (refer note 5&14)

(All amounts in Indian Rupees in millions except for share data or otherwise stated)

41. FAIR VALUES

Refer note 2.2r.for accounting policy on Financial Instruments.

Set out below, is a comparison by class of the carrying amounts and fair value of the Company's financial instruments:

	Carrying value	
	As at 31st March, 2022	As at 31st March, 2021
Financial assets (excluding investments in subsidiaries)		
Financial assets at amortised cost:		
a) Trade receivables	212.88	115.06
b) Cash and cash equivalents	9.38	866.79
c) Bank balances other than Cash and cash equivalents	65.00	-
d) Loans	27.82	4.50
e) Others	6,187.05	6.24
Total Financial assets	**6,502.13**	**992.59**
Financial liabilities		
Financial liabilities at amortised cost:		
a) Trade payables	55.30	23.64
b) Borrowings	-	-
c) Lease liabilities	444.16	73.06
d) Others	204.78	195.17
Total Financial Liabilities	**704.24**	**291.87**

	Fair value	
	As at 31st March, 2022	As at 31st March, 2021
Financial assets (excluding investments in subsidiaries)		
Financial assets at amortised cost:		
a) Trade receivables	212.88	115.06
b) Cash and cash equivalents	9.38	866.79
c) Bank balances other than Cash and cash equivalents	65.00	-
d) Loans	27.82	4.50
e) Others	6,187.05	6.24
Total Financial assets	**6,502.13**	**992.59**
Financial liabilities		
Financial liabilities at amortised cost:		
a) Trade payables	55.30	23.64
b) Borrowings	-	-
c) Lease liabilities	444.16	73.06
d) Other financial liabilities	204.78	195.17
Total Financial Liabilities	**704.24**	**291.87**

The fair value of the financial assets and liabilities is included at the amount at which the instrument could be exchanged in a current transaction between willing parties, other than in a forced or liquidation sale.

Fair value hierarchy

Refer note 2.2f for accounting policy on Fair value.

The carrying amount of financial assets and financial liabilities measured at amortised cost in the standalone financial statements are a reasonable approximation of their fair values since the Company does not anticipate that the carrying amounts would be significantly different from the values that would eventually be received or settled.

There are no transfers between levels 1 and 2 during the year.

Notes to Standalone Financial Statements for the year ended 31st March, 2022 (Contd.)

(All amounts in Indian Rupees in millions except for share data or otherwise stated)

42. FINANCIAL RISK MANAGEMENT

The Company's principal financial liabilities comprise of trade and other payables. The main purpose of these financial liabilities is to finance the Company's operations and investments. The Company's principal financial assets include investments in subsidiaries, trade and other receivables, and cash and cash equivalents that derive directly from its operations.

The Company's activities expose it to a variety of financial risks, including market risk, credit risk and liquidity risk. The Company's primary risk management focus is to minimise potential adverse effects of market risk on its financial performance. The Company's risk management assessment and policies and processes are established to identify and analyse the risks faced by the Company, to set appropriate risk limits and controls, and to monitor such risks and compliance with the same.

Risk assessment and management policies and processes are reviewed regularly to reflect changes in market conditions and the Company's activities. The Board of Directors is responsible for overseeing the Company's risk assessment and management policies and processes.

Market risk

Market risk is the risk that the fair value or future cash flows of a financial instrument will fluctuate because of changes in market prices. Such changes in the values of financial instruments may result from changes in the credit, interest rate, liquidity and other market changes. The Company's Financial instruments are not affected by market risk.

Credit risk

Credit risk is the risk that counterparty will not meet its obligations under a financial instrument or customer contract, leading to a financial loss. Credit risk encompasses of both, the direct risk of default and the risk of deterioration of creditworthiness as well as concentration of risks. Credit risk is controlled by analysing credit limits and creditworthiness of customers on a continuous basis to whom the credit has been granted after obtaining necessary approvals for credit.

Financial instruments that are subject to concentrations of credit risk principally consist of trade receivables, cash and cash equivalents, bank deposits and other financial assets. None of the financial instruments of the Company result in material concentration of credit risk, except for trade receivables.

Receivables

The customer credit risk is managed by the Company's established policy, procedures and control relating to customer credit risk management. Credit quality of a customer is assessed based on the individual credit limits as defined in accordance with this assessment and outstanding customer receivables are regularly monitored. The Company' receivables turnover is quick and historically, there was no significant defaults on account of those customer in the past. Ind AS requires an entity to recognise in profit or loss, the amount of expected credit losses (or reversal) that is required to adjust the loss allowance at the reporting date to the amount that is required to be recognised in accordance with Ind AS 109.

The Company assesses at each date of statements of financial position whether a financial asset or a group of financial assets is impaired. Expected credit losses are measured at an amount equal to the 12 month expected credit losses or at an amount equal to the life time expected credit losses if the credit risk on the financial asset has increased significantly since initial recognition. The Company has used a practical expedient by computing the expected credit loss allowance for trade receivables based on a provision matrix. The provision matrix takes into account historical credit loss experience and adjusted for forward-looking information. Since the trade receivables are from related parties, no credit risk is observed.

Exposure to credit risk:

The carrying amount of financial assets represents the maximum credit exposure. The maximum exposure to credit risk was ₹ 77.34 millions, 115.06 millions as of 31st March, 2022 and 31st March, 2021 respectively, being the total of the carrying amount of balances with trade receivables.

(All amounts in Indian Rupees in millions except for share data or otherwise stated)

42. FINANCIAL RISK MANAGEMENT (CONTD.)

The ageing analysis of trade receivables as of the reporting date is as follows:

Particulars	Less than 180 days	More than 180 days	Total
As at 31st March, 2022	77.00	0.34	77.34
As at 31st March, 2021	58.01	0.04	115.06

The following table summarises the changes in the allowances for doubtful accounts for trade receivables :

Particulars	As at 31st March, 2022	As at 31st March, 2021
Balance at the beginning of the year	0.04	0.31
Change during the year	0.35	(0.01)
Bad debts written off	-	(0.26)
Balance at the end of the year	0.39	0.04

Other financial instruments including cash deposits

Credit risk from balances with banks is managed by the Company's treasury department in accordance with the Company's policy. Investments of surplus funds are made only with approved counterparties and within credit limits assigned to each counterparty. Counterparty credit limits are reviewed by the Company's Board of Directors on an annual basis, and may be updated throughout the period subject to approval of the authorised person. The limits are set to minimise the concentration of risks and therefore mitigate financial loss through counterparty's potential failure to make payments.

Liquidity risk

Liquidity risk refers to the risk that the Company cannot meet its financial obligations. The objective of liquidity risk management is to maintain sufficient liquidity and ensure that funds are available for use as per requirements. The Company manages liquidity risk by maintaining adequate reserves, banking facilities and reserve borrowing facilities, by continuously monitoring forecast and actual cash flows, and by matching the maturity profiles of financial assets and liabilities.

The table below summarises the maturity profile of the Company's financial liabilities based on contractual undiscounted payments:

Particulars	On demand	Less than 1 year	1 to 5 years	> 5 years	Total
31st March, 2022:					
Trade payables	-	48.75	2.38	-	51.13
Lease liabilities	-	71.80	289.92	439.09	800.81
Other financial liabilities	-	204.78	-	-	204.78
Financial guarantee	1,850.00	-	-	-	1,850.00
	1,850.00	**325.33**	**292.30**	**439.09**	**2,906.72**

Particulars	On demand	Less than 1 year	1 to 5 years	> 5 years	Total
31st March, 2021:					
Trade payables	-	23.64	-	-	23.64
Lease liability	-	16.06	61.68	27.89	105.64
Other financial liabilities	-	195.17	-	-	195.17
Financial guarantee	1,850.00	-	-	-	1,850.00
	1,850.00	**234.87**	**61.68**	**27.89**	**2,174.45**

Excessive risk concentration

Concentrations arise when a number of counterparties are engaged in similar business activities, or activities in the same geographical region, or have economic features that would cause their ability to meet contractual obligations to be similarly affected by changes in economic, political or other conditions. Concentrations indicate the relative sensitivity of the Company's performance to developments affecting a particular industry.

In order to avoid excessive concentrations of risk, the Company's policies and procedures include specific guidelines to focus on the maintenance of a diversified portfolio. Identified concentrations of credit risks are controlled and managed accordingly.

Notes to Standalone Financial Statements for the year ended 31st March, 2022 (Contd.)

(All amounts in Indian Rupees in millions except for share data or otherwise stated)

43. CAPITAL MANAGEMENT

For the purpose of the Company's capital management, capital includes issued equity capital and all other equity reserves attributable to the equity holders. The primary objective of the Company's capital management is to maximise the shareholder value.

The Company manages its capital structure in consideration to the changes in economic conditions and the requirements of the financial covenants. The Company monitors capital using a gearing ratio, which is net debt divided by total capital plus net debt. The Company includes within net debt, borrowings including interest accrued on borrowings less cash and short-term deposits.

Particulars	As at 31st March, 2022	As at 31st March, 2021
Total Borrowings net of cash and cash equivalents	-	-
Equity	238.60	4.48
Other Equity	10,889.21	5,170.32
Total Equity	**11,127.81**	**5,174.80**

Debt to equity ratio is zero, since the Company doesn't have borrowings as at 31st March, 2022 and 31st March, 2021.

No changes were made in the objectives, policies or processes for managing capital during the year ended 31st March, 2022

44. DETAILS OF CSR EXPENDITURE

The Company is not required to spend any amount towards CSR as per the provisions of Sec 135 of the Companies Act, 2013 since the Company has losses in previous years.

45. AGREEMENT WITH SHAREHOLDERS

(i) During the year ended 31st March, 2021:

a. Shareholder agreement (SHA) and Share Subscription Agreements (SSA)

Pursuant to a Shareholders Agreement (SHA) dated 24th December 2020 entered into with Agilemed Investments Private Limited, Lone Furrow Investments Private Limited, PI Opportunities Fund - I (PI), S.S. Pharma LLC, Shore Pharma LLC, Natco Pharma Limited, Time Cap Pharma Labs Private Limited, Lavender Rose Investments Limited, the Promoters and the Existing Share holders and the Share Subscription Agreement (SSA) dated 24th December, 2020 entered into with Lavender Rose Investments Limited ('Investor'), Gangadi Investments Private Limited (Promoter 2), G Madhukar Reddy (Promoter 1), Agilemed Investments Private Limited and Lone Furrow Investments Private Limited and the Share Subscription Agreement (SSA) dated 24th December, 2020 entered into with PI Opportunities Fund - I (PI) ('Investor'), Gangadi Investments Private Limited (Promoter 2), G Madhukar Reddy (Promoter 1), Agilemed Investments Private Limited and Lone Furrow Investments Private Limited, the Company issued 560,896 0.001% Series C1 CCPS to Lavender Rose Investments Limited on 9th February, 2021 and 160,147 0.001% Series C2 CCPS to PI on 9th February, 2021 on a private placement basis as per the provisions of Section 42 of the Companies Act, 2013. Consequent to such issue of shares, the Company received ₹ 777.90 million and ₹ 222.10 million, respectively, the details of which are included in the table below:

S No	Type of share	Face value per share	Issue price per share	Premium on issue per share	No of Shares	Total amount (₹ in million)
1	CCPS Series C1*	20.00	1,386.88	1,366.88	5,60,896	777.90
2	CCPS Series C2*	20.00	1,386.88	1,366.88	1,60,147	222.10

* The Company has incurred an amount of ₹ 20.00 million as expenses towards the issuance of Series C1 CCPS and Series C2 CCPS.

Pursuant to a Shareholders Agreement (SHA) dated 24th December, 2020 entered into with Agilemed Investments Private Limited, Lone Furrow Investments Private Limited, PI Opportunities Fund - I (PI), S.S. Pharma LLC, Shore Pharma LLC, Natco Pharma Limited, Time Cap Pharma Labs Private Limited, Lavender Rose Investments Limited, the

(All amounts in Indian Rupees in millions except for share data or otherwise stated)

45. AGREEMENT WITH SHAREHOLDERS (CONTD.)

Promoters and the Existing Share holders, the conversion ratio of all the different series of CCPS i.e., Series A, Series B, Series B1, Series B2, Series C1 and Series C2 has been effectively determined on an overall basis at 1 equity share for each CCPS held with different conversion ratio's within different series basis the conversion events. Accordingly, the Series B, B1, B2 CCPS issued as bonus shares during the year and the CCPS issued under Series C1 and C2 and covered under the SHA were classified as equity at their transaction values as at the transaction date.

Of the above proceeds, the Company has utilised ₹ 60.00 million towards repayment of loan, ₹ 30.14 million towards expenses incurred for issuance of the CCPS, ₹ 7.00 million towards investment in subsidiaries and ₹ 624.78 million towards general business purposes. As at 31st March, 2022, the unutilised amount of ₹ 278.08 million has been placed in fixed deposits with banks.

During the year ended 31st March, 2022, the Company has approved and converted the Series A,B,B1,B2,C1 and C2 Compulsory convertible preference shares (CCPS) into its equity shares in the ratio of 5 equity shares for one CCPS held.

46. IMPACT OF COVID-19:

The management believes that the outbreak of COVID pandemic does not have any significant impact on the future operations of the Company since it provides essential services i.e., pathological testing services and sale of pharmaceutical items. Accordingly, the Company continues to prepare the financial statements on a going concern basis. Basis management's current assessment, it does not expect any adjustments to the carrying amounts of inventories, tangible assets, intangible assets, trade receivables and other financial assets on account of the current economic situation. The eventual outcome of the impact of this global health pandemic may be different from those estimated as on the date of approval of these standalone financial statements.

47. BUSINESS TRANSFER AGREEMENT (BTA)

(a) Pursuant to a Business Transfer Agreement (BTA) dated 10th December, 2020 entered into between the Company and MHS Pharmaceuticals Private Limited, a subsidiary of the Company ('the seller'), the seller had transferred its business of manufacturing, wholesale trading and contract manufacturing of pharma, fast-moving consumer goods and beauty products as a going concern on a slump sale basis for a lumpsum consideration and without values being assigned to individual assets and liabilities.

(b) The details of assets and liabilities which have been transferred and the purchase consideration payable as on the date of transaction are as follows:

	Amount
Assets:	
Property, plant and equipment	57.96
Capital Work-in-progress	23.64
Capital Advances	3.01
Inventory	19.15
Trade Receivables	107.56
Other assets	12.07
Liabilities:	
Trade payables	(9.74)
Creditors for expenses	(2.94)
Provision for expenses	(0.09)
Other current financial liabilities	(3.79)
Provision for Gratuity	(3.15)
Provision for Leave Benefits	(1.03)
Net assets taken over	**202.66**
Less: Purchase consideration	195.04
Capital reserve	**7.62**

Notes to Standalone Financial Statements for the year ended 31st March, 2022 (Contd.)

(All amounts in Indian Rupees in millions except for share data or otherwise stated)

47. BUSINESS TRANSFER AGREEMENT (BTA) (CONTD.)

(c) Reconciliation of purchase consideration payable:

	Amount
Purchase consideration to be paid	195.04
Less: Amount paid during the year ended 31st March, 2021	5.55
Purchase consideration payable as at 31st March, 2021	**189.49**
Less: Amount paid during the year	13.50
Purchase consideration payable as at 31st March, 2022	**175.99**

(d) Accounting under Ind AS 103: Business Combinations

Appendix C to Ind AS 103 "Business Combination" defines Common control business combination as business combination involving entities or businesses in which all the combining entities or businesses are ultimately controlled by the same party or parties both before and after the business combination, and that control is not transitory and accordingly any common control transaction needs to be accounted from the beginning of the preceding period in the financial statements, irrespective of the actual date of the combination. Accordingly, the amounts relating to year ended 31st March, 2022 include the impact of the business acquisition shown in the statement, have been restated after recognising the effect of the scheme as above.

Impact of the BTA on the statement of standalone financials:

	For the year ended 31st March, 2021
Total income	434.93
Total expenses	388.67
Profit before tax	**46.26**
Tax expense/(benefit)	-
Profit after tax	**46.26**

The amount accounted to amalgamation adjustment account representing deficit in the balances of assets and liability as on 1st April, 2020 is ₹ 6.62 million.

48. The Company does not have any has long term contracts or derivative contracts on which material foreseeable losses were noted.

49. The Company has granted loans and made investment in some of its subsidiaries and other parties. Loans has been given for general corporate purpose. In some of the cases, the subsidiary has utilised borrowings for further investment as per their business requirement. However, none of those borrowings have been utillised for further advancement of loans/ investment for the year ended 31st March, 2022 and 31st March, 2021.

50. OTHER STATUTORY INFORMATION

(i) Based on the available information, the Company does not have any transactions with companies struck off under section 248 of the Companies Act, 2013 or section 560 of Companies Act, 1956.

(ii) The Indian Parliament has approved the Code on Social Security, 2020 which would impact the contributions by the Company towards Provident Fund and Gratuity. The Ministry of Labour and Employment has released draft rules for the Code on Social Security, 2020 on 13th November, 2020, and has invited suggestions from stakeholders which are under active consideration by the Ministry. The Company will assess the impact and its evaluation once the subject rules are notified and will give appropriate impact in its financial statements in the period in which, the Code becomes effective and the related rules to determine the financial impact are published.

(iii) The Company do not have any Benami property, where any proceeding has been initiated or pending against the Company for holding any Benami property.

(iv) The Company have not traded or invested in Crypto currency or Virtual Currency during the financial year.

(All amounts in Indian Rupees in millions except for share data or otherwise stated)

50. OTHER STATUTORY INFORMATION (CONTD.)

(v) The Company does not have any such transaction which is not recorded in the books of accounts that has been surrendered or disclosed as income during the year in the tax assessments under the Income Tax Act, 1961 such as, search or survey or any other relevant provisions of the Income Tax Act, 1961.

(vi) The Company have not advanced or loaned or invested funds other than disclosed in note 49 to any other person(s) or entity(ies), including foreign entities (Intermediaries) with the understanding that the Intermediary shall:

(a) directly or indirectly lend or invest in other persons or entities identified in any manner whatsoever by or on behalf of the Company (Ultimate Beneficiaries) or

(b) provide any guarantee, security or the like to or on behalf of the Ultimate Beneficiaries.

(vii) The Company have not received any fund from any person(s) or entity(ies), including foreign entities (Funding Party) with the understanding (whether recorded in writing or otherwise) that the Comapany shall:

(a) directly or indirectly lend or invest in other persons or entities identified in any manner whatsoever by or on behalf of the Funding Party (Ultimate Beneficiaries) or

(b) provide any guarantee, security or the like on behalf of the Ultimate Beneficiaries.

(viii) On 28th February, 2019, the Hon'ble Supreme Court of India has delivered a judgment clarifying the principles that need to be applied in determining the components of salaries and wages on which Provident Fund (PF) contributions need to be made by establishments. However, considering that there are numerous interpretative issues relating to retrospective application of this judgement, the Company has assessed the impact of the matter and concluded that there is no material impact on the financial statements. The Company will evaluate its position and update its provision, if required, on receiving further clarity on the subject.

51. INITIAL PUBLIC OFFER AND UTILISATION OF PROCEEDS

The Company has completed an Initial Public Offer ('IPO') of 1,75,73,342 equity shares of face value of ₹ 2 each during the year ended 31st March, 2022 along with a consequent listing of its equity shares on the Bombay Stock Exchange Limited ('BSE') and National Stock Exchange of India Limited ('NSE'). The IPO involved a Fresh Issue of 75,44,511 equity shares by the Companny for an amount of ₹ 6,000 million and an offer for sale of 1,00,28,831 equity shares by certain shareholders for an amount of ₹ 7,982.95 million. Further, an amount of ₹ 536.83 million has been incurred towards the IPO related expenses which are proportionately allocated between the Company and the Selling Shareholders as per respective offer sise, with the Company' share of expenses aggregating to ₹ 217.27 million being adjusted against the balance of Securities Premium in accordance with the provisions of the Companies Act, 2013. The net proceeds received from the aforesaid IPO would be utilised towards investment in a subsidiary for meeting its working capital requirements and towards general corporate purposes.

The utilisation of IPO proceeds received by the holding Company (Net of IPO related expense) is summarised below:

Objects as per Prospectus		Planned utilisation as per Prospectus	Utilisation up to 31st March, 2022	Unutilised amount as on 31st March, 2022*
i)	Investment in Subsidiary, Optival Health Solutions Private Limited towards their working capital requirements	4,671.70	-	4,671.70
ii)	General Corporate Purposes	1,111.03	9.09	1,101.94
Total		**5,782.73**	**9.09**	**5,773.64**

* Out of the aforesaid unutilised proceeds, amount of ₹ 5,710 millions have been placed as fixed deposits with bank and the balance amount of ₹ 63.64 millions is yet to be receivable by the holding company from the IPO public issue account.

Notes to Standalone Financial Statements for the year ended 31st March, 2022 (Contd.)

(All amounts in Indian Rupees in millions except for share data or otherwise stated)

52 RATIOS AS PER THE SCHEDULE III REQUIREMENTS

a) Current Ratio = Current Assets divided by Current Liabilities

Particulars	As at 31st March, 2022	As at 31st March, 2021
Current assets	6,573.39	1,064.85
Current Liabilities	322.75	236.04
Ratio	20.37	4.51
% Change from previous year	**352%**	

Reason for change more than 25%

The ratio has increased from 4.51 in March 2021 to 20.37 in March 2022 mainly due to increase in cash and bank balances, which is due to cash inflows from Initial Public Offer.

b) Debt Equity ratio = Total debt divided by Total shareholders equity where total debt refers to sum of current and non current borrowings

This ratio has not been computed as there are no borrowings on reporting dates

c) Debt Service Coverage Ratio = Earnings available for debt services divided by Total interest and principal repayments

This ratio has not been computed as there are no borrowings on reporting dates

d) Return on Equity Ratio / Return on Investment Ratio = Net profit after tax divided by average Equity

Particulars	For the year ended 31st March, 2022	For the year ended 31st March, 2021
Net profit after tax	55.79	(85.67)
Average Equity	8,151.31	4,565.44
Ratio	0.01	(0.02)
% Change from previous year	**150%**	

Reason for change more than 25%

The ratio has increased from (0.02) in March 2021 to 0.01 in March 2022 mainly due to increase in volume of operations and decrease in ESOP cost.

e) Inventory Turnover Ratio = Cost of materials consumed divided by average inventory

Particulars	For the year ended 31st March, 2022	For the year ended 31st March, 2021
Cost of materials consumed	193.56	96.75
Average inventory	43.43	43.61
Inventory Turnover Ratio	4.46	2.22
% Change from previous year	**101%**	

Reason for change more than 25%

The ratio has increased from 2.22 in March 2021 to 4.46 in March 2022 majorly due to increase in due to increase in volume of operations .

f) Trade Receivables turnover ratio = Sales divided by Closing average receivables

Particulars	For the year ended 31st March, 2022	For the year ended 31st March, 2021
Sales	1,457.14	683.10
Average trade receivables	164.19	100.54
Ratio	8.87	6.79
% Change from previous year	**31%**	

Reason for change more than 25%

The ratio has increased from 6.79 in March 2021 to 8.87 in March 2022 mainly due to better collection efficiency and better working capital management.

Notes to Standalone Financial Statements for the year ended 31st March, 2022 (Contd.)

(All amounts in Indian Rupees in millions except for share data or otherwise stated)

52 RATIOS AS PER THE SCHEDULE III REQUIREMENTS (CONTD.)

g) Trade payables turnover ratio = Purchases divided by average trade payables

Particulars	For the year ended 31st March, 2022	For the year ended 31st March, 2021
Credit Purchases	1,176.83	510.80
Average trade payables	39.47	17.36
Ratio	29.82	29.43
% Change from previous year	**1%**	

h) Net capital Turnover Ratio = Sales divided by Net Working capital whereas net working capital = current assets - current liabilities

Particulars	For the year ended 31st March, 2022	For the year ended 31st March, 2021
Sales	1,457.14	683.10
Net Working Capital	6,250.64	828.81
Ratio	0.23	0.82
% Change from previous year	**-72%**	

Reason for change more than 25%

The ratio has decreased from 0.82 in March 2021 to 0.23 in March 2022 mainly due to increase in cash and bank balance and the increase in sales is due to increase in volume of operations .

i) Net profit ratio = Net profit after tax divided by Sales

Particulars	For the year ended 31st March, 2022	For the year ended 31st March, 2021
Net profit /(loss) after tax	55.79	(85.67)
Sales	1,457.14	683.10
Ratio	0.04	(0.13)
% Change from previous year	**131%**	

Reason for change more than 25%

The ratio has increased from (0.13) in March 2021 to 0.04 in March 2022 mainly due to increase in net profit after tax which was resulting from due to increase in volume of operations and improved profitability margins.

j) Return on Equity Ratio / Return on Investment Ratio = Net profit after tax divided by Average Equity

Particulars	For the year ended 31st March, 2022	For the year ended 31st March, 2021
Net profit after tax	55.79	(85.67)
Average equity	8,151.31	4,565.44
Ratio (percentage)	0.01	(0.02)
% Change from previous year	**136%**	

Average equity means Average of Equity as on beginning and end of the year

Reason for change more than 25%

The ratio has increased from (0.02) in March 2021 to 0.01 in March 2022 mainly due to increase in net profit after tax which was resulting from increase in volume of operations and improved profitability margins.

Notes to Standalone Financial Statements for the year ended 31st March, 2022 (Contd.)

(All amounts in Indian Rupees in millions except for share data or otherwise stated)

52 RATIOS AS PER THE SCHEDULE III REQUIREMENTS (CONTD.)

k) Return on Capital employed = Earnings before interest and taxes (EBIT) divided by Capital Employed

Particulars	For the year ended 31st March, 2022	For the year ended 31st March, 2021
Profit after tax (A)	55.79	(85.67)
Finance Costs (B)	26.31	5.65
Tax expenses (C)	-	-
EBIT (D) = (A)+(B)+(C)	82.10	(80.02)
Total Equity (E)	11,127.81	5,174.80
Other Intangible assets (F)	28.24	-
Intangible assets under development (G)	-	-
Tangible Net worth (H)=(E)-(F)-(G)	11,099.57	5,174.80
Total Debt (I)	-	-
Deferred Tax asset (J)	-	-
Capital Employed (K)=(H)+(I)-(J)	11,099.57	5,174.80
Ratio (D)/(K)	0.01	(0.02)
% Change from previous year	**148%**	

Reason for change more than 25%

The ratio has increased from (0.02) in March 2021 to 0.01 in March 2022 mainly due to increase in Earnings before interest and taxes (EBIT) which is due to increase in volume of operations and improved profitability margins.

53. EVENTS AFTER BALANCE SHEET DATE

Pursuant to an approval received from the Board of Directors of the Company at their meetings held on 12th April, 2022 and 20th April, 2022, the Company has made investments aggregating to ₹ 2,826.06 million towards subscription of 6,224,801 equity shares of ₹ 10 each in its subsidiary Optival Health Solutions Private Limited.

54. The Company does not have any pending litigations which would impact its financial position as at the year end.

55. The Ministry of Corporate Affairs (MCA) vide notification dated 24th March, 2021 has amended Schedule III to the Companies Act, 2013 in respect of certain disclosures. These amendments are applicable from 1st April, 2021. The Company has given effect to these amendments while preparation of the these financial results, including comparative information.

As per our report of even date attached

For **B S R & Associates LLP**
Chartered Accountants
ICAI Firm Registration Number 116231W/W-100024

Arpan Jain
Partner
Membership Number: 125710

Hyderabad, 30th May, 2022

For and on behalf of the Board of Directors of
MedPlus Health Services Limited
(formerly known as MedPlus Health Services Private Limited)

G. Madhukar Reddy
Chairman and Managing Director
DIN: 00098097

Shilpi Keswani
Company Secretary

Hemanth Kundavaram
Chief Financial Officer

Hyderabad, 30th May, 2022

Independent Auditor's Report

To the Members of MedPlus Health Services Limited (Formerly known as MedPlus Health Services Private Limited)

Report on the Audit of the Consolidated Financial Statements

OPINION

We have audited the consolidated financial statements of MedPlus Health Services Limited (Formerly known as MedPlus Health Services Private Limited) (hereinafter referred to as the "Holding Company") and its subsidiaries (Holding Company and its subsidiaries together referred to as "the Group"), which comprise the consolidated balance sheet as at 31 March 2022, 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.

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 other auditor on separate financial statements of such subsidiaries as were audited by the other auditor, the aforesaid consolidated financial statements give the information required by the Companies Act, 2013 ("Act") in the manner so required and give a true and fair view in conformity with the accounting principles generally accepted in India, of the consolidated state of affairs of the Group as at 31 March 2022, of its consolidated profit and other comprehensive income, consolidated changes in equity and consolidated cash flows for the year then ended.

BASIS FOR OPINION

We conducted our audit in accordance with the Standards on Auditing (SAs) specified under Section 143(10) of the Act. Our responsibilities under those SAs are further described in the Auditor's Responsibilities for the Audit of the Consolidated Financial Statements section of our report. We are independent of the Group in accordance with the ethical requirements that are relevant to our audit of the consolidated financial statements in terms of the Code of Ethics issued by the Institute of Chartered Accountants of India and the relevant provisions of the Act, and we have fulfilled our other ethical responsibilities in accordance with these requirements. We believe that the audit evidence obtained by us along with the consideration of reports of the other auditor referred to in paragraph (a) of the "Other Matters" section below, is sufficient and appropriate to provide a basis for our opinion on the consolidated financial statements.

KEY AUDIT MATTERS

Key audit matters are those matters that, in our professional judgment, 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.

Description of Key Audit Matter

Key Audit Matter	How the matter was addressed in our audit
Recognition of Revenue Refer Note 2.2(h) of significant accounting policies and Note 27 in consolidated financial statements. Revenue from the sale of goods is recognised when the control of the products being sold is transferred to the customer. A significant part of Group's revenue relates to retail sales through a large number of company leased outlets and comprises high volume of individually small transactions made primarily on cash and carry basis which increases the risk of revenue being recognised inappropriately. Revenue is a key performance indicator for the Group. Accordingly, there could be pressure to meet the expectations of investors/ other stakeholders for a reporting period.	In view of the significance of the matter, we applied the following audit procedures in this area, among others to obtain sufficient appropriate audit evidence: • We assessed the appropriateness of the Group's accounting policies in respect of revenue recognition by comparing with applicable accounting standards. • We evaluated the design and implementation of the key internal financial controls with respect to the revenue recognition and tested the operating effectiveness of such controls including those related to the reconciliation of sales records to cash /card /online/ wallet receipts. • We tested the reconciliation of revenue generated through cash/ card/ online/ wallet receipts and the amount deposited with banks. • We performed substantive testing by selecting samples using statistical sampling of revenue transactions recorded during the year by verifying the underlying documents.

Independent Auditor's Report (Contd.)

Key Audit Matter	How the matter was addressed in our audit
In view of the above, we have identified revenue recognition as a key audit matter.	• We tested the periodic reconciliation of the retail sales recognised during the period with the statutory filings (goods and service tax returns). • On a sample basis, performed cash counts, at selected stores and examined if the cash balances are in agreement with the books. • We examined on a sample basis manual journal entries affecting revenue recognised during the year selected based on specific risk-based criteria to identify unusual or irregular items. • We carried out analytical procedures on revenue recognised during the year to identify unusual variances. • We tested, on a sample basis, specific revenue transactions recorded around the year end date to determine whether the revenue has been recognised in the appropriate financial period by testing the underlying documents. • We assessed adequacy of disclosures in respect of revenue in the consolidated financial statements.

OTHER INFORMATION

The Holding Company's Management and Board of Directors are responsible for the other information. The other information comprises the information included in the Holding Company's Annual Report, but does not include the consolidated financial statements and our 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 do 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 and, in doing so, consider whether the other information is materially inconsistent with the consolidated financial statements or our knowledge obtained in the audit or otherwise appears to be materially misstated.

When we read the Annual Report, if we conclude that there is a material misstatement therein, we are required to communicate the matter to those charged with governance.

MANAGEMENT'S AND BOARD OF DIRECTORS' RESPONSIBILITIES FOR THE CONSOLIDATED FINANCIAL STATEMENTS

The Holding Company's Management and Board of Directors are responsible for the preparation and presentation of these consolidated financial statements in terms 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 included in the Group are responsible for maintenance of adequate accounting records in accordance with the provisions of the Act for safeguarding the assets of each company and for preventing and detecting frauds and other irregularities; the selection and application of appropriate accounting policies; making judgments and estimates that are reasonable and prudent; and the design, implementation and maintenance of adequate internal financial controls, that were operating effectively for ensuring accuracy and completeness of the accounting records, relevant to the preparation and presentation of the consolidated financial statements that give a true and fair view and are free from material misstatement, whether due to fraud or error, which have been used for the purpose of preparation of the consolidated financial statements by the Management and Board of Directors of the Holding Company, as aforesaid.

In preparing the consolidated financial statements, the respective Management and Board of Directors of the companies included in the Group are responsible for assessing the ability of each company to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless the respective Board of Directors either intends to liquidate the Company or to cease operations, or has no realistic alternative but to do so.

The respective Board of Directors of the companies included in the Group are responsible for overseeing the financial reporting process of each company.

AUDITOR'S RESPONSIBILITIES FOR THE AUDIT OF THE CONSOLIDATED FINANCIAL STATEMENTS

Our objectives are to obtain reasonable assurance about whether the consolidated financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with SAs will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these consolidated financial statements.

As part of an audit in accordance with SAs, we exercise professional judgment and maintain professional skepticism throughout the audit. We also:

- Identify and assess the risks of material misstatement of the consolidated financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.

- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances. Under Section 143(3)(i) of the Act, we are also responsible for expressing our opinion on whether the company has adequate internal financial controls with reference to consolidated financial statements in place and the operating effectiveness of such controls.

- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by the Management and Board of Directors.

- Conclude on the appropriateness of the Management and Board of Directors use of the going concern basis of accounting in preparation of consolidated financial statements and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the appropriateness of this assumption. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the consolidated financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Group to cease to continue as a going concern.

- Evaluate the overall presentation, structure and content of the consolidated financial statements, including the disclosures, and whether the consolidated financial statements represent the underlying transactions and events in a manner that achieves fair presentation.

- Obtain sufficient appropriate audit evidence regarding the financial statements of such entities or business activities within the Group to express an opinion on the consolidated financial statements. We are responsible for the direction, supervision and performance of the audit of the financial statements of such entities included in the consolidated financial statements of which we are the independent auditors. For the other entities included in the consolidated financial statements, which have been audited by other auditor, such other auditor remain responsible for the direction, supervision and performance of the audits carried out by them. We remain solely responsible for our 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

Independent Auditor's Report (Contd.)

most significance in the audit of the consolidated financial statements of the current period and are therefore the key audit matters. We describe these matters in our auditor's report unless law or regulation precludes public disclosure about the matter or when, in extremely rare circumstances, we determine that a matter should not be communicated in our report because the adverse consequences of doing so would reasonably be expected to outweigh the public interest benefits of such communication.

OTHER MATTER

(a) We did not audit the financial statements of ten subsidiaries, whose financial statements reflect total assets (before consolidation adjustments) of ₹ 1,970.63 million as at 31 March 2022, total revenues (before consolidation adjustments) of ₹ 11,983.26 million and net cash outflows (before consolidation adjustments) amounting to ₹ 5.20 million for the year ended on that date, as considered in the consolidated financial statements. These financial statements have been audited by other auditor whose reports have been furnished to us by the Management and our opinion on the consolidated financial statements, in so far as it relates to the amounts and disclosures included in respect of these subsidiaries and our report in terms of sub-section (3) of Section 143 of the Act, in so far as it relates to the aforesaid subsidiaries is based solely on the reports of the other auditor.

Our opinion on the consolidated financial statements, and our report on Other Legal and Regulatory Requirements below, is not modified in respect of the above matters with respect to our reliance on the work done and the reports of the other auditor.

REPORT ON OTHER LEGAL AND REGULATORY REQUIREMENTS

1. As required by the Companies (Auditor's Report) Order, 2020 ("the Order") issued by the Central Government of India in terms of Section 143 (11) of the Act, we give in the "Annexure A" a statement on the matters specified in paragraphs 3 and 4 of the Order, to the extent applicable.

2 (A) As required by Section 143(3) of the Act, based on our audit and on the consideration of reports of the other auditor on separate financial statements of such subsidiaries as were audited by other auditor, as noted in the "Other Matters" paragraph, we report, to the extent applicable, that:

a) We have sought and obtained all the information and explanations which to the best of our knowledge and belief were necessary for the purposes of our audit of the aforesaid consolidated financial statements.

b) In our opinion, proper books of account as required by law relating to preparation of the aforesaid consolidated financial statements have been kept so far as it appears from our examination of those books and the reports of the other auditor.

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 and taken on record on 2 May 2022 by the Board of Directors of the Holding Company and the reports of the statutory auditor of its subsidiary companies incorporated in India, none of the directors of the Group companies incorporated in India is disqualified as on 31 March 2022 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 Auditor's) Rules, 2014, in our opinion and to the best of our information and according to the explanations given to us and based on the consideration of the reports of the other auditor on separate financial 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 2022 on the consolidated financial position of the Group. Refer note 41 to the consolidated financial statements.

b) The Group did not have any material foreseeable losses on long-term contracts including derivative contracts during the year ended 31 March 2022. Refer note 53 to the consolidated financial statements.

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 2022.

d) (i) The management has represented that, to the best of its knowledge and belief, as disclosed in the note 55 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 its subsidiary companies incorporated in India to or in any other persons or entities, 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 ("Ultimate Beneficiaries") by or on behalf of the Holding Company; or its subsidiary companies incorporated in India; or

- provide any guarantee, security or the like to or 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 55 to the consolidated financial statements, no funds have been received by the Holding Company or its subsidiary companies incorporated in India from any persons or entities, including foreign entities ("Funding Parties"), with the understanding, whether recorded in writing or otherwise, that the Holding Company or its subsidiary companies incorporated in India shall:

- directly or indirectly, lend or invest in other persons or entities identified in any manner whatsoever ("Ultimate Beneficiaries") by or on behalf of the Funding Parties; or

- provide any guarantee, security or the like from or on behalf of the Ultimate Beneficiaries.

(iii) Based on such audit procedures as 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 (d) (i) and (d) (ii) contain any material mis-statement.

e) The Holding Company and its subsidiary companies incorporated in India have neither declared nor paid any dividend during the year.

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 auditor of such subsidiary companies incorporated in India which were not audited by us, the remuneration paid during the current year by the Holding Company and its subsidiary companies to its directors is in accordance with the provisions of Section 197 of the Act. The remuneration paid to any director by the Holding Company and its subsidiary companies is not in excess of the limit laid down under Section 197 of the Act. The Ministry of Corporate Affairs has not prescribed other details under Section 197(16) of the Act which are required to be commented upon by us.

For B S R & Associates LLP
Chartered Accountants
ICAI Firm's Registration No. 116231W/ W-100024

Arpan Jain
Partner
Membership No.: 125710
UDIN: 22125710AJWQUO8146

Place: Hyderabad
Date: 30 May 2022

Annexure A to the Independent Auditor's Report on the Consolidated Financial Statements of MedPlus Health Services Limited (Formerly known as MedPlus Health Services Private Limited) for the year ended 31 March 2022

With reference to the Annexure A referred to in Paragraph 1 in our Report on Other Legal and Regulatory Requirements of the Independent Auditors' Report of even date to the Members of MedPlus Health Services Limited (Formerly known as MedPlus Health Services Private Limited) ("the Company") on the Consolidated financial statements for the year ended 31 March 2022, we report that:

xxi. In our opinion and according to the information and explanations given to us, following companies incorporated in India and included in the consolidated financial statements, has unfavourable/ qualified remark given by the auditor in their report under the Companies (Auditor's Report) Order, 2020 (CARO):

Sr. No.	Name of the entity	CIN	Holding Company/ Subsidiary	Clause number of the CARO report which is unfavourable/ qualified
1	MedPlus Health Services Limited (Formerly known as MedPlus Health Services Private Limited)	L85110TG2006PLC051845	Holding Company	Clause (i)(c); Clause (iii)
2	Optival Health Solutions Private Limited	U85110TG2005PTC046821	Subsidiary Company	Clause (i)(a); Clause (ii)(b); Clause (vii)(b)
3	Clearancekart Private Limited	U52100TG2021PTC149432	Subsidiary Company	Clause (xvii)
4	Deccan Medisales Private Limited	U51397KA2011PTC059204	Subsidiary Company	Clause (vii)(b)
5	Kalyani Meditimes Private Limited	U74999TN2016PTC111701	Subsidiary Company	Clause (xvii)
6	Sai Sridhar Pharma Private Limited	U24232TG2007PTC055902	Subsidiary Company	Clause (vii)(b)
7	Nova Sud Pharmaceuticals Private Limited	U24232TG2007PTC055895	Subsidiary Company	Clause (vii)(a)
8	Shri Banashankari Pharma Private Limited	U74900KA2014PTC074302	Subsidiary Company	Clause (xvii)

For B S R & Associates LLP
Chartered Accountants
ICAI Firm's Registration No. 116231W/ W-100024

Arpan Jain
Partner
Membership No.: 125710
UDIN: 22125710AJWQUO8146

Place: Hyderabad
Date: 30 May 2022

Annexure B to the Independent Auditors' report on the consolidated financial statements of MedPlus Health Services Limited (Formerly known as MedPlus Health Services Private Limited) for the year ended 31 March 2022

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 Companies Act, 2013

(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 the Company as of and for the year ended 31 March 2022, we have audited the internal financial controls with reference to consolidated financial statements of MedPlus Health Services Limited (Formerly known as MedPlus Health Services Private Limited (hereinafter referred to as "the Holding Company") and such companies incorporated in India under the Companies Act, 2013 which are its subsidiary companies as of that date.

In our opinion, 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 consolidated financial statements and such internal financial controls were operating effectively as at 31 March 2022, based on the internal financial controls with reference to consolidated 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' RESPONSIBILITY FOR INTERNAL FINANCIAL CONTROLS

The respective Company's management and the Board of Directors are responsible for establishing and maintaining internal financial controls with reference to consolidated financial statements based on the 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 Companies Act, 2013 (hereinafter referred to as "the Act").

AUDITORS' RESPONSIBILITY

Our responsibility is to express an opinion on the internal financial controls with reference to consolidated 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 consolidated 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 consolidated 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 consolidated financial statements and their operating effectiveness. Our audit of internal financial controls with reference to consolidated financial statements included obtaining an understanding of internal financial controls with reference to consolidated financial statements, assessing the risk that a material weakness exists, and testing and evaluating the design and operating effectiveness of the internal controls 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 consolidated financial statements.

MEANING OF INTERNAL FINANCIAL CONTROLS WITH REFERENCE TO CONSOLIDATED FINANCIAL STATEMENTS

A company's internal financial controls with reference to consolidated financial statements is a process designed to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with generally accepted accounting principles. A company's internal financial controls with reference to consolidated financial statements includes 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;

Annexure B to the Independent Auditors' report on the consolidated financial statements of MedPlus Health Services Limited (Formerly known as MedPlus Health Services Private Limited) for the year ended 31 March 2022 (Contd.)

(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 CONSOLIDATED FINANCIAL STATEMENTS

Because of the inherent limitations of internal financial controls with reference to consolidated 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 consolidated financial statements to future periods are subject to the risk that the internal financial controls with reference to consolidated 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 reports under Section 143(3)(i) of the Act on the adequacy and operating effectiveness of the internal financial controls with reference to consolidated financial statements insofar as it relates to ten subsidiary companies which are companies incorporated in India, is based on the corresponding reports of the auditor of such companies incorporated in India.

For B S R & Associates LLP
Chartered Accountants
ICAI Firm's Registration No. 116231W/ W-100024

Arpan Jain
Partner
Membership No.: 125710
UDIN: 22125710AJWQUO8146

Place: Hyderabad
Date: 30 May 2022

Consolidated Balance sheet
as at 31st March, 2022

(All amounts in Indian Rupees in millions except for share data or otherwise stated)

	Notes	As at 31st March, 2022	As at 31st March, 2021
ASSETS			
Non-Current Assets			
Property, plant and equipment	4	1,618.69	871.56
Capital work-in-progress	5	204.47	55.35
Goodwill	6	414.51	414.51
Other intangible assets	6	62.53	38.21
Right-of-use assets	7	5,891.57	3,848.73
Financial assets			
Loans	8	-	-
Others	9	691.60	550.59
Deferred tax assets (net)	37	449.45	386.07
Non-current tax assets (net)	10	146.70	119.35
Other non-current assets	11	143.87	141.36
		9,623.39	**6,425.73**
Current Assets			
Inventories	12	9,149.84	7,499.57
Current investments	13	0.33	0.33
Financial assets			
Trade receivables	14	60.36	53.67
Cash and cash equivalents	15	214.55	1,068.16
Bank balances other than cash and cash equivalents	16	129.50	117.79
Others	9	6,551.14	359.64
Current tax assets	10	0.62	-
Other current assets	11	210.75	131.60
		16,317.09	**9,230.76**
Total Assets		**25,940.48**	**15,656.49**
EQUITY AND LIABILITIES			
Equity			
Equity share capital	17	238.60	4.48
Other equity	18	13,939.12	7,301.06
Total equity attributable to the owners of the Company		**14,177.72**	**7,305.54**
Non-controlling Interest		**(5.19)**	**5.49**
Total Equity		**14,172.53**	**7,311.03**
Liabilities			
Non-current Liabilities			
Financial liabilities			
Borrowings	19	-	0.00
Lease liabilities	21	5,964.91	4,001.04
Other financial liabilities	20	9.07	11.58
Provisions	22	203.85	183.51
		6,177.83	**4,196.13**
Current Liabilities			
Financial liabilities			
Borrowings	19	1,426.82	1,352.35
Trade payables	23		
- total outstanding dues of micro enterprises and small enterprises; and		14.13	2.31
- total outstanding dues of creditors other than micro enterprises and small enterprises		2,448.19	1,478.62
Others	20	523.64	373.35
Lease liabilities	21	757.62	548.74
Other current liabilities	24	120.92	87.93
Provisions	22	216.88	194.54
Contract liabilities	25	80.77	103.92
Current tax liabilities (net)	26	1.15	7.57
		5,590.12	**4,149.33**
Total Liabilities		**11,767.95**	**8,345.46**
Total Equity and Liabilities		**25,940.48**	**15,656.49**

Summary of significant accounting policies 2.2

The accompanying notes are an integral part of the consolidated financial statements.

As per our report of even date attached

For **B S R & Associates LLP**
Chartered Accountants
ICAI Firm Registration Number 116231W/W-100024

Arpan Jain
Partner
Membership Number: 125710

Hyderabad, 30th May, 2022

For and on behalf of the Board of Directors of
MedPlus Health Services Limited
(formerly known as MedPlus Health Services Private Limited)

G. Madhukar Reddy
Chairman and Managing Director
DIN: 00098097

Shilpi Keswani
Company Secretary

Hemanth Kundavaram
Chief Financial Officer

Hyderabad, 30th May, 2022

Consolidated Statement of Profit and Loss
for the year ended 31st March, 2022

(All amounts in Indian Rupees in millions except for share data or otherwise stated)

	Notes	For the year ended 31st March, 2022	For the year ended 31st March, 2021
INCOME			
Revenue from operations	27	37,792.79	30,692.69
Other income	28	313.63	215.45
Total income (I)		**38,106.42**	**30,908.14**
EXPENSES			
Purchases of Stock-in-trade		31,223.73	25,213.88
Cost of materials consumed	29	194.40	92.90
Changes in inventories of finished goods, work-in-progress and stock-in-trade	30	(1,594.38)	(1,054.40)
Employee benefits expense	31	3,939.20	3,386.51
Finance costs	33	664.28	548.45
Depreciation and amortisation expense	32	1,193.60	882.70
Other expenses	34	1,306.16	887.12
Total expenses (II)		**36,926.99**	**29,957.16**
Profit before tax (III) = (I)-(II)		**1,179.43**	**950.98**
Tax expenses	37		
- Current tax (IV)		301.24	306.55
- Deferred tax expense/ (benefit) (V)		(68.97)	13.32
Total tax expenses (VI) = (IV)+(V)		**232.27**	**319.87**
Profit for the year (VII) = (III)-(VI)		**947.16**	**631.11**
Other Comprehensive Income (OCI)			
Items that will not to be reclassified to profit or loss:			
Re-measurement gain on employee defined benefit plans (VIII)		23.86	11.51
Income tax effect on the above (IX)	37	(5.58)	(2.18)
Other comprehensive income for the year (X) = (VIII)+(IX)		**18.28**	**9.33**
Total comprehensive income for the year (XI) = (VII)+(X)		**965.44**	**640.44**
Profit for the year attributable to:			
Equity Holders of the Parent Company		958.02	638.58
Non-controlling interest		(10.86)	(7.47)
		947.16	**631.11**
Total comprehensive income attributable to:			
Equity Holders of the Parent Company		976.12	647.93
Non-controlling interest		(10.68)	(7.49)
		965.44	**640.44**
Earnings per equity share (EPES) (In absolute ₹ terms)	36		
Basic		8.55	6.13
Diluted		8.52	5.89

Summary of significant accounting policies 2.2

The accompanying notes are an integral part of the consolidated financial statements.

As per our report of even date attached

For **B S R & Associates LLP**
Chartered Accountants
ICAI Firm Registration Number 116231W/W-100024

Arpan Jain
Partner
Membership Number: 125710

Hyderabad, 30th May, 2022

For and on behalf of the Board of Directors of
MedPlus Health Services Limited
(formerly known as MedPlus Health Services Private Limited)

G. Madhukar Reddy
Chairman and Managing Director
DIN: 00098097

Shilpi Keswani
Company Secretary

Hemanth Kundavaram
Chief Financial Officer

Hyderabad, 30th May, 2022

MedPlus

Consolidated Statement of Changes in Equity

for the year ended 31st March, 2022

(All amounts in Indian Rupees in millions except for share data or otherwise stated)

A. EQUITY SHARE CAPITAL:

Balance as at 1st April, 2021	Changes in equity share capital due to prior period errors	Restated balance as at 1st April, 2021	Changes in equity share capital during the year*	Balance as at 31st March, 2022
4.48	-	4.48	234.12	238.60

Balance as at 1st April, 2020	Changes in equity share capital due to prior period errors	Restated balance as at 1st April, 2020	Changes in equity share capital during the year*	Balance as at 31st March, 2021
2.04	-	2.04	2.44	4.48

* refer note 17.

Particulars	Equity component of compound financial instruments (including securities premium on CCPS)	Reserves and surplus					Total other equity	Attributable to Non controlling Interest	Total other equity
		Securities premium	Share based payments reserve	General reserve	Capital reserve	Retained earnings			
As at 1st April, 2020	**2,361.34**	**2,784.53**	**86.95**	**28.64**	**0.92**	**13.71**	**5,276.09**	**13.00**	**5,289.09**
Share based payment	-		399.60	-	-	-	399.60	-	399.60
Utilisation for bonus issue of shares during the year	(56.11)	(369.28)	-	-	-	-	(425.39)	-	(425.39)
- Equity shares									
- 0.001% Series A compulsorily convertible preference shares ('CCPS')	**56.11**	**-**	**-**	**-**	**-**	**-**	**56.11**	**-**	**56.11**
- 0.001% Series B compulsorily convertible preference shares ('CCPS')	239.03	-	-	-	-	-	239.03	-	239.03
- 0.001% Series B1 compulsorily convertible preference shares ('CCPS')	61.07	-	-	-	-	-	61.07	-	61.07
- 0.001% Series B2 compulsorily convertible preference shares ('CCPS')	66.62	-	-	-	-	-	66.62	-	66.62
Issue of 0.001% Series C1 compulsorily convertible preference shares ('CCPS') (refer table below and note 51)	777.90	-	-	-	-	-	777.90	-	777.90
Issue of 0.001% Series C2 compulsorily convertible preference shares ('CCPS') (refer table below and note 51)	222.10	-	-	-	-	-	222.10	-	222.10
Less: Share issue expenses	(20.00)	-	-	-	-	-	(20.00)	-	(20.00)
Profit/ (loss) for the year	-	-	-	-	-	638.58	638.58	(7.49)	631.09
Actuarial loss on post-employment benefit obligations, net of tax benefit	-	-	-	-	-	9.35	9.35	(0.02)	9.33

Consolidated Statement of Changes in Equity

for the year ended 31st March, 2022

(All amounts in Indian Rupees in millions except for share data or otherwise stated)

Particulars	Equity component of compound financial instruments (including securities premium on CCPS)	Reserves and surplus					Total other equity	Attributable to Non controlling Interest	Total other equity
		Securities premium	Share based payments reserve	General reserve	Capital reserve	Retained earnings			
As at 31st March, 2021	**3,708.06**	**2,415.25**	**486.55**	**28.64**	**0.92**	**661.64**	**7,301.06**	**5.49**	**7,306.55**
Share based payment	-	-	107.37	-	-	-	107.37	-	107.37
Conversion of CCPS to equity shares								-	-
- 0.001% Series A compulsorily convertible preference shares ('CCPS')	(56.72)	28.36	-	-	-	-	(28.36)	-	(28.36)
- 0.001% Series B compulsorily convertible preference shares ('CCPS')	(239.03)	119.52	-	-	-	-	(119.51)	-	(119.51)
- 0.001% Series B1 compulsorily convertible preference shares ('CCPS')	(61.07)	30.54	-	-	-	-	(30.53)	-	(30.53)
- 0.001% Series B2 compulsorily convertible preference shares ('CCPS')	(66.62)	33.63	-	-	-	-	(32.99)	-	(32.99)
- 0.001% Series C1 compulsorily convertible preference shares ('CCPS')	(11.22)	5.61	-	-	-	-	(5.61)	-	(5.61)
- 0.001% Series C2 compulsorily convertible preference shares ('CCPS')	(3.20)	1.28	-	-	-	-	(1.92)	-	(1.92)
Less: Transfer of Series A CCPS securities premium in to securities premium	(1,981.65)	1,981.65	-	-	-	-	-	-	-
Less: Transfer of Series C1 CCPS securities premium in to securities premium	(751.12)	751.12	-	-	-	-	-	-	-
Less: Transfer of Series C2 CCPS securities premium in to securities premium	(214.46)	214.46	-	-	-	-	-	-	-
Less: Transfer to General reserve (Increase in fair value of Series A CCPS)	(322.97)	-	-	322.97	-	-	-	-	-
Transfer on account of exercise of share options	-	409.05	(409.05)	-	-	-	-	-	-
Transfer to amount recoverable from ESOP trust in kind	-	67.51	(67.51)	-	-	-	-	-	-
Amount recovered from ESOP trust	-	5.86	-	-	-	-	5.86	-	5.86
Less: Share issue expenses	-	(217.27)	-	-	-	-	(217.27)	-	(217.27)
Add: Issue of new shares through IPO	-	5,984.91	-	-	-	-	5,984.91	-	5,984.91
Stock option lapsed	-	-	(3.42)	3.42	-	-	-	-	-
Profit/ (loss) for the year	-	-	-	-	-	958.02	958.02	(10.86)	947.16
Actuarial gain on post-employment benefit obligations, net of tax benefit	-	-	-	-	-	18.10	18.10	0.18	18.28
As at 31st March, 2022	**-**	**11,831.47**	**113.94**	**355.03**	**0.92**	**1,637.76**	**13,939.12**	**(5.19)**	**13,933.93**

Consolidated Statement of Changes in Equity

for the year ended 31st March, 2022

(All amounts in Indian Rupees in millions except for share data or otherwise stated)

Equity component of compound financial instruments includes the following:	As at 31st March, 2022	As at 31st March, 2021
(i) Par value of the instruments issued:		
0.001% Series A compulsorily convertible preference shares ('CCPS') of ₹ 20/- each		
At the beginning of the year	56.72	0.61
Add: Bonus shares issued during the year	-	56.11
Less: Conversion of 0.001% Series A CCPS into equity shares	(56.72)	-
At the end of the year	-	56.72
0.001% Series B compulsorily convertible preference shares ('CCPS') of ₹ 20/- each		
At the beginning of the year	239.03	-
Add: Bonus shares issued during the year	-	239.03
Less: Conversion of 0.001% Series B CCPS into equity shares	(239.03)	-
At the end of the year	-	239.03
0.001% Series B1 compulsorily convertible preference shares ('CCPS') of ₹ 20/- each		
At the beginning of the year	61.07	-
Add: Bonus shares issued during the year	-	61.07
Less: Conversion of 0.001% Series B1 CCPS into equity shares	(61.07)	-
At the end of the year	-	61.07
0.001% Series B2 compulsorily convertible preference shares ('CCPS') of ₹ 20/- each		
At the beginning of the year	66.62	-
Add: Bonus shares issued during the year	-	66.62
Less: Conversion of 0.001% Series B2 CCPS into equity shares	(66.62)	-
At the end of the year	-	66.62
0.001% Series C1 compulsorily convertible preference shares ('CCPS') of ₹ 20/- each		
At the beginning of the year	11.22	-
Add: Issued during the year (refer note 51)	-	11.22
Less: Conversion of 0.001% Series C1 CCPS in to equity shares	(11.22)	-
At the end of the year	-	11.22
0.001% Series C2 compulsorily convertible preference shares ('CCPS') of ₹ 20/- each		
At the beginning of the year	3.20	-
Add: Issued during the year (refer note 51)	-	3.20
Less: Conversion of 0.001% Series C2 CCPS in to equity shares	(3.20)	-
At the end of the year	-	3.20
(ii) Securities premium on CCPS issued		
Opening balance	3,270.20	2,360.73
Less: Transfer of CCPS securities premium in to securities premium account	(2,947.23)	985.58
Less: CCPS issue expenses	-	(20.00)
Less: Transfer to General reserve (Increase in fair value of Series A CCPS)	(322.97)	-
Less: Utilised for bonus issue	-	(56.11)
Less: Amount classified as borrowing (being the liability component of the CCPS)*	-	(0.00)
	-	**3,270.20**
Amount included in 'Equity component of compound financial instruments' above	**-**	**3,708.06**

* Rounded off to millions.

As per our report of even date attached

For **B S R & Associates LLP**
Chartered Accountants
ICAI Firm Registration Number 116231W/W-100024

Arpan Jain
Partner
Membership Number: 125710

Hyderabad, 30th May, 2022

For and on behalf of the Board of Directors of
MedPlus Health Services Limited
(formerly known as MedPlus Health Services Private Limited)

G. Madhukar Reddy
Chairman and Managing Director
DIN: 00098097

Shilpi Keswani
Company Secretary

Hemanth Kundavaram
Chief Financial Officer

Hyderabad, 30th May, 2022

Consolidated Statement of Cash Flows

for the year ended 31st March, 2022.

(All amounts in Indian Rupees in millions except for share data or otherwise stated)

	For the year ended 31st March, 2022	For the year ended 31st March, 2021
Cash flow from operating activities		
Profit before tax	1,179.43	950.98
Adjustments for:		
Depreciation of property, plant and equipment	240.10	166.82
Amortisation of intangible assets	11.24	8.13
Amortisation of right-of-use Assets	942.26	708.47
Provision for gratuity and leave benefits	116.96	121.76
Provision for doubtful debts, deposits and advances	7.03	0.36
Finance costs	52.65	83.11
Interest on lease liabilities	611.63	465.34
Loss on sale/ discard of fixed assets	1.82	0.98
Advances/debts written off	0.26	0.70
Interest income	(137.32)	(77.94)
Employees stock option compensation expenses	107.37	399.60
Gain on de-recognition of Right-of-use assets	(38.18)	(23.79)
Liabilities no longer required written back	(37.00)	(30.79)
Operating profit before working capital changes	**3,058.25**	**2,773.73**
Change in assets and liabilities		
Increase in inventories	(1,650.27)	(1,064.02)
Increase in non-current financial assets	(214.63)	(100.78)
Increase in current financial assets	(172.84)	(242.43)
(Increase)/Decrease in other assets	(61.93)	6.73
(Decrease)/Increase in current financial liabilities	1,116.52	(911.09)
Increase/(Decrease) in other current liabilities	9.84	(65.42)
Decrease in provisions	(50.42)	(80.67)
Cash generated from operations	**2,034.52**	**316.04**
Income tax paid, net	(335.63)	(287.12)
Net cash generated from operating activities (A)	**1,698.89**	**28.92**
Cash flow from investing activities		
Purchase of property, plant and equipment and intangibles including capital work-in-progress and capital advances	(1,177.21)	(542.58)
Proceeds from sale of property, plant and equipment	35.22	2.18
Investments made	-	2.21
Deposits (placed)/ redeemed (having original maturity of more than three months), net	(5,938.01)	149.97
Interest received	48.74	42.73
Net cash used in investing activities (B)	**(7,031.26)**	**(345.49)**

Consolidated Statement of Cash Flows

for the year ended 31st March, 2022.

(All amounts in Indian Rupees in millions except for share data or otherwise stated)

	For the year ended 31st March, 2022	For the year ended 31st March, 2021
Cash flows from financing activities		
Proceeds from issue of equity shares	5,936.36	-
Share Issue expenses (refer note 56)	(217.27)	-
Proceeds from equity shares under ESOP's (refer to note 39)	5.86	-
Proceeds from issue of compulsorily convertible preference shares	-	980.00
Payment of lease liabilities	(1,268.01)	(953.15)
Interest paid	(52.65)	(83.12)
Net cash generated from/ (used in) financing activities (C)	**4,404.29**	**(56.27)**
Net decrease in cash and cash equivalents (A+B+C)	(928.08)	(372.84)
Cash and cash equivalents at the beginning of the year	(284.19)	88.65
Cash and cash equivalents at the end of the year	**(1,212.27)**	**(284.19)**
Components of cash and cash equivalents		
Cash on hand	72.79	57.49
Bank deposits with original maturity of less than three months	9.10	865.00
Balance with banks in current accounts	132.66	145.67
Total cash and cash equivalents (refer note no.15)	**214.55**	**1,068.16**
Less: Cash credit from bank (refer note no.19)	(1,426.82)	(1,352.35)
Cash and cash equivalents for Cash flow statement	**(1,212.27)**	**(284.19)**

Summary of significant accounting policies 2.2

Notes:

The cash flow statement has been prepared under the indirect method as set out in Indian Accounting Standard (Ind AS 7) statement of cash flows.

The accompanying notes are an integral part of these consolidated financial statements

As per our report of even date attached

For **B S R & Associates LLP**
Chartered Accountants
ICAI Firm Registration Number 116231W/W-100024

Arpan Jain
Partner
Membership Number: 125710

Hyderabad, 30th May, 2022

For and on behalf of the Board of Directors of
MedPlus Health Services Limited
(formerly known as MedPlus Health Services Private Limited)

G. Madhukar Reddy
Chairman and Managing Director
DIN: 00098097

Shilpi Keswani
Company Secretary

Hemanth Kundavaram
Chief Financial Officer

Hyderabad, 30th May, 2022

Notes to consolidated financial statements

for the year ended 31st March, 2022

(All amounts in Indian Rupees in millions except for share data or otherwise stated)

1. CORPORATE INFORMATION

MedPlus Health Services Limited (the 'Parent Company' or the 'Company') is a public company domiciled in India and is incorporated under the provisions of the Companies Act applicable in India. The registered office of the Parent Company is located at H.No:11-6-56, Survey No: 257 & 258/1, Opp: IDPL Railway Siding Road,(Moosapet), Kukatpally, Hyderabad. The Parent Company together with its subsidiaries (collectively termed as "the Group") are primarily engaged in retail trading of medicines and general items, wholesale cash and carry and pathological laboratory testing services, wholesale trading and manufacturing of pharmaceutical products, fast-moving consumer goods and beauty products. The Company was duly converted from MedPlus Health Services Private Limited to MedPlus Health Services Limited w.e.f. 28th June, 2021 and accordingly the corporate identification number (CIN) was changed from U85110TG2006PTC051845 to L85110TG2006PLC051845.

The Company was the subsidiary of Gangadi Investments Private Limited until 5th February, 2021.

The consolidated financial statements were authorised for issue in accordance with a resolution of the directors on 30th May, 2022.

2. SIGNIFICANT ACCOUNTING POLICIES

2.1 a. Basis of preparation of consolidated financial statements

The financial statements of the Group have been prepared and presented in accordance with the Indian Accounting Standards ("Ind AS") notified under the Companies (Indian Accounting Standards) Rules, 2015 (as amended from time to time).

The consolidated Ind AS financial statements have been prepared on a historical cost basis, except for the following assets and liabilities which have been measured at fair value:

(i) certain financial assets and financial liabilities that are measured at fair values or at amortised cost depending on the classification at the end of each reporting period,

(ii) employee defined benefit assets/(liability) are recognised as the net total of the fair value of plan assets, plus actuarial losses, less actuarial gains and the present value of the defined benefit obligation as stated in the accounting policies set out below.

(iii) Share-Based payments are measured at fair value"

b. Functional and presentation currency

The consolidated financial statements are presented in Indian Rupees ("₹"), which is also the functional currency of the Group and all values are rounded to the nearest millions (₹ 000,000), unless otherwise indicated. The amount reflected as "0.00" in financials are value with less than ten thousand.

The Consolidated Financial Statements as at and for the year ended on 31st March, 2022 include the financial statements of the following entities:

S. No	Name of the subsidiary company	Country of incorporation	Percentage of Ownership as at 31st March, 2022	Percentage of Ownership as at 31st March, 2021
1	Optival Health Solutions Private Limited ('OHSPL')	India	99.99%	99.99%
2	Wynclark Pharmaceuticals Private Limited (formerly known as Medsupply Distributors Private Limited) ('WPPL')	India	100%	100%
3	MHS Pharmaceuticals Private Limited ('MHS')	India	100%	100%
4	Nova Sud Pharmaceuticals Private Limited (formerly known as PanIndia Pharma Distributors Private Limited) ('NPPL')	India	100%	100%
5	Sai Sridhar Pharma Private Limited ('SSPPL')	India	100%	100%
6	Venkata Krishna Enterprises Private Limited ('VKEPL')	India	100%	100%
7	Deccan Medisales Private Limited ('DMPL')	India	100%	100%
8	Shri Banashankari Pharma Private Limited ('SBPPL')	India	100%	100%
9	Sidson Pharma Distributors Private Limited ('SPDPL')	India	100%	100%
10	Kalyani Meditimes Private Limited ('KMT')	India	65.53%	65.53%
11	ClearanceKart Private Limited*	India	100.00%	0.00%

*The Company subscribed to 10,000 shares of ₹ 10 each of ClearanceKart Private Limited, which was incorporated on 9th March, 2021 under the Companies Act, 2013. The transfer of shares and consideration happened during the Financial year 2021-22.

Notes to consolidated financial statements for the year ended 31st March, 2022 (Contd.)

(All amounts in Indian Rupees in millions except for share data or otherwise stated)

2.2 Summary of significant accounting policies

a. Statement of compliance

These consolidated financial statements have been prepared in accordance with the Indian Accounting Standards (referred to as "Ind AS") as prescribed under section 133 of the Companies Act, 2013 read with the Companies (Indian Accounting Standards) Rules as amended from time to time.

b. Basis of consolidation

Subsidiaries are all entities (including special purpose entities) that are controlled by the Group. Control exists when the Company is exposed to, or has rights to variable returns from its involvement with the entity and has the ability to affect those returns through power over the entity. In assessing control, potential voting rights are considered only if the rights are substantive. The financial statements of subsidiaries are included in these consolidated financial statements from the date that control commences until the date that control ceases. For the purpose of preparing these consolidated financial statements, the accounting policies of subsidiaries have been changed where necessary to align them with the policies adopted by the Company.

The group combines the financial statements of the parent company and its subsidiaries line by line adding together like items of assets, liabilities, equity, income and expenses. Intercompany transactions, balances and unrealised losses are also eliminated unless the transaction provides evidence of an impairment of transferred asset. Offset (eliminate) the carrying amount of the parent's investment in each subsidiary and the parent's portion of equity of each subsidiary.

Profit or loss and each component of other comprehensive income (OCI) are attributed to the equity holders of the parent Company of the Group and to the non-controlling interests, even if this results in the non-controlling interests having a deficit balance.

Recent accounting pronouncements:

Ministry of Corporate Affairs ("MCA") notifies new standard or amendments to the existing standards under Companies (Indian Accounting Standards) Rules as issued from time to time. On 23rd March, 2022, MCA amended the Companies (Indian Accounting Standards) Amendment Rules, 2022, applicable from 1st April, 2022, as below:

Ind AS 103 – Reference to Conceptual Framework

The amendments specify that to qualify for recognition as part of applying the acquisition method, the identifiable assets acquired and liabilities assumed must meet the definitions of assets and liabilities in the Conceptual Framework for Financial Reporting under Indian Accounting Standards (Conceptual Framework) issued by the Institute of Chartered Accountants of India at the acquisition date. These changes do not significantly change the requirements of Ind AS 103. The Group does not expect the amendment to have any significant impact in its financial statements.

Ind AS 16 – Proceeds before intended use

The amendments mainly prohibit an entity from deducting from the cost of property, plant and equipment amounts received from selling items produced while the Company is preparing the asset for its intended use. Instead, an entity will recognise such sales proceeds and related cost in profit or loss. The Group does not expect the amendments to have any impact in its recognition of its property, plant and equipment in its financial statements.

Ind AS 37 – Onerous Contracts - Costs of Fulfilling a Contract

The amendments specify that that the 'cost of fulfilling' a contract comprises the 'costs that relate directly to the contract'. Costs that relate directly to a contract can either be incremental costs of fulfilling that contract (examples would be direct labour, materials) or an allocation of other costs that relate directly to fulfilling contracts. The amendment is essentially a clarification and the Group does not expect the amendment to have any significant impact in its financial statements.

Ind AS 109 – Annual Improvements to Ind AS (2021)

The amendment clarifies which fees an entity includes when it applies the '10 percent' test of Ind AS 109 in assessing whether to derecognise a financial liability. The Group does not expect the amendment to have any significant impact in its financial statements.

Notes to consolidated financial statements for the year ended 31st March, 2022 (Contd.)

(All amounts in Indian Rupees in millions except for share data or otherwise stated)

Ind AS 106 – Annual Improvements to Ind AS (2021)

The amendments remove the illustration of the reimbursement of leasehold improvements by the lessor in order to resolve any potential confusion regarding the treatment of lease incentives that might arise because of how lease incentives were described in that illustration. The Group does not expect the amendment to have any significant impact in its financial statements.

c. Significant accounting, estimates and assumptions

The preparation of these consolidated financial statements is in conformity with the recognition and measurement principles of Ind AS which requires the management to make judgments, estimates and assumptions that affect the application of accounting policies and reported amounts of assets, liabilities, income and expenses and the disclosure of contingent liabilities as at the date of the consolidated financial statements.

Accounting estimates could change from period to period. Actual results could differ from those estimates. Appropriate changes in estimates are made as management becomes aware of those estimates. Changes in estimates are reflected in the consolidated financial statements in the year in which changes are made, if material, their effects are disclosed in the notes to the consolidated financial statements. Information about significant areas of assumptions, estimation uncertainty and critical judgements in applying accounting policies that have the most significant effect on the amounts recognised in the consolidated financial statements are:

Impairment of trade receivables

The Group has measured the lifetime expected credit loss by using practical expedients. It has accordingly used a provision matrix derived by using a flow rate model to measure the expected credit losses for trade receivables. Further, need for incremental provisions have been evaluated on a case to case basis where forward looking information on the financial health of a customer is available and in cases where there is an ongoing litigation/dispute.

Useful lives of property, plant and equipment and intangible assets

The Group reviews the useful life of property, plant and equipment and intangible at the end of each reporting period. This reassessment may result in change in depreciation expense in future periods.

Valuation of deferred tax assets and liabilities

Deferred tax assets and liabilities are recognised for the future tax consequences of temporary differences between the carrying values of assets and liabilities and their respective tax bases, and unutilised business loss and depreciation carry-forwards and tax credits. Deferred tax assets are recognised to the extent there is reasonable certainty of future taxable income which will be available against the deductible temporary differences, unused tax losses and depreciation carry-forwards.

Defined benefit plans

The obligation arising from defined benefit plan is determined on the basis of actuarial assumptions. Key actuarial assumptions include discount rate, trends in salary escalation, actuarial rates and life expectancy. The discount rate is determined by reference to market yields at the end of the reporting period on government bonds. The period to maturity of the underlying bonds correspond to the probable maturity of the post-employment benefit obligations. Due to complexities involved in the valuation and its long term nature, defined benefit obligation is sensitive to changes in these assumptions. All assumptions are reviewed at each reporting period.

Provisions and contingent liabilities

The Group estimates the provisions that have present obligations as a result of past events and it is probable that outflow of resources will be required to settle the obligations. These provisions are reviewed at the end of each reporting period and are adjusted to reflect the current best estimates.

The Group uses significant judgements to disclose contingent liabilities. Contingent liabilities are disclosed when there is a possible obligation arising from past events, the existence of which will be confirmed only by the occurrence or non-occurrence of one or more uncertain future events not wholly within the control of the Group or a present obligation that arises from past events where it is either not probable that an outflow of resources will be required to settle the obligation or a reliable estimate of the amount cannot be made. Contingent assets are neither recognised nor disclosed in the financial statements.

Fair value measurement of financial instruments

When the fair value of financial assets and financial liabilities recorded in the balance sheet cannot be measured based on quoted prices in active markets, their fair value is measured using valuation techniques including the Discounted Cash Flow model. The inputs to these models are taken from observable markets where possible, but where this is not feasible, a degree of judgement is required in establishing fair values. Judgements include considerations of inputs such as liquidity risk, credit risk and volatility. Changes in assumptions about these factors could affect the reported fair value of financial instruments.

Leases

The Group evaluates if an arrangement qualifies to be a lease as per the requirements of Ind AS 116. Identification of a lease requires significant judgement. The Group uses significant judgement in assessing the lease term (including anticipated renewals) and the applicable discount rate.

The Group determines the lease term as the non-cancellable period of a lease, together with both periods covered by an option to extend the lease, if the Group is reasonably certain to exercise that option and periods covered by an option to terminate the lease if the Group is reasonably certain not to exercise that option. In assessing whether the Group is reasonably certain to exercise an option to extend a lease, or not to exercise an option to terminate the lease, it considers all relevant facts and circumstances that create an economic incentive for the Group to exercise the option to extend the lease, or not to exercise the option to terminate the lease. The Group revises the lease term if there is a change in the non-cancellable period of a lease.

The discount rate is generally based on the incremental borrowing rate specific to the lease being evaluated or for a portfolio of leases with similar characteristics.

Inventories

The Group estimates the net realisable value (NRV) of its inventories by taking into account their estimated selling price, estimated cost of completion, estimated costs necessary to make the sale, obsolescence by applying certain percentages over different age category of such inventories, expected loss rate considering the past trend and future outlook. Inventories are written down to NRV where such NRV is lower than their cost.

d. Operating segments

Operating segments are reported in a manner consistent with the internal reporting provided to chief operating decision maker (CODM).The Managing Director is the Group CODM within the meaning of Ind AS 108.

e. Current and non current classification

The Group presents assets and liabilities in the balance sheet based on current/ non-current classification. An asset is treated as current when it is:

- Expected to be realised or intended to be sold or consumed in normal operating cycle
- Held primarily for the purpose of trading
- Expected to be realised within twelve months after the reporting period, or
- Cash or cash equivalent unless restricted from being exchanged or used to settle a liability for at least twelve months after the reporting period

All other assets are classified as non-current.

A liability is current when :

- It is expected to be settled in normal operating cycle
- It is held primarily for the purpose of trading
- It is due to be settled within twelve months after the reporting period, or
- There is no unconditional right to defer the settlement of the liability for at least twelve months after the reporting period

The Group classifies all other liabilities as non-current.

Notes to consolidated financial statements for the year ended 31st March, 2022 (Contd.)

(All amounts in Indian Rupees in millions except for share data or otherwise stated)

Deferred tax assets and liabilities are classified as non-current assets and liabilities.

The operating cycle is the time between the acquisition of assets for processing and their realisation in cash and cash equivalents. The Group has identified twelve months as its operating cycle.

f. Foreign currencies

Initial recognition

Transactions in foreign currencies are translated into functional currency of the Group at the exchange rates at the dates of the transactions or an average rate if the average rate approximates the actual rate at the date of the transaction.

Conversion

Monetary assets and liabilities denominated in foreign currencies at the reporting date are translated into the functional currency at the exchange rate at that date. Non-monetary items that are measured based on historical cost in a foreign currency are translated at the exchange rate at the date of the transaction. Non-monetary items that are measured at fair value in a foreign currency are translated using the exchange rates at the date when the fair value was measured.

Exchange differences

Exchange differences arising on the settlement of monetary items or on translating monetary items at rates different from those at which they were translated on initial recognition during the period or in previous financial statements are recognised in the statement of profit and loss in the period in which they arise.

g. Fair Value Measurement

In determining the fair value of its financial instruments, the Group uses following hierarchy and assumptions that are based on market conditions and risks existing at each reporting date.

All assets and liabilities for which fair value is measured or disclosed in the consolidated financial statements are categorised within the fair value hierarchy, described as follows, based on the lowest level input that is significant to the fair value measurement as a whole:

Level 1: Quoted (unadjusted) market prices in active markets for identical assets or liabilities

Level 2: Valuation techniques for which the lowest level input that is significant to the fair value measurement is directly or indirectly observable.

Level 3: Valuation techniques for which the lowest level input that is significant to the fair value measurement is unobservable.

For assets and liabilities that are recognised in the financial statements on a recurring basis, the Group determines whether transfers have occurred between levels in the hierarchy by re-assessing categorisation (based on the lowest level input that is significant to the fair value measurement as a whole) at the end of each reporting period.

When the fair values of financial assets and financial liabilities recorded in the financial statements cannot be measured based on quoted prices in active markets, their fair value is measured using valuation techniques including the discounted cash flow model. The inputs to these models are taken from observable markets where possible, but where this is not feasible, a degree of judgements is required in establishing fair values. Judgements include considerations of inputs such as liquidity risk, credit risk volatility and discount rates. Changes in assumptions about these factors could affect the reported fair value of financial instruments.

h. Revenue recognition

Revenue is recognised to the extent that it is probable that the economic benefits will flow to the Group and the revenue can be reliably measured, regardless of when the payment is being made. Revenue is measured at the fair value of the consideration received or receivable, taking into account contractually defined terms of payment and excluding taxes or duties collected on behalf of the government.

However, Goods and Service Tax (GST) is not received by the Group on its own account. Rather, it is tax collected on value added to the commodity by the seller on behalf of the government. Accordingly, it is excluded from revenue.

The specific recognition criteria described below must also be met before revenue is recognised.

(All amounts in Indian Rupees in millions except for share data or otherwise stated)

Sale of goods

Revenue from sale of goods is recognised when all the significant risks and rewards of ownership of the goods have been passed to the buyer, usually on delivery of the goods. Revenue from the sale of goods is measured at the fair value of the consideration received or receivable, net of returns and allowances, trade discounts and volume rebates.

Sales returns

The Group accounts for sales returns accrual by recording refund liability concurrent with the recognition of revenue at the time of a product sale. This liability is based on the Group's estimate of expected sales returns. Accordingly, the estimate of sales returns is determined primarily by the Group's historical experience of sales returns.

At the time of recognising the refund liability, the Group also recognises an asset, (i.e., the right to the returned goods) which is included in inventory for the products expected to be returned. The Group initially measures this asset at the former carrying amount of the inventory, less any expected costs to recover the goods, including any potential decreases in the value of the returned goods. Along with re-measuring the refund liability at the end of each reporting period, the Group updates the measurement of the asset recorded for any revisions to its expected level of returns, as well as any additional decreases in the value of the returned products.

Customer Loyalty Programme

Group operates a Flexi Rewards scheme (Customer loyalty programme), which allows customers to accumulate points when they purchase products in the Group's retail stores. These points can be redeemed for purchase of value plus items.

The fair value of the consideration received or receivable in respect of the initial sale is allocated between the award credits and the other components of the sale. The amount allocated to award credits is deferred and is recognised as revenue when the award credits are redeemed and the Group has fulfilled its obligations to supply the discounted products under the terms of the programme or when it is no longer probable that the award credits will be redeemed.

Display income

Revenue for display of advertisement is accounted on accrual basis in accordance with the provisions of the relevant contacts.

Rental Income

Rental income arising from operating leases on building is accounted for on a straight-line basis over the lease terms and is included in revenue in the statement of profit and loss due to its operating nature.

Income from diagnostic services

Revenue from diagnostics services is recognised on amount billed net of discounts/ concessions if any. No element of financing is deemed present as the sales are made primarily on cash and carry basis. The Group recognises revenue when the amount of revenue can be reliably measured, it is probable that economic benefits will flow to the entity and when the underlying tests are conducted, samples are processed for requisitioned diagnostic tests. Each diagnostic service is generally a separate performance obligation and therefore revenue is recognised at a point in time when the tests are conducted, samples are processed. For multiple tests, the Group measures the revenue in respect of each performance obligation at its relative stand alone selling price and the transaction price is allocated accordingly. The price that is regularly charged for a test separately registered is considered to be the best evidence of its stand alone selling price. Revenue contracts are on principal to principal basis and the Group is primarily responsible for fulfilling the performance obligation

A contract liability is the obligation to transfer services to a customer for which the Group has received consideration from the customer. If a customer pays consideration before the Group transfers services to the customer, a contract liability is recognised when the payment is made. Contract liabilities are recognised as revenue when the Group performs its obligation under the contract.

i. **Taxes**

Current income tax

Current income tax assets and liabilities are measured at the amount expected to be recovered

Notes to consolidated financial statements for the year ended 31st March, 2022 (Contd.)

(All amounts in Indian Rupees in millions except for share data or otherwise stated)

from or paid to the income tax authority. The tax rates and tax laws used to compute the amount are those that are enacted or substantively enacted at the reporting date.

Current income tax relating to items recognised outside profit or loss is recognised outside profit or loss (either in other comprehensive income or in equity). Current tax items are recognised in correlation to the underlying transaction either in OCI or directly in equity. Management periodically evaluates positions taken in the tax return with respect to situations in which applicable tax regulations are subject to interpretation and establishes provisions where appropriate.

Deferred tax

Deferred tax is provided using the balance sheet method on temporary differences between the tax bases of assets and liabilities and their carrying amounts for financial reporting purposes at the reporting date.

Deferred tax liabilities are recognised for all taxable temporary differences, except, when the deferred tax liability arises from the initial recognition of goodwill or an asset or liability in a transaction that is not a business combination and, at the time of the transaction, affects neither the accounting profit nor taxable profit or loss.

Deferred tax assets are recognised for all deductible temporary differences, the carry forward of unused tax credits and any unused tax losses. Deferred tax assets are recognised to the extent that it is probable that taxable profit will be available against which the deductible temporary differences, and the carry forward of unused tax credits and unused tax losses can be utilised, except:

- When the deferred tax asset relating to the deductible temporary difference arises from the initial recognition of an asset or liability in a transaction that is not a business combination and, at the time of the transaction, affects neither the accounting profit nor taxable profit or loss.
- In respect of deductible temporary differences associated with investments in subsidiaries, deferred tax assets are recognised only to the extent that it is probable that the temporary differences will reverse in the foreseeable future and taxable profit will be available against which the temporary differences can be utilised.

The carrying amount of deferred tax assets is reviewed at each reporting date and reduced to the extent that it is no longer probable that sufficient taxable profit will be available to allow all or part of the deferred tax asset to be utilised. Unrecognised deferred tax assets are re-assessed at each reporting date and are recognised to the extent that it has become probable that future taxable profits will allow the deferred tax asset to be recovered.

Deferred tax assets and liabilities are measured at the tax rates that are expected to apply in the year when the asset is realised or the liability is settled, based on tax rates (and tax laws) that have been enacted or substantively enacted at the reporting date.

Deferred tax relating to items recognised outside profit or loss is recognised outside profit or loss (either in other comprehensive income or in equity). Deferred tax items are recognised in correlation to the underlying transaction either in OCI or directly in equity.

Deferred tax assets and deferred tax liabilities are offset if a legally enforceable right exists to set off current tax assets against current tax liabilities and the deferred taxes relate to the same taxable entity and the same taxation authority.

Tax benefits acquired as part of a business combination, but not satisfying the criteria for separate recognition at that date, are recognised subsequently if new information about facts and circumstances change. Acquired deferred tax benefits recognised within the measurement period reduce goodwill related to that acquisition if they result from new information obtained about facts and circumstances existing at the acquisition date.

If the carrying amount of goodwill is zero, any remaining deferred tax benefits are recognised in OCI/ capital reserve depending on the principle explained for bargain purchase gains. All other acquired tax benefits realised are recognised in profit or loss.

j. Property, Plant and Equipment

Capital work in progress is stated at cost, net of

(All amounts in Indian Rupees in millions except for share data or otherwise stated)

accumulated impairment loss, if any. Plant and equipment are stated at cost net of accumulated depreciation and accumulated impairment losses, if any. Such cost includes the cost of replacing part of the plant and equipment and borrowing costs for long-term construction projects if the recognition criteria are met. Cost includes purchase price, non-recoverable taxes and duties, labour cost and direct overheads for self-constructed assets and other direct costs incurred up to the date the asset is ready for its intended use.

When significant parts of plant and equipment are required to be replaced at intervals, the Group depreciates them separately based on their specific useful lives. Likewise, when a major inspection is performed, its cost is recognised in the carrying amount of the plant and equipment as a replacement if the recognition criteria are satisfied. All other repair and maintenance costs are recognised in profit or loss as incurred. The present value of the expected cost for the decommissioning of an asset after its use is included in the cost of the respective asset if the recognition criteria for a provision are met.

Items of stores and spares that meet the definition of property, plant and equipment are capitalized at cost and depreciated over their useful life. Otherwise, such items are classified as inventories.

The Group identifies and determines cost of each component/ part of the asset separately, if the component/ part has a cost which is significant to the total cost of the asset and has useful life that is materially different from that of the remaining asset.

An item of property, plant and equipment and any significant part initially recognised is derecognised upon disposal or when no future economic benefits are expected from its use or disposal. Any gain or loss arising on derecognition of the asset (calculated as the difference between the net disposal proceeds and the carrying amount of the asset) is included in the consolidated statement of profit and loss when the asset is derecognised.

Property, plant and equipment held for sale is valued at lower of their carrying amount and net realisable value. Any write-down is recognised in the consolidated statement of profit and loss.

Depreciation

Depreciation on property, plant and equipment other than leasehold improvements is calculated on a straight-line basis using the following rates arrived at based on the useful lives estimated by the management which coincide with the lives prescribed under the schedule II to the Companies Act, 2013, except for depreciation on Leasehold Improvements:

Asset class	Useful lives estimated by the management (years)	Estimated useful as per schedule III
Buildings	60	60
Furniture and fixtures	10	10
Vehicles	8-10	8-10
Office equipment	5	5
Data Processing Equipment	3-6	3-6
Plant and equipment	5-10	5-10

Depreciation on leasehold improvements is provided over the lease term or 5 years, whichever is shorter, which is higher than the rates prescribed under the schedule II to the Companies Act, 2013.

The residual values, useful lives and methods of depreciation of property, plant and equipment are reviewed at each financial year end and adjusted prospectively, if appropriate.

k. Intangible assets

Intangibles

Intangible assets acquired separately are measured on initial recognition at cost. The cost of intangible assets acquired in a business combination is their fair value at the date of acquisition. Following initial recognition, intangible assets are carried at cost less accumulated amortisation and accumulated impairment losses, if any. Internally generated intangibles, excluding capitalised development costs, are not capitalised and the related expenditure is reflected in profit or loss in the period in which the expenditure is incurred.

Amortisation

The useful lives of intangible assets are assessed as either finite or indefinite.

Notes to consolidated financial statements for the year ended 31st March, 2022 (Contd.)

(All amounts in Indian Rupees in millions except for share data or otherwise stated)

Intangible assets of the Group represents having finite lives are amortised over the useful economic life and assessed for impairment whenever there is an indication that the intangible asset may be impaired. The amortisation period and the amortisation method are reviewed at least at the end of each reporting period. Changes in the expected useful life or the expected pattern of consumption of future economic benefits embodied in the asset are considered to modify the amortisation period or method, as appropriate, and are treated as changes in accounting estimates. The amortisation expense on these intangible assets is recognised in the statement of profit and loss unless such expenditure forms part of carrying value of another asset.

Intangible assets with indefinite useful lives are not amortised, but are tested for impairment annually, either individually or at the cash-generating unit level. The assessment of indefinite life is reviewed annually to determine whether the indefinite life continues to be supportable. If not, the change in useful life from indefinite to finite is made on a prospective basis.

Gains or losses arising from de-recognition of an intangible asset are measured as the difference between the net disposal proceeds and the carrying amount of the asset and are recognised in the statement of profit and loss when the asset is derecognised.

Intangible assets consist of rights under licensing agreement and software licences which are amortised over licence period which equates the economic useful life ranging between 2-5 years on a straight-line basis over the period of its economic useful life.

l. Borrowing costs

Borrowing costs directly attributable to the acquisition, construction or production of an asset that necessarily takes a substantial period of time to get ready for its intended use or sale are capitalised as part of the cost of the asset. All other borrowing costs are expensed in the period in which they occur. Borrowing costs consist of interest and other costs that an entity incurs in connection with the borrowing of funds.

m. Leases

Group as lessee

The Group accounts for each lease component within the contract as a lease separately from non-lease components of the contract and allocates the consideration in the contract to each lease component on the basis of the relative standalone price of the lease component and the aggregate standalone price of the non-lease components. The Group recognises right-of-use asset representing its right to use the underlying asset for the lease term at the lease commencement date. The cost of the right-of-use asset measured at inception shall comprise of the amount of the initial measurement of the lease liability adjusted for any lease payments made at or before the commencement date less any lease incentives received, plus any initial direct costs incurred and an estimate of costs to be incurred by the lessee in dismantling and removing the underlying asset or restoring the underlying asset or site on which it is located.

The right-of-use asset is subsequently depreciated using the straight-line method from the commencement date to the earlier of the end of the useful life of the right-of-use asset or the end of the lease term. The estimated useful lives of right-of-use assets are determined on the same basis as those of property and equipment. In addition, the right-of-use asset is periodically reduced by impairment losses, if any, and adjusted for certain remeasurements of the lease liability.

The lease liability is initially measured at the present value of the lease payments that are not paid at the commencement date, discounted using the interest rate implicit in the lease or, if that rate cannot be readily determined, the Group's incremental borrowing rate. Generally, the Group uses its incremental borrowing rate as the discount rate.

Lease payments included in the measurement of the lease liability comprise the following:

- fixed payments, including in-substance fixed payments;
- variable lease payments that depend on an index or a rate, initially measured using the index or rate as at the commencement date;
- amounts expected to be payable under a residual value guarantee; and
- the exercise price under a purchase option that the Group is reasonably certain to

exercise, lease payments in an optional renewal period if the Group is reasonably certain to exercise an extension option, and penalties for early termination of a lease unless the Group is reasonably certain not to terminate early.

The lease liability is measured at amortised cost using the effective interest method. It is remeasured when there is a change in future lease payments arising from a change in an index or rate, if there is a change in the Group's estimate of the amount expected to be payable under a residual value guarantee, or if the Group changes its assessment of whether it will exercise a purchase, extension or termination option.

When the lease liability is remeasured in this way, a corresponding adjustment is made to the carrying amount of the right-of-use asset or is recorded in profit or loss if the carrying amount of the right-of-use asset has been reduced to zero.

The Group presents right-of-use assets that do not meet the definition of investment property in 'property, plant and equipment' and lease liabilities in 'loans and borrowings' in the statement of financial position Short-term leases and leases of low-value assets:

The Group has elected not to recognise right-of-use assets and lease liabilities for short-term leases of machinery and buildings that have a lease term of 12 months or less and leases of low-value assets.

Group as a lessor

When the Group acts as a lessor, it determines at lease inception whether each lease is a finance lease or an operating lease.

To classify each lease, the Group makes an overall assessment of whether the lease transfers substantially all of the risks and rewards incidental to ownership of the underlying asset. If this is the case, then the lease is a finance lease; if not, then it is an operating lease. As part of this assessment, the Group considers certain indicators such as whether the lease is for the major part of the economic life of the asset.

When the Group is an intermediate lessor, it accounts for its interests in the head lease and the sub-lease separately. It assesses the lease classification of a sub-lease with reference to the right-of-use asset arising from the head lease, not with reference to the underlying asset. If a head lease is a short-term lease to which the Group applies the exemption described above, then it classifies the sub-lease as an operating lease.

If an arrangement contains lease and non-lease components, the Group applies Ind AS 115 to allocate the consideration in the contract.

The Group recognises lease payments received under operating leases as income on a straight-line basis over the lease term as part of 'other income'.

The accounting policies applicable to the Group as a lessor in the comparative period were not different from Ind AS 116.

n. Inventories

Inventories comprise of stock-in-trade and stores and consumables and are valued at lower of cost or net realisable value. Cost includes cost of purchase and other costs incurred in bringing the inventories to their present location and condition. In case of manufactured inventories and work-in-progress, cost includes an appropriate share of fixed production overheads based on normal operating capacity.

Cost is determined on first in first out basis. Net realisable value is the estimated selling price in the ordinary course of business reduced by the estimated costs to affect the sale. Stores and spares which do not meet the definition of property, plant and equipment are accounted as inventories. The net realisable value of work-in-progress are determined with reference to the selling prices of related finished goods.

The factors that the Group considers in determining the valuation of inventory includes shelf life and ageing of Inventory. The Group considers these factors and adjust valuation to reflect actual value of inventory.

Raw materials and consumables held for use in the production of finished goods are not written down below cost except in cases where material prices have declined and it is estimated that the cost of the finished goods will exceed their net realisable value.

Impairment losses, including impairment on inventories, are recognised in the consolidated

Notes to consolidated financial statements for the year ended 31st March, 2022 (Contd.)

(All amounts in Indian Rupees in millions except for share data or otherwise stated)

statement of profit and loss.

o. Impairment of Non-Financial Assets

The Group assesses at each reporting date whether there is an indication that an asset may be impaired. If any indication exists, or when annual impairment testing for an asset is required, the Group estimates the asset's recoverable amount. An asset's recoverable amount is the higher of an asset's net selling price and its value in use. The recoverable amount is determined for an individual asset, unless the asset does not generate cash inflows that are largely independent of those from other assets or groups of assets. Where the carrying amount of an asset exceeds its recoverable amount, the asset is considered impaired and is written down to its recoverable amount. In assessing value in use, the estimated future cash flows are discounted to their present value using a post-tax discount rate that reflects current market assessments of the time value of money and the risks specific to the asset. In determining net selling price, recent market transactions are taken into account, if available. If no such transactions can be identified, an appropriate valuation model is used.

After impairment, depreciation is provided on the revised carrying amount of the asset over its remaining useful life.

An assessment is made at each reporting date as to whether there is any indication that previously recognized impairment losses may no longer exist or may have decreased. If such indication exists, the company estimates the asset's or cash-generating unit's recoverable amount. A previously recognized impairment loss is reversed only if there has been a change in the assumptions used to determine the asset's recoverable amount since the last impairment loss was recognized. The reversal is limited so that the carrying amount of the asset does not exceed its recoverable amount, nor exceed the carrying amount that would have been determined, net of depreciation, had no impairment loss been recognized for the asset in prior years. Such reversal is recognized in the statement of profit and loss unless the asset is carried at a revalued amount, in which case the reversal is treated as a revaluation increase.

p. Provisions and contingent liabilities

Provisions

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. When the Group expects some or all of a provision to be reimbursed, the reimbursement is recognised as a separate asset, but only when the reimbursement is virtually certain.

The expense relating to a provision is presented in the statement of profit and loss net of any reimbursement. If the effect of the time value of money is material, provisions are discounted using a current pre-tax rate that reflects, when appropriate, the risks specific to the liability. When discounting is used, the increase in the provision due to the passage of time is recognised as a finance cost.

Contingent liabilities

A contingent liability is a possible obligation that arises from past events whose existence will be confirmed by the occurrence or non-occurrence of one or more uncertain future events beyond the control of the Group or a present obligation that is not recognised because it is not probable that an outflow of resources will be required to settle the obligation. A contingent liability also arises in extremely rare cases where there is a liability that cannot be recognised because it cannot be measured reliably. The Group does not recognize a contingent liability but discloses its existence in the consolidated financial statements.

q. Retirement and other employee benefits

Defined contribution plans

Retirement benefit in the form of provident fund is a defined contribution scheme. The Group has no obligation, other than the contribution payable to the provident fund. The Group recognises the contribution payable to the provident fund scheme as an expense, when an employee renders the related service.

If the contribution payable to the scheme for service received before the balance sheet date exceeds the contribution already paid, the deficit payable to the scheme is recognised as a liability after deducting the contribution already paid.

(All amounts in Indian Rupees in millions except for share data or otherwise stated)

If the contribution already paid exceeds the contribution due for services received before the balance sheet date, then excess is recognised as an asset.

Defined benefit plans

The Group operates a defined benefit plan for its employees, viz., gratuity. The costs of providing benefits under the plan are determined on the basis of actuarial valuation at each year-end using the projected unit credit method consistent with the advice of qualified actuaries.

Remeasurements, comprising of actuarial gains and losses, the effect of the asset ceiling, excluding amounts included in net interest on the net defined benefit liability and the return on plan assets (excluding amounts included in net interest on the net defined benefit liability), are recognised immediately in the balance sheet with a corresponding debit or credit to retained earnings through OCI in the period in which they occur. Remeasurements are not reclassified to profit or loss in subsequent periods.

Past service costs are recognised in profit or loss on the earlier of:

- The date of the plan amendment or curtailment, and
- The date that the Group recognises related restructuring costs

Net interest is calculated by applying the discount rate to the net defined benefit liability or asset. The Group recognises the following changes in the net defined benefit obligation as an expense in the consolidated statement of profit and loss:

- Service costs comprising current service costs, past-service costs, gains and losses on curtailments and non-routine settlements; and
- Net interest expense or income

Other Short term employee benefits

Accumulated leave, which is expected to be utilised within the next 12 months, is treated as short-term employee benefit. The Group measures the expected cost of such absences as the additional amount that it expects to pay as a result of the unused entitlement that has accumulated at the reporting date.

The Group treats accumulated leave expected to be carried forward beyond twelve months, as long-term employee benefit for measurement purposes. Such long-term compensated absences are provided for based on the actuarial valuation using the projected unit credit method at the year-end. Actuarial gains/losses are immediately taken to the statement of profit and loss and are not deferred. The Group presents the entire leave as a current liability in the balance sheet, since it does not have an unconditional right to defer its settlement for 12 months after the reporting date.

r. Employee share based payments

Employees (including senior executives) of the Group receive remuneration in the form of share based payment transactions, whereby employees render services as consideration for equity instruments.

The cost of equity-settled transactions is determined by the fair value at the date when the grant is made using an appropriate valuation model. That cost is recognised, together with a corresponding increase in share-based payment (SBP) reserves in equity, over the period in which the performance and/or service conditions are fulfilled in employee benefits expense. The cumulative expense recognised for equity-settled transactions at each reporting date until the vesting date reflects the extent to which the vesting period has expired and the Group's best estimate of the number of equity instruments that will ultimately vest.

The statement of profit and loss expense or credit for a period represents the movement in cumulative expense recognised as at the beginning and end of that period and is recognised in employee benefits expense.

Service and non-market performance conditions are not taken into account when determining the grant date fair value of awards, but the likelihood of the conditions being met is assessed as part of the Group's best estimate of the number of equity instruments that will ultimately vest. Market performance conditions are reflected within the grant date fair value. Any other conditions attached to an award, but without an associated service requirement, are considered to be non-vesting conditions. Non-vesting conditions are

Notes to consolidated financial statements for the year ended 31st March, 2022 (Contd.)

(All amounts in Indian Rupees in millions except for share data or otherwise stated)

reflected in the fair value of an award and lead to an immediate expensing of an award unless there are also service and/or performance conditions.

No expense is recognised for awards that do not ultimately vest because non-market performance and/or service conditions have not been met. Where awards include a market or non-vesting condition, the transactions are treated as vested irrespective of whether the market or non-vesting condition is satisfied, provided that all other performance and/or service conditions are satisfied.

When the terms of an equity-settled award are modified, the minimum expense recognised is the expense had the terms had not been modified, if the original terms of the award are met. An additional expense is recognised for any modification that increases the total fair value of the share-based payment transaction, or is otherwise beneficial to the employee as measured at the date of modification. Where an award is cancelled by the entity or by the counterparty, any remaining element of the fair value of the award is expensed immediately through profit or loss.The dilutive effect of outstanding options is reflected as additional share dilution in the computation of diluted earnings per share, unless its anti-dilutive to Group's earnings in nature.

Shares allotted to Trust:

The Company has created an Employees benefit trust (Trust) for implementation of the schemes that are notified or may be notified from time to time by the Company under the plan, providing share based payment to its employees.

The Company allocated shares to Trust at the time of formation of trust. The Group treats trust as its extension and these equity instruments are recognised at cost and deducted from equity.

s. Financial Instruments

A financial instrument is any contract that gives rise to a financial asset of one entity and a financial liability or equity instrument of another entity.

Financial assets

Initial recognition and measurement

All financial assets are recognised initially at fair value plus, in the case of financial assets not recorded at fair value through profit or loss, transaction costs that are attributable to the acquisition of the financial asset. Purchases or sales of financial assets that require delivery of assets within a time frame established by regulation or convention in the market place (regular way trades) are recognised on the trade date, i.e., the date that the Group commits to purchase or sell the asset.

Subsequent measurement

For purposes of subsequent measurement, financial assets are classified in four categories:

i) Debt instruments at amortised cost

ii) Debt instruments at fair value through other comprehensive income (FVTOCI)

iii) Debt instruments, derivatives and equity instruments at fair value through profit or loss (FVTPL)

iv) Equity instruments measured at fair value through other comprehensive income (FVTOCI)

Debt instruments at amortised cost

A 'debt instrument' is measured at the amortised cost if both the following conditions are met:

a) The asset is held within a business model whose objective is to hold assets for collecting contractual cash flows, and

b) Contractual terms of the asset give rise on specified dates to cash flows that are solely payments of principal and interest (SPPI) on the principal amount outstanding.

After initial measurement, such financial assets are subsequently measured at amortised cost using the effective interest rate (EIR) method. Amortised cost is calculated by taking into account any discount or premium on acquisition and fees or costs that are an integral part of the EIR. The EIR amortisation is included in other income in the statement of profit and loss. The losses arising from impairment are recognised in the statement of profit and loss. This category generally applies to trade and other receivables.

Derecognition

A financial asset (or, where applicable, a part of a financial asset or part of a group of similar

(All amounts in Indian Rupees in millions except for share data or otherwise stated)

financial assets) is primarily derecognised (i.e. removed from the Group's balance sheet) when:

- the rights to receive Cash flows from the asset have expired, or
- The Group has transferred its rights to receive cash flows from the asset or has assumed an obligation to pay the received cash flows in full without material delay to a third party under a 'pass-through' arrangement; and either (a) the Group has transferred substantially all the risks and rewards of the asset, or (b) the Group has neither transferred nor retained substantially all the risks and rewards of the asset, but has transferred control of the asset.

When the Group has transferred its rights to receive cash flows from an asset or has entered into a pass-through arrangement, it evaluates if and to what extent it has retained the risks and rewards of ownership. When it has neither transferred nor retained substantially all of the risks and rewards of the asset, nor transferred control of the asset, the Group continues to recognise the transferred asset to the extent of the Group's continuing involvement. In that case, the Group also recognises an associated liability. The transferred asset and the associated liability are measured on a basis that reflects the rights and obligations that the Group has retained.

Continuing involvement that takes the form of a guarantee over the transferred asset is measured at the lower of the original carrying amount of the asset and the maximum amount of consideration that the Group could be required to repay.

Impairment of financial assets

In accordance with Ind AS 109, the Group applies expected credit loss (ECL) model for measurement and recognition of impairment loss on the following financial assets and credit risk exposure:

a) Financial assets that are debt instruments, and are measured at amortised cost e.g., loans, debt securities, deposits, trade receivables and bank balance
b) Financial assets that are debt instruments and are measured as at FVTOCI

In case of trade receivables , the Group follows a simplified approach wherein an amount equal to lifetime ECL is measured and recognised as loss allowance. The application of simplified approach does not require the Group to track changes in credit risk. Rather, it recognises impairment loss allowance based on lifetime ECLs at each reporting date, right from its initial recognition.

For recognition of impairment loss on other financial assets and risk exposure, the Group determines that whether there has been a significant increase in the credit risk since initial recognition. If credit risk has not increased significantly, 12-month ECL is used to provide for impairment loss.

However, if credit risk has increased significantly, lifetime ECL is used. If, in a subsequent period, credit quality of the instrument improves such that there is no longer a significant increase in credit risk since initial recognition, then the entity reverts to recognising impairment loss allowance based on 12-month ECL.

Lifetime ECL are the expected credit losses resulting from all possible default events over the expected life of a financial instrument. The 12-month ECL is a portion of the lifetime ECL which results from default events that are possible within 12 months after the reporting date. ECL is the difference between all contractual cash flows that are due to the Group in accordance with the contract and all the cash flows that the entity expects to receive (i.e., all cash shortfalls), discounted at the original EIR. When estimating the cash flows, an entity is required to consider:

- All contractual terms of the financial instrument (including prepayment, extension, call and similar options) over the expected life of the financial instrument. However, in rare cases when the expected life of the financial instrument cannot be estimated reliably, then the entity is required to use the remaining contractual term of the financial instrument
- Cash flows from the sale of collateral Held or other credit enhancements that are integral to the contractual terms.

As a practical expedient, the Group uses a provision matrix to determine impairment loss allowance on portfolio of its trade receivables. The provision matrix is based on its historically observed default rates over the expected life of

Notes to consolidated financial statements for the year ended 31st March, 2022 (Contd.)

(All amounts in Indian Rupees in millions except for share data or otherwise stated)

the trade receivables and is adjusted for forward-looking estimates. At every reporting date, the historical observed default rates are updated and changes in the forward-looking estimates are analysed.

ECL impairment loss allowance (or reversal) recognised during the period is recognised as income/ expense in the Statement of Profit and Loss under the head 'Other expenses'. The balance sheet presentation for various financial instruments are Financial assets measured as at amortised cost, contractual revenue receivables and lease receivables:

ECL is presented as an allowance, i.e., as an integral part of the measurement of those assets in the balance sheet. The allowance reduces the net carrying amount. Until the asset meets write-off criteria, the Group does not reduce impairment allowance from the gross carrying amount.

Financial liabilities

Financial liability, Equity and Compound Financial Instruments

The debt and equity instruments that are issued are classified as either financial liabilities or as equity in accordance with the substance of the contractual arrangement.

Initial recognition and measurement

Financial liabilities:

Financial liabilities are classified, at initial recognition, as financial liabilities at fair value through profit or loss, loans and borrowings, payables, as appropriate.

All financial liabilities are recognised initially at fair value and, in the case of loans and borrowings and payables, net of directly attributable transaction costs. The Group financial liabilities include trade and other payables, loans and borrowings including bank overdrafts, financial guarantee contracts.

Equity:

An equity instrument is any contract that evidences a residual interest in the assets of an entity after deducting all of its liabilities. Equity instruments issued by the Group are recognised at the proceeds received, net of direct issue costs.

A conversion option that will be settled by the exchange of a fixed amount of cash or another financial asset for a fixed number of the Group's own equity instruments is an equity instrument.

Compound instruments:

Compound financial instruments issued by the Group comprise of compulsorily convertible preference shares that can be converted into equity shares where the number of shares to be issued is fixed and does not vary with change in fair value. When establishing the accounting treatment for these non-derivative instruments, the Group first establishes whether the instrument is a compound instrument and classifies such instrument's components separately as financial liabilities or equity instruments in accordance with Ind AS 32.

The liability component of a compound financial instrument is initially recognised at the fair value of a similar liability that does not have an equity conversion option. The equity component is initially recognised at the difference between the fair value of the compound financial instrument as a whole and the fair value of the liability component. Subsequently the liability is measured as per requirement of Ind AS 109. The equity component of a compound financial instrument is not subsequently measured.

A Cumulative Compulsorily Convertible Preference Shares (CCPS), with an option to holder to convert the instrument into variable number of equity shares of the entity upon redemption is classified as a financial liability and dividend including dividend distribution tax is accrued on such instruments and recorded as finance cost.

Subsequent measurement

The measurement of financial liabilities depends on their classification, as described below:

Financial liabilities at fair value through profit or loss

Financial liabilities at fair value through profit or loss include financial liabilities held for trading and financial liabilities designated upon initial recognition as at fair value through profit or loss. Financial liabilities are classified as held for trading if they are incurred for the purpose of repurchasing in the near term.

Gains or losses on liabilities held for trading are recognised in the consolidated statement of profit and loss.

(All amounts in Indian Rupees in millions except for share data or otherwise stated)

Financial liabilities designated upon initial recognition at fair value through profit or loss are designated as such at the initial date of recognition, and only if the criteria in Ind AS 109 are satisfied. For liabilities designated as FVTPL, fair value gains/ losses attributable to changes in own credit risk are recognised in OCI. These gains/ losses are not subsequently transferred to the statement of profit and loss.

However, the Group may transfer the cumulative gain or loss within equity. All other changes in fair value of such liability are recognised in the statement of profit and loss."

Loans and borrowings

After initial recognition, interest-bearing loans and borrowings are subsequently measured at amortised cost using the EIR method. Gains and losses are recognised in the consolidated statement of profit and loss when the liabilities are derecognised as well as through the EIR amortisation process.

Amortised cost is calculated by taking into account any discount or premium on acquisition and fees or costs that are an integral part of the EIR. The EIR amortisation is included as finance costs in the consolidated statement of profit and loss.

Derecognition

A financial liability is derecognised when the obligation under the liability is discharged or cancelled or expires. When an existing financial liability is replaced by another from the same lender on substantially different terms, or the terms of an existing liability are substantially modified, such an exchange or modification is treated as the derecognition of the original liability and the recognition of a new liability. The difference in the respective carrying amounts is recognised in the consolidated statement of profit and loss.

The Group also derecognises a financial liability when its terms are modified and the cash flows under the modified terms are substantially different.

Offsetting of financial instruments

Financial assets and financial liabilities are offset and the net amount is reported in the balance sheet if there is a currently enforceable legal right to offset the recognised amounts and there is an intention to settle on a net basis, to realise the assets and settle the liabilities simultaneously.

t. Cash and cash equivalents

Cash and cash equivalent in the balance sheet comprise cash at banks and on hand and short-term deposits with an original maturity of three months or less, which are subject to an insignificant risk of changes in value.

For the purpose of the statement of cash flows, cash and cash equivalents consist of cash and short-term deposits, as defined above, net of outstanding bank overdrafts as they are considered an integral part of the Group's cash management

u. Earnings per equity share

Basic earnings per equity share is calculated by dividing the net profit or loss attributable to equity holder of Parent Company (after deducting preference dividends and attributable taxes) by the weighted average number of equity shares outstanding during the period. Partly paid equity shares are treated as a fraction of an equity share to the extent that they are entitled to participate in dividends relative to a fully paid equity share during the reporting period. Equity shares that will be issued upon the conversion of a mandatorily convertible instrument are included in the calculation of basic earnings per equity share from the date the contract is entered into.

The weighted average number of equity shares outstanding during the period is adjusted for events such as bonus issue, bonus element in a rights issue, share split, and reverse share split (consolidation of shares) that have changed the number of equity shares outstanding, without a corresponding change in resources.

For the purpose of calculating diluted earnings per equity share, the net profit or loss for the period attributable to equity shareholders and the weighted average number of shares outstanding during the period are adjusted for the effects of all dilutive potential equity shares.

v. Government Grants

Government grants, related to assets, are recognised in the Statement of Profit and Loss on a systematic basis over the periods in which the

Notes to consolidated financial statements for the year ended 31st March, 2022 (Contd.)

(All amounts in Indian Rupees in millions except for share data or otherwise stated)

Company recognises the related costs for which the grants are intended to compensate

Government grants are not recognised until there is reasonable assurance that the Company will comply with the conditions attached to them and that the grants will be received

w. Goodwill

Cash generating units to which goodwill is allocated are tested for impairment annually at each balance sheet date, or more frequently when there is an indication that the unit may be impaired. If the recoverable amount of the cash generating unit is less than the carrying amount of the unit, the impairment loss is allocated first to reduce the carrying amount of any goodwill allocated to that unit and then to the other assets of the unit pro rata on the basis of carrying amount of each asset in the unit. Goodwill impairment loss recognised is not reversed in subsequent period.

x. Interest income

Interest income from financial instruments measured either at amortised cost or at fair value through other comprehensive income is recorded using the effective interest rate (EIR). EIR is the rate that exactly discounts the estimated future cash payments or receipts over the expected life of the financial instrument or a shorter period, where appropriate, to the gross carrying amount of the financial asset or to the amortised cost of a financial liability. When calculating the effective interest rate, the Group estimates the expected cash flows by considering all the contractual terms of the financial instrument (for example, prepayment, extension, call and similar options) but does not consider the expected credit losses. Interest income is included in other income in the consolidated statement of profit and loss.

y. Cash flow statement

Cash flow statement is prepared in accordance with the indirect method prescribed in Ind AS 7 'Statement of Cash Flows'

z. Share issue expenses

The share issue expenses incurred by the Company on account of new shares issued are netted off from securities premium account . The share issue expenses incurred by the Company on behalf of selling shareholders are considered to be recoverable from selling shareholders and are classified as share issue expenses recoverable under other current financials assets.

3. EVENTS AFTER REPORTING DATE

Where events occurring after the Balance Sheet date provide evidence of conditions that existed at the end of the reporting period, the impact of such events is adjusted within the consolidated financial statements. Otherwise, events after the Balance Sheet date of material size or nature are only disclosed.

(All amounts in Indian Rupees in millions except for share data or otherwise stated)

4 PROPERTY, PLANT AND EQUIPMENT

Particulars	Land	Buildings	Plant and equipment	Data processing equipment	Furniture and fixtures	Vehicles	Lease hold improvements	Total
Gross carrying amount								
As at 1st April, 2020	**-**	**1.64**	**407.70**	**250.06**	**254.23**	**37.38**	**448.18**	**1,399.19**
Additions	79.50	-	112.37	54.02	112.02	7.50	77.97	443.38
Disposals	-	-	(7.88)	(0.53)	(0.01)	(3.21)	(14.67)	(26.30)
As at 31st March, 2021	**79.50**	**1.64**	**512.19**	**303.55**	**366.24**	**41.67**	**511.48**	**1,816.27**
Additions	63.80	-	308.88	119.56	281.47	16.50	234.05	1,024.26
Disposals	-	-	(48.18)	(14.73)	(0.59)	(2.48)	(11.18)	(77.16)
As at 31st March, 2022	**143.30**	**1.64**	**772.89**	**408.38**	**647.12**	**55.69**	**734.35**	**2,763.37**
Accumulated Depreciation								
Up to 1st April, 2020	**-**	**0.36**	**199.56**	**195.26**	**60.86**	**16.99**	**328.10**	**801.13**
Charge for the year	-	0.03	53.27	34.69	27.74	4.38	46.60	166.82
Disposals	-	-	(7.81)	(0.07)	-	(2.00)	(13.36)	(23.24)
Up to 31st March, 2021	**-**	**0.39**	**245.02**	**229.88**	**88.60**	**19.37**	**361.34**	**944.71**
Charge for the year	-	0.03	69.50	51.58	49.86	4.72	64.41	240.10
Disposals	-	-	(13.52)	(14.67)	(0.40)	(2.18)	(9.35)	(40.12)
Up to 31st March, 2022	**-**	**0.42**	**301.00**	**266.79**	**138.06**	**21.91**	**416.40**	**1,144.69**
Net carrying amount								
As at 31st March, 2021	**79.50**	**1.25**	**267.17**	**73.67**	**277.64**	**22.30**	**150.14**	**871.56**
As at 31st March, 2022	**143.30**	**1.22**	**471.90**	**141.59**	**509.06**	**33.78**	**317.95**	**1,618.69**

Notes:

1) All the immovable properties of Optival Health Solutions Private Limited are subject to pari passu charge to secure the Cash Credit loans obtained from banks refer no 19(b). The net carrying value as at 31st March, 2022 is ₹ 293.45 millions. (31st March, 2021: ₹ 149.01 millions).

2) For details of contractual commitment with respect to property, plant and equipment refer note no. 41(A)).

Title deeds of Immovable Properties not held in name of the Group:

Particulars	Description of item of property	Gross carrying value	Title deeds held in the name of	Whether title deed holder is a promoter, director or relative of promoter/ director or employee of promoter/ director	Property held since	Reason for not held in the name of company
Property, plant and equipment	Land	63.80	Natco Pharma Limited	No	20th December, 2020	refer note 1 below

Note 1: property has been transferred vide agreement of sale deed dated 20th December, 2020. However, the Group is in the process of registration.

Notes to consolidated financial statements for the year ended 31st March, 2022 (Contd.)

(All amounts in Indian Rupees in millions except for share data or otherwise stated)

5 CAPITAL WORK-IN-PROGRESS (CWIP)

	As at 31st March, 2022	As at 31st March, 2021
Gross carrying amount		
Opening Balances	**55.35**	**27.75**
Additions during the year	665.50	113.36
Capitalised during the year	(516.38)	(85.76)
Closing Balance	**204.47**	**55.35**

CWIP Aging Schedule

As at 31st March, 2022

CWIP	Amount in CWIP for a period of				Total
	Less than 1 year	1-2 years	2-3 years	More than 3 years	
Projects in progress*	178.78	13.67	10.73	1.29	204.47
Projects temporarily suspended	-	-	-	-	-

As at 31st March, 2021

CWIP	Amount in capital-work-in-progress for a period of				Total
	Less than 1 year	1-2 years	2-3 years	More than 3 years	
Projects in progress*	37.75	16.31	1.29	-	55.35
Projects temporarily suspended	-	-	-	-	-

* As at 31st March, 2022 ₹ 18.26 millions (31st March, 2021: ₹ 14.07 millions) is related to development of automation machinery for warehouse activities and the machinery is in the final stage of testing.

6 OTHER INTANGIBLE ASSETS

Particulars	Software	Goodwill on consolidation	Goodwill
Gross carrying amount			
As at 1st April, 2020	**49.89**	**414.51**	**17.78**
Additions	28.58	-	-
Disposals	(0.10)	-	-
As at 31st March, 2021	**78.37**	**414.51**	**17.78**
Additions	35.56	-	-
As at 31st March, 2022	**113.93**	**414.51**	**17.78**
Accumulated Depreciation			
Up to 1st April, 2020	**32.11**	**-**	**17.78**
Charge for the year	8.13	-	-
Disposals	(0.08)	-	-
Up to 31st March, 2021	**40.16**	**-**	**17.78**
Charge for the year	11.24	-	-
Up to 31st March, 2022	**51.40**	**-**	**17.78**
Net Block			
As at 31st March, 2021	**38.21**	**414.51**	**-**
As at 31st March, 2022	**62.53**	**414.51**	**-**

Notes to consolidated financial statements for the year ended 31st March, 2022 (Contd.)

(All amounts in Indian Rupees in millions except for share data or otherwise stated)

6 OTHER INTANGIBLE ASSETS (CONTD.)

Impairment testing for cash generating unit (CGU) containing goodwill -

The Group has identified each entity as a separate CGU, breakup of entity wise goodwill is mentioned below -

Company's Name	As at 31st March, 2022	As at 31st March, 2021
Optival Health Solutions Private Limited	387.69	387.69
MHS Pharmaceuticals Private Limited	0.16	0.16
Venkata Krishna Enterprises Private Limited	0.71	0.71
Deccan Medisales Private Limited	3.07	3.07
Shri Banashankari Pharma Private Limited	1.26	1.26
Sidson Pharma Distributors Private Limited	20.55	20.55
Kalyani Meditimes Private Limited	1.07	1.07
Total	**414.51**	**414.51**

The Group has determined that goodwill on account of acquisition of subsidiaries has indefinite useful life. The recoverable amount has been determined based on a value in use model. Value-in-use is generally calculated as the net present value of the projected post-tax cash flows plus a terminal value. Key assumptions upon which the Group has based its determinations of value-in-use include:

a. Estimated cash flows for five years, based on management's projections

b. A terminal value arrived at by extrapolating the last forecasted year cash flows to perpetuity, using a constant long-term growth rate of 5% (previous years: 5%). This long-term growth rate takes into consideration external macroeconomic sources of data. Such long-term growth rate considered does not exceed that of the relevant business and industry sector.

c. The after tax discount rates used are based on the Company's weighted average cost of capital.

d. The discount rates used for discounting free cash flows and terminal value is 12.00% (previous years: 12.02%) (post-tax discount rate).

e. Annual growth rate considered for 5 years (average) is 30.40% (previous years: 15.50%)

Weighted Average Cost of Capital % (WACC) = Risk free return + (Market premium x Beta for the Company). The Group believes that any reasonably possible change in the key assumptions on which a recoverable amount is based would not cause the aggregate carrying amount to exceed the aggregate recoverable amounts. Accordingly, no impairment charges were recognised during the year ended 31st March, 2022 and 31st March, 2021.

7 RIGHT-OF-USE ASSETS

	As at 31st March, 2022	As at 31st March, 2021
Right-of-use assets (Refer note:40)	5,891.57	3,848.73
	5,891.57	**3,848.73**

8 LOANS

	As at 31st March, 2022	As at 31st March, 2021
Non-current		
Unsecured, doubtful		
Loans to others*	26.00	26.00
Less: Provision for doubtful balances	(26.00)	(26.00)
	-	**-**

* The loan is pending to be repaid by the party even after it is due for repayment, provision has been made by the Company.

There are no loans given to directors or other officers of the Group either severally or jointly with any other person or loans given to firms or private companies respectively in which any director is a partner, a director or a member.

Notes to consolidated financial statements for the year ended 31st March, 2022 (Contd.)

(All amounts in Indian Rupees in millions except for share data or otherwise stated)

9 OTHER FINANCIAL ASSETS

	As at 31st March, 2022	As at 31st March, 2021
Non-current		
Unsecured, considered good		
Security deposits	691.39	550.12
Bank Deposits with remaining maturity for more than 12 months (refer note 1 below)	0.21	0.47
(A)	**691.60**	**550.59**
Unsecured, considered doubtful		
Advance to employees	0.80	0.57
Security deposits	14.47	13.21
	15.27	**13.78**
Less: Provision for doubtful advances and deposits	(15.27)	(13.78)
(B)	**-**	**-**
Total non-curren (A+B)	**691.60**	**550.59**
Current		
Unsecured, considered good		
Discount receivable from suppliers	65.81	46.40
Bank Deposits with remaining maturity of less than 12 months	6,231.34	305.04
Advance to employees	4.67	1.74
Interest accrued on bank deposits	47.04	6.46
Deposit with others (refer note 2 below)	30.00	-
Share issue expenses receivable (refer note 3 below)	172.28	-
Total current	**6,551.14**	**359.64**

Notes:

1) Deposits are pledged with Tax authorities.

2) Deposits with Bombay Stock Exchange Limited ('BSE') for the purpose of IPO.

3) The Group has spent/ accrued ₹ 536.83 million towards IPO related expenses which includes legal expenses, certification fees, listing fees, audit expenses and others. These expenses are shared between the selling shareholders and company in proportion of their shares. The share issue expenses incurred by the Company on behalf of selling shareholders are considered to be recoverable from selling shareholders/ IPO public issue account and are classified as share issue expenses receivable under other current financial assets.

10 TAX ASSETS

	As at 31st March, 2022	As at 31st March, 2021
Non-current		
Advance Tax (Net of provision ₹ 745.57 millions (31st March, 2021: ₹ 184.91 millions))	146.70	119.35
	146.70	**119.35**
Current		
Advance tax	0.62	-
	0.62	**-**

Notes to consolidated financial statements for the year ended 31st March, 2022 (Contd.)

(All amounts in Indian Rupees in millions except for share data or otherwise stated)

11 OTHER ASSETS

	As at 31st March, 2022	As at 31st March, 2021
Non-current		
Unsecured, considered good		
Balances with statutory/ government authorities	18.86	31.20
Capital advances	119.16	99.43
Other advances	5.85	10.73
(A)	**143.87**	**141.36**
Unsecured, considered doubtful		
Balances with statutory/ government authorities	1.22	1.22
	1.22	**1.22**
Less: Provision for doubtful balances	(1.22)	(1.22)
(B)	-	-
Total non-current (A+B)	**143.87**	**141.36**
Current		
Unsecured, considered good		
Other advances and recoverable	102.31	78.79
Balances with statutory/ government authorities	76.21	29.97
Grant receivable	11.60	-
Prepaid expenses	20.63	22.84
	210.75	**131.60**
Doubtful		
GST Receivable	0.68	0.68
VAT Receivable	0.43	0.48
	1.11	**1.16**
Provision for doubtful balances	(1.11)	(1.16)
	-	-
Total current	**210.75**	**131.60**

12 INVENTORIES

	As at 31st March, 2022	As at 31st March, 2021
(Values at lower of cost and net realisable value)		
Stock-in-trade including goods in transit of ₹ 183.77 millions (31st March, 2021 ₹ 183.49 millions)	8,971.07	7,377.77
Raw materials	27.11	17.83
Packing material	6.07	4.54
Finished goods	20.26	19.42
Work-in-progress	2.61	2.37
Stores and spares	122.72	77.64
	9,149.84	**7,499.57**

During the year ended 31st March, 2022, the Group recorded inventory write-down to net realisable value of ₹ 165.05 millions (31st March, 2021: ₹ 117.02 millions) in the consolidated statement of profit and loss.

As on 31st March, 2022 the Inventories includes contract asset of ₹ 20.95 millions (31st March, 2021: ₹ 22.07 millions) representing the right to the returned goods.

The inventories of stock-in-trade are subject to a pari passu charge to banks to obtain the cash credit facility (refer Note: 19(b))

Notes to consolidated financial statements for the year ended 31st March, 2022 (Contd.)

(All amounts in Indian Rupees in millions except for share data or otherwise stated)

13 CURRENT INVESTMENTS

	As at 31st March, 2022	As at 31st March, 2021
Investment in gold and silver	0.33	0.33
	0.33	**0.33**

14 TRADE RECEIVABLES

	As at 31st March, 2022	As at 31st March, 2021
Non-Current		
Trade receivables which have significant increase in credit risk	-	-
Trade receivables - credit impaired	0.81	1.30
	0.81	**1.30**
Less: Impairment Allowance (allowance for bad and doubtful debts)	(0.81)	(1.30)
Total	**-**	**-**
Current		
Trade receivables considered good - unsecured	60.36	53.67
Trade receivables which have significant increase in credit risk	-	-
Trade receivables - credit impaired	6.88	19.43
	67.24	**73.10**
Less: Impairment Allowance (allowance for bad and doubtful debts)	(6.88)	(19.43)
Total	**60.36**	**53.67**

There are no trade or other receivables due from directors or other officers of the Company either severally or jointly with any other person or dues from firms or private companies respectively in which any director is a partner, a director or a member.

Trade receivables are non-interest bearing and are generally on terms of 30 to 60 days.

Ageing for trade receivables as at 31st March, 2022 is as follows:

Particulars	Not Due	Outstanding for following periods from due date of payment					Total
		Less than 6 months	6 months - 1 year	1-2 years	2-3 years	More than 3 years	
Trade receivables - Billed							
(i) Undisputed Trade receivables – considered good	43.34	10.91	5.22	0.69	0.10	0.10	60.36
(ii) Undisputed Trade Receivables – which have significant increase in credit risk	-	-	-	-	-	-	-
(iii) Undisputed Trade Receivables – credit impaired	-	0.36	1.14	1.17	1.08	3.94	7.69
(iv) Disputed Trade Receivables– considered good	-	-	-	-	-	-	-
(v) Disputed Trade Receivables – which have significant increase in credit risk	-	-	-	-	-	-	-
(vi) Disputed Trade Receivables – credit Impaired	-	-	-	-	-	-	-
Total	**43.34**	**11.27**	**6.36**	**1.86**	**1.18**	**4.04**	**68.05**
Less: Allowance for doubtful trade receivables - Billed							**(7.69)**
							60.36

Notes to consolidated financial statements for the year ended 31st March, 2022 (Contd.)

(All amounts in Indian Rupees in millions except for share data or otherwise stated)

14 TRADE RECEIVABLES (CONTD.)

Ageing for trade receivables as at 31st March, 2021 is as follows:

Particulars	Not Due	Outstanding for following periods from due date of payment					Total
		Less than 6 months	6 months - 1 year	1-2 years	2-3 years	More than 3 years	
Trade receivables - Billed							
(i) Undisputed Trade receivables – considered good	40.11	7.37	2.49	3.52	0.13	0.05	53.67
(ii) Undisputed Trade Receivables – which have significant increase in credit risk	-	-	-	-	-	-	-
(iii) Undisputed Trade Receivables – credit impaired	-	0.17	0.30	2.33	16.70	1.23	20.73
(iv) Disputed Trade Receivables– considered good	-	-	-	-	-	-	-
(v) Disputed Trade Receivables – which have significant increase in credit risk	-	-	-	-	-	-	-
(vi) Disputed Trade Receivables – credit Impaired	-	-	-	-	-	-	-
Total	**40.11**	**7.54**	**2.79**	**5.85**	**16.83**	**1.28**	**74.40**
Less: Allowance for doubtful trade receivables - Billed							**(20.73)**
							53.67

15 CASH AND CASH EQUIVALENTS

	As at 31st March, 2022	As at 31st March, 2021
Cash on hand	72.79	57.49
Balances with banks		
- On current accounts	132.66	145.67
- Bank deposits with original maturity of less than three months	9.10	865.00
	214.55	**1,068.16**

16 BANK BALANCES OTHER THAN ABOVE

	As at 31st March, 2022	As at 31st March, 2021
Bank deposits with original maturity more than 3 months and less than 12 months *	129.50	117.79
	129.50	**117.79**

*Deposits are charged to Banks for obtaining cash credit facility (Refer Note: 19(b))

17. SHARE CAPITAL

	As at 31st March, 2022	As at 31st March, 2021
Equity shares		
Authorised share capital		
(i) Equity shares of ₹ 2/- each (31st March, 2021: ₹ 10/- each)		
As at beginning of the year (465,000 (31st March, 2021: 215,000) equity shares)	4.65	2.15
Increase during the year on account of split (1,860,000 (31st March, 2021: Nil equity shares of ₹ 10/- each) equity shares of ₹ 2/- each)*	-	-
Cancellation of 21,950,000 unissued preference shares having face value of ₹ 20 each and increase of 219,500,000 equity shares having face value of ₹ 2 each	439.00	-
Increase during the year (49,058,000 (31st March, 2021: 250,000) equity shares)	98.12	2.50

Notes to consolidated financial statements for the year ended 31st March, 2022 (Contd.)

(All amounts in Indian Rupees in millions except for share data or otherwise stated)

17. SHARE CAPITAL (CONTD.)

	As at 31st March, 2022	As at 31st March, 2021
As at end of the year (270,883,000 (31st March, 2021: 465,000 equity shares of ₹ 10/- each) equity shares of ₹ 2 /- each)	**541.77**	**4.65**
*On July 23, 2021 the equity shares of the Company having the face value of ₹ 10 each were subdivided into 5 equity shares having face value of ₹ 2 each. Accordingly 465,000 equity shares of face value of ₹ 10 each were subdivided into 2,325,000 equity shares of face value of ₹ 2 each.		
(ii) Preference shares of ₹ 20/- each		
As at beginning of the year (2,19,50,000 (31st March, 2021: 6,117,500) preference shares) of ₹ 10/- each preference shares	439.00	122.35
Increase during the year (31st March, 2021: 15,832,500) preference shares	-	316.65
Cancellation of 21,950,000 unissued preference shares having face value of ₹ 20 each	(439.00)	-
As at end of the year (Nil (31st March, 2021: 21,950,000) preference shares)	**-**	**439.00**
Total Authorised share capital	**541.77**	**443.65**
Equity shares		
Issued, subscribed and fully paid up shares (No's)		
(i) Equity shares		
119,305,676 (31st March, 2021: 458,409 equity shares of ₹ 10/- each) equity shares of ₹ 2/- each	238.61	4.58
Amount Recovered during the year		
Less: amount recoverable from MedPlus Employees Benefit Trust (ESOP Trust) 419,841 (31st March, 2021: 21,764) equity shares of ₹ 2/- each, allotted to MedPlus Employees Benefit Trust (refer note 39)]	(0.01)	(0.10)
Total Issued, subscribed and fully paid up equity share capital	**238.60**	**4.48**
(ii) Compulsorily Convertible Preference Shares ('CCPS')		
Series A		
0.001% Series A CCPS of ₹ 20/- each (31st March, 2022: Nil ; 31st March, 2021: 2,836,421)	-	56.72
Less: CCPS included under equity component of compound financial instrument (refer note 51)	-	(56.72)
	-	-
Series B		
0.001% Series B CCPS of ₹ 20/- each (31st March, 2022: Nil ; 31st March, 2021:11,951,680)	-	239.03
Less: CCPS included under equity component of compound financial instrument (refer note 51)	-	(239.03)
	-	-
Series B1		
0.001% Series B1 CCPS of ₹ 20/- each (31st March, 2022: Nil ; 31st March, 2021: 3,053,560)	-	61.07
Less: CCPS included under equity component of compound financial instrument (refer note 51)	-	(61.07)
	-	-

Notes to consolidated financial statements for the year ended 31st March, 2022 (Contd.)

(All amounts in Indian Rupees in millions except for share data or otherwise stated)

17. SHARE CAPITAL (CONTD.)

	As at 31st March, 2022	As at 31st March, 2021
Series B2		
0.001% Series B2 CCPS of ₹ 20/- each (31st March, 2022: Nil ; 31st March, 2021: 3,331,120)	-	66.62
Less: CCPS included under equity component of compound financial instrument (refer note 51)	-	(66.62)
	-	-
Series C1		
0.001% Series C1 CCPS of ₹ 20/- each (31st March, 2022: Nil ; 31st March,2021: 560,896) (refer note 51)	-	11.22
Less: CCPS included under equity component of compound financial instrument (refer note 51)	-	(11.22)
	-	-
Series C2		
0.001% Series C2 CCPS of ₹ 20/- each (31st March, 2022: Nil ; 31st March, 2021: 160,147) (refer note 51)	-	3.20
Less: CCPS included under equity component of compound financial instrument (refer note 51)	-	(3.20)
	-	-
Total issued, subscribed and fully paid up share capital	**238.60**	**4.48**

(a) Reconciliation of the shares outstanding at the beginning and at the end of the year

i) **Equity shares**	As at 31st March, 2022		As at 31st March, 2021	
	No. of shares	₹	No. of shares	₹
At the beginning of the year	4,58,409	4.58	2,03,735	2.04
Add:				
Increase in shares on account of subdivision *	18,33,636	-	-	-
Conversion of Series A CCPS in to equity shares	1,41,82,105	28.36	-	-
Conversion of Series B CCPS in to equity shares	5,97,58,400	119.52	-	-
Conversion of Series B1 CCPS in to equity shares	1,52,67,800	30.54	-	-
Conversion of Series B2 CCPS in to equity shares	1,68,16,850	33.63	-	-
Conversion of Series C1 CCPS in to equity shares	28,04,480	5.61	-	-
Conversion of Series C2 CCPS in to equity shares	6,39,485	1.28	-	-
Increase in shares pursuant to IPO**	75,44,511	15.09	-	-
Bonus Shares issued during the year (refer Note 17(g))	-	-	2,54,674	2.54
Outstanding at the end of the year	11,93,05,676	238.61	4,58,409	4.58
Less : Recoverable from ESOP trust (refer to note 39)	(4,19,841)	(0.01)	(21,764)	(0.10)
Net outstanding at the end of the year	**11,88,85,835**	**238.60**	**4,36,645**	**4.48**

* On 23rd July, 2021 the equity shares of the Parent Company having the face value of ₹ 10 each were subdivided into 5 equity shares having face value of ₹ 2 each. Accordingly 458,409 equity shares of face value of ₹ 10 each were subdivided into 2,292,045 equity shares of face value of ₹ 2 each.

** The Parent Company has completed its Initial Public Offer ('IPO') and listed its equity shares on BSE Limited ('BSE') and National Stock Exchange of India Limited ('NSE') on 23rd December, 2021.The Parent Company has made fresh Issue of 7,544,511 equity shares.(refer note 56)

Notes to consolidated financial statements for the year ended 31st March, 2022 (Contd.)

(All amounts in Indian Rupees in millions except for share data or otherwise stated)

17. SHARE CAPITAL (CONTD.)

ii) 0.001% Series A compulsorily convertible preference shares	As at 31st March, 2022		As at 31st March, 2021	
	No. of shares	₹	No. of shares	₹
At the beginning of the year	28,36,421	56.72	30,747	0.61
Bonus Shares issued during the year (refer Note 17(g))	-	-	28,05,674	56.11
Conversion of 2,836,421, 0.001% Series A CCPS into 14,182,105 equity shares of ₹ 2 each	(28,36,421)	(56.72)	-	-
Less: CCPS included under equity component of compound financial instruments	-	-	(28,36,421)	(56.72)
Outstanding at the end of the year	**-**	**-**	**-**	**-**

iii) 0.001% Series B compulsorily convertible preference shares	As at 31st March, 2022		As at 31st March, 2021	
	No. of shares	₹	No. of shares	₹
At the beginning of the year	1,19,51,680	239.03	-	-
Bonus Shares issued during the year (refer Note 17(g))	-	-	1,19,51,680	239.03
Conversion of 11,951,680, 0.001% Series B CCPS into 59,758,400 equity shares of ₹ 2 each	(1,19,51,680)	(239.03)	-	-
Less: CCPS included under equity component of compound financial instrument	-	-	(1,19,51,680)	(239.03)
Outstanding at the end of the year	**-**	**-**	**-**	**-**

iv) 0.001% Series B1 compulsorily convertible preference shares	As at 31st March, 2022		As at 31st March, 2021	
	No. of shares	₹	No. of shares	₹
At the beginning of the year	30,53,560	61.07	-	-
Bonus Shares issued during the year (refer Note 17(g))	-	-	30,53,560	61.07
Conversion of 3,053,560, 0.001% Series B1 CCPS into 15,267,800 equity shares of ₹ 2 each	(30,53,560)	(61.07)	-	-
Less: CCPS included under equity component of compound financial instruments			(30,53,560)	(61.07)
Outstanding at the end of the year	**-**	**-**	**-**	**-**

v) 0.001% Series B2 compulsorily convertible preference shares	As at 31st March, 2022		As at 31st March, 2021	
	No. of shares	₹	No. of shares	₹
At the beginning of the year	33,31,120	66.62	-	-
Bonus Shares issued during the year (refer Note 17(g))	-	-	33,31,120	66.62
Conversion of 1,654,702, 0.001% Series B2 CCPS into 8,273,510 equity shares of ₹ 2 each	(16,54,702)	(33.09)	-	-
Conversion of 1,676,418, 0.001% Series B2 CCPS into 8,543,340 equity shares of ₹ 2 each	(16,76,418)	(33.53)	-	-
Less: CCPS included under equity component of compound financial instruments	-	-	(33,31,120)	(66.62)
Outstanding at the end of the year	**-**	**-**	**-**	**-**

vi) 0.001% Series C1 compulsorily convertible preference shares	As at 31st March, 2022		As at 31st March, 2021	
	No. of shares	₹	No. of shares	₹
At the beginning of the year	5,60,896	11.22	-	-
Issued during the year (Refer Note 51)	-	-	5,60,896	11.22
Conversion of 560,896, 0.001% Series C1 CCPS into 2,804,480 equity shares of ₹ 2 each	(5,60,896)	(11.22)	-	-
Less: CCPS included under equity component of compound financial instruments			(5,60,896)	(11.22)
Outstanding at the end of the year	**-**	**-**	**-**	**-**

(All amounts in Indian Rupees in millions except for share data or otherwise stated)

17. SHARE CAPITAL (CONTD.)

vii) 0.001% Series C2 compulsorily convertible preference shares	As at 31st March, 2022		As at 31st March, 2021	
	No. of shares	₹	No. of shares	₹
At the beginning of the year	1,60,147	3.20	-	-
Issued during the year (Refer Note 51)	-	-	1,60,147	3.20
Conversion of 160,147, 0.001% Series C2 CCPS into 639,485 equity shares of ₹ 2 each	(1,60,147)	(3.20)	-	-
Less: CCPS included under equity component of compound financial instruments	-	-	(1,60,147)	(3.20)
Outstanding at the end of the year	**-**	**-**	**-**	**-**

(b) Terms/ rights attached to equity shares

i) Equity shares

The Company has only one class of equity shares having par value of ₹ 2 per share (31st March, 2021 - ₹ 10 per share). Each holder of equity shares is entitled to one vote per share. The Company declares and pays dividends in Indian rupees.

In the event of liquidation of the Group, the holders of equity shares will be entitled to receive remaining assets of the Group, after distribution of all preferential amounts. The distribution will be in proportion to the number of equity shares held by the shareholders (also refer note 51).

ii) 0.001% Series A compulsorily convertible preference shares

The Company has issued 0.001% Series A compulsorily convertible preference shares ('CCPS') having face value of ₹ 20 per share. The CCPS carries preference as to dividend over equity share holders. If dividend on cumulative preference shares is not declared for a financial year, the entitlement thereto is carried forward to the next year. The preference share holders are entitled to one vote per share at meetings of the Company on any resolutions of the Company directly affecting their rights on fully convertible basis. In the event of liquidation, preference shareholders have a preferential right over equity shareholders to be repaid to the extent of capital paid-up and dividend in arrears on such shares (also refer note 51).

iii) 0.001% Series B compulsorily convertible preference shares

The Company has issued 0.001% Series B compulsorily convertible preference shares ('CCPS') having face value of ₹ 20 per share. The CCPS carries preference as to dividend over equity share holders. If dividend on cumulative preference shares is not declared for a financial year, the entitlement thereto is carried forward to the next year. The preference share holders are entitled to one vote per share at meetings of the Company on any resolutions of the Company directly affecting their rights on fully convertible basis (also refer note 51).

iv) 0.001% Series B1 compulsorily convertible preference shares

The Company has issued 0.001% Series B1 compulsorily convertible preference shares ('CCPS') having face value of ₹ 20 per share. The CCPS carries preference as to dividend over equity share holders. If dividend on cumulative preference shares is not declared for a financial year, the entitlement thereto is carried forward to the next year. The preference share holders are entitled to one vote per share at meetings of the Company on any resolutions of the Company directly affecting their rights on fully convertible basis (also refer note 51).

v) 0.001% Series B2 compulsorily convertible preference shares

The Company has issued 0.001% Series B2 compulsorily convertible preference shares ('CCPS') having face value of ₹ 20 per share. The CCPS carries preference as to dividend over equity share holders. If dividend on cumulative preference shares is not declared for a financial year, the entitlement thereto is carried forward to the next year. The preference share holders are entitled to one vote per share at meetings of the Company on any resolutions of the Company directly affecting their rights on fully convertible basis (also refer note 51).

Notes to consolidated financial statements for the year ended 31st March, 2022 (Contd.)

(All amounts in Indian Rupees in millions except for share data or otherwise stated)

17. SHARE CAPITAL (CONTD.)

vi) 0.001% Series C1 compulsorily convertible preference shares

The Company has issued 0.001% Series C1 compulsorily convertible preference shares ('CCPS') having face value of ₹ 20 per share. The CCPS carries preference as to dividend over equity share holders. If dividend on cumulative preference shares is not declared for a financial year, the entitlement thereto is carried forward to the next year. The preference share holders are entitled to one vote per share at meetings of the Company on any resolutions of the Company directly affecting their rights on fully convertible basis. In the event of liquidation, preference shareholders have a preferential right in accordance with the terms of the agreement (also refer note 51).

vii) 0.001% Series C2 compulsorily convertible preference shares

The Company has issued 0.001% Series C2 compulsorily convertible preference shares ('CCPS') having face value of ₹ 20 per share. The CCPS carries preference as to dividend over equity share holders. If dividend on cumulative preference shares is not declared for a financial year, the entitlement thereto is carried forward to the next year. The preference share holders are entitled to one vote per share at meetings of the Company on any resolutions of the Company directly affecting their rights on fully convertible basis. In the event of liquidation, preference shareholders have a preferential right in accordance with the terms of the agreement (also refer note 51).

c) Terms of conversion of preference shares

i) 0.001% Series A compulsorily convertible preference shares

0.001% Series A Compulsorily convertible preference shares ('CCPS') having face value of ₹ 20 per share shall be entitled to be converted into equity shares at the earliest of the following events in the manner stipulated under Articles of association ('AOA'):

a. upon filing of the Draft Red Herring Prospectus with SEBI in connection with the Initial Public Offer ('IPO') and

b. exercise of option by the CCPS shareholder in respect of either the full or part of the CCPS , not later than maturity date i.e., 19 years from the issue date.

ii) 0.001% Series B compulsorily convertible preference shares

0.001% Series B Compulsorily convertible preference shares ('CCPS') having face value of ₹ 20 per share shall be entitled to be converted into equity shares at the earliest of the following events in the manner stipulated under Articles of association ('AOA'):

a. upon filing of the Red Herring Prospectus with SEBI in connection with the IPO and

b. exercise of option by the CCPS shareholder in respect of either the full or part of the CCPS, not later than maturity date i.e., 19 years from the issue and allotment date.

iii) 0.001% Series B1 compulsorily convertible preference shares

0.001% Series B1 Compulsorily convertible preference shares ('CCPS') having face value of ₹ 20 per share shall be entitled to be converted into equity shares at the earliest of the following events in the manner stipulated under Articles of association ('AOA'):

a. upon occurrence of the B1 Measurement Event i.e., (i) one day prior to filing of the Red Herring Prospectus ('RHP') for an IPO or Qualified IPO as defined in the agreement or (ii) Transfer of all New Investor 3 Specific Shares pursuant to (a) a Third Party Sale, (b) a Strategic Sale or (c) any other sale of all the New Investor 3 Specific Shares, which, in case of (ii) above, would be deemed to be Transferred last, i.e., after Transfer of all other Shares in the Company held by the New Investor 3; and

b. B1 CCPS that have not been converted into Equity Shares as per option above, shall compulsorily convert into Equity Shares on the Maturity Date i.e.,19 years from the issue and allotment date.

Notes to consolidated financial statements for the year ended 31st March, 2022 (Contd.)

(All amounts in Indian Rupees in millions except for share data or otherwise stated)

17. SHARE CAPITAL (CONTD.)

iv) 0.001% Series B2 compulsorily convertible preference shares

0.001% Series B2 Compulsorily convertible preference shares ('CCPS') having face value of ₹ 20 per share shall be entitled to be converted into equity shares at the earliest of the following events in the manner stipulated under Articles of association ('AOA'):

a. upon occurrence of the B2 Measurement Event i.e., (i) one day prior to filing of the Red Herring Prospectus ('RHP') for an IPO or Qualified IPO as defined in the agreement or (ii) Transfer of all the Subscription Shares 2 pursuant to (a) a Third Party Sale, (b) a Strategic Sale or (c) any other sale of all the Subscription Shares 2 Shares, which, in case of (ii) above, would be deemed to be Transferred last, i.e., after Transfer of all other Shares in the Company held by the Investor; and

b. B2 CCPS that have not been converted into Equity Shares as per option above, shall compulsorily convert into Equity Shares on the Maturity Date i.e.,19 years from the issue and allotment date.

v) 0.001% Series C1 compulsorily convertible preference shares

0.001% Series C1 Compulsorily convertible preference shares ('CCPS') having face value of ₹ 20 per share shall be entitled to be converted into equity shares at the earliest of the following events in the manner stipulated under Articles of association ('AOA'):

a. upon occurrence of the New Investor 3 Measurement Event i.e.,(i) one day prior to filing of the Red Herring Prospectus ('RHP') for an IPO or Qualified IPO as defined in the agreement or (ii) Transfer of all New Investor 3 Specific Shares pursuant to (a) a Third Party Sale, (b) a Strategic Sale or (c) any other sale of all the New Investor 3 Specific Shares, which, in case of (ii) above, would be deemed to be Transferred last, i.e., after Transfer of all other Shares in the Company held by the New Investor 3; and

b. exercise of option by the CCPS shareholder in respect of either the full or part of the CCPS, not later than maturity date i.e., 19 years from the issue and allotment date.

vi) 0.001% Series C2 compulsorily convertible preference shares

0.001% Series C2 Compulsorily convertible preference shares ('CCPS') having face value of ₹ 20 per share shall be entitled to be converted into equity shares at the earliest of the following events in the manner stipulated under Articles of association ('AOA'):

a. upon occurrence of the Investor Measurement Event i.e., (i) one day prior to filing of the Red Herring Prospectus ('RHP') for an IPO or Qualified IPO as defined in the agreement or (ii) Transfer of all the Subscription Shares 2 pursuant to (a) a Third Party Sale, (b) a Strategic Sale or (c) any other sale of all the Subscription Shares 2 Shares, which, in case of (ii) above, would be deemed to be Transferred last, i.e., after Transfer of all other Shares in the Company held by the Investor; and

b. exercise of option by the CCPS shareholder in respect of either the full or part of the CCPS, not later than maturity date i.e., 19 years from the issue and allotment date.

(d) Details of shareholders holding more than 5% shares in the Company

	As at 31st March, 2022		As at 31st March, 2021	
	No. of shares	% of holding	No. of shares	% of holding
Equity shares of ₹ 10 each fully paid up				
G.Madhukar Reddy*	1,53,50,400	12.87%	74,880	16.33%
PI Opportunities Fund I	1,68,34,759	14.11%	47,999	10.47%
Lavender Rose Investment Limited	2,05,63,607	17.24%	1,20,335	26.25%
Lone furrow investment private limited	1,72,33,240	14.44%	83,278	18.17%
Agilemed Investments Private Limited	1,56,49,495	13.12%	76,339	16.65%
SBI Mutual Fund	1,06,23,576	8.90%	-	0.00%

Notes to consolidated financial statements for the year ended 31st March, 2022 (Contd.)

(All amounts in Indian Rupees in millions except for share data or otherwise stated)

17. SHARE CAPITAL (CONTD.)

	As at 31st March, 2022		As at 31st March, 2021	
	No. of shares	% of holding	No. of shares	% of holding
0.001% Series A compulsorily convertible preference shares				
PI Opportunities Fund I	-	-	28,36,421	100.00%
0.001% Series B compulsorily convertible preference shares				
Madhukar Reddy Gangadi	-	-	29,95,200	25.06%
MedPlus Employees Benefit Fund	-	-	8,70,560	7.28%
PI Opportunities Fund I	-	-	19,19,960	16.06%
Lavender Rose Investment Limited	-	-	48,13,400	40.27%
0.001% Series B1 compulsorily convertible preference shares				
Agilemed Investments Private Limited	-	-	17,21,445	100.00%
0.001% Series B2 compulsorily convertible preference shares				
Lone furrow investment private limited	-	-	16,76,418	100.00%
0.001% Series C1 compulsorily convertible preference shares				
Lavender Rose Investment Limited	-	-	5,60,896	100.00%
0.001% Series C2 compulsorily convertible preference shares				
PI Opportunities Fund I	-	-	1,60,147	100.00%

* Includes 2,600 shares pledged in favour of the Debenture Trustees for the Debentures obtained by the Holding Company during the previous years which was discharged in February 2021.

(e) During the five previous years no shares have been bought back or issued for consideration other than cash except for bonus shares issued which have been disclosed in point (g) below.

(f) Shares reserved for issue under options

For details of shares reserved for issue under the Employee Stock Options and Shares Plan, 2009 (ESOP 2009) of the Company. (refer note 39)

(g) Details of Bonus issue

	Number of shares
During the year ended 31st March, 2021 the following bonus shares were issued by way of capitalisation of securities premium balance:	
(i) 1.25 equity shares issued as bonus for every 1 equity share held by the equity share holders, rounded off to nearest number	2,54,674
(ii) 1.25 Series A CCPS shares issued as bonus for every 1 Series A CCPS held by the Series A CCPS holders, rounded off to nearest number	38,434
(iii) 40 Series A CCPS shares issued as bonus for every 1 Series A CCPS held by the Series A CCPS holders after considering the impact of bonus issue as per (ii) above, rounded off to nearest number	27,67,240
(iv) 40 Series B CCPS shares issued as bonus for every 1 equity shares held by the equity share holders after considering the impact of bonus issue as per (i) above and except to Lone furrow investment private limited and Agilemed Investments Private Limited, rounded off to nearest number	1,19,51,680
(v) 40 Series B1 CCPS shares issued as bonus for every 1 equity shares held by Agilemed Investments Private Limited after considering the impact of bonus issue as per (i) above, rounded off to nearest number	30,53,560
(vi) 40 Series B2 CCPS shares issued as bonus for every 1 equity shares held by Lone furrow investment private limited after considering the impact of bonus issue as per (i) above, rounded off to nearest number	33,31,120
	2,13,96,708

Notes to consolidated financial statements for the year ended 31st March, 2022 (Contd.)

(All amounts in Indian Rupees in millions except for share data or otherwise stated)

17. SHARE CAPITAL (CONTD.)

(h) Details of Promoter shareholdin

Promoter Name	As at 31st March, 2022			As at 31st March, 2021	
	No. of Shares	%of total shares	% Change during the year	No. of Shares	%of total shares
Equity shares					
Madhukar Reddy Gangadi	1,53,50,400	12.87%	(3.47%)	74,880	16.33%
Agilemed Investments Private Limited	1,56,49,495	13.12%	(3.54%)	76,339	16.65%
Lone Furrow Investment Limited	1,72,33,240	14.44%	(3.72%)	83,278	18.17%
Compulsorily Convertible Preference Shares ('CCPS')					
Series B					
Madhukar Reddy Gangadi	-	-	-	29,95,200	25.06%
Series B1					
Agilemed Investments Private Limited	-	-	-	30,53,560	100.00%
Series B2					
Lone Furrow Investment Private Limited	-	-	-	33,31,120	100.00%

18 OTHER EQUITY

	As at 31st March, 2022	As at 31st March, 2021
(i) Securities premium		
Opening balance	2,492.69	2,861.97
Add: Issue of shares (refer note:17)	5,984.91	-
Less: Share Issue expenses	(217.27)	
Add: Conversion of CCPS to equity shares	3,166.16	-
Add: Transferred from Share based payment reserve upon exercise of options	409.05	-
Less: utilised for issue of bonus shares	-	(369.28)
Total	**11,835.54**	**2,492.69**
Less: Amount recoverable from ESOP trust in kind (refer note 39)	(77.44)	(77.44)
Add: Share based payment reserve adjusted against securities premium	67.51	-
Add: Amount recovered from ESOP Trust	5.86	-
	(4.07)	(77.44)
Closing balance	**11,831.47**	**2,415.25**
(ii) Equity component of compound financial instruments		
Opening balance	3,708.06	2,361.34
Less: utilised for issue of bonus shares	-	(56.11)
Add: Bonus Issue of 0.001% Series A compulsorily convertible preference shares ('CCPS') (refer note 17(g))	-	56.11
Add: Bonus Issue of 0.001% Series B compulsorily convertible preference shares ('CCPS') (refer note 17(g))	-	239.03
Add: Bonus Issue of 0.001% Series B1 compulsorily convertible preference shares ('CCPS') (refer note 17(g))	-	61.07
Add: Bonus Issue of 0.001% Series B2 compulsorily convertible preference shares ('CCPS') (refer note 17(g))	-	66.62
Add: Issue of 0.001% Series C1 compulsorily convertible preference shares ('CCPS') (refer note 51)	-	777.90
Add: Issue of 0.001% Series C2 compulsorily convertible preference shares ('CCPS') (refer note 51)	-	222.10
Less: Conversion of 0.001% Series A CCPS into equity shares	(56.72)	-
Less: Conversion of 0.001% Series B CCPS into equity shares	(239.03)	-
Less: Conversion of 0.001% Series B1 CCPS into equity shares	(61.07)	-
Less: Conversion of 0.001% Series B2 CCPS into equity shares	(66.62)	-

Notes to consolidated financial statements for the year ended 31st March, 2022 (Contd.)

(All amounts in Indian Rupees in millions except for share data or otherwise stated)

18 OTHER EQUITY (CONTD.)

	As at 31st March, 2022	As at 31st March, 2021
Less: Conversion of 0.001% Series C1 CCPS into equity shares	(11.22)	-
Less: Conversion of 0.001% Series C2 CCPS into equity shares	(3.20)	-
Less: Transfer Series A CCPS securities premium in to securities premium account	(1,981.65)	-
Less: Transfer Series C1 CCPS securities premium in to securities premium account	(751.12)	-
Less: Transfer Series C2 CCPS securities premium in to securities premium account	(214.46)	-
Less: Transfer Series C2 CCPS fair value increment in to general reserve	(322.97)	-
Less: Share issue expenses	-	(20.00)
Closing balance	**-**	**3,708.06**

Equity component of compound financial instruments includes the following:	As at 31st March, 2022	As at 31st March, 2021
(i) Par value of the instruments issued:		
0.001% Series A compulsorily convertible preference shares ('CCPS') of ₹ 20/- each		
At the beginning of the year	56.72	0.61
Less: Conversion of 0.001% Series A CCPS into equity shares	(56.72)	-
Add: Bonus shares issued during the year	-	56.11
At the end of the year	-	56.72
0.001% Series B compulsorily convertible preference shares ('CCPS') of ₹ 20/- each		
At the beginning of the year	239.03	-
Add: Bonus shares issued during the year	-	239.03
Less: Conversion of 0.001% Series B CCPS into equity shares	(239.03)	-
At the end of the year	-	239.03
0.001% Series B1 compulsorily convertible preference shares ('CCPS') of ₹ 20/- each		
At the beginning of the year	61.07	-
Add: Bonus shares issued during the year	-	61.07
Less: Conversion of 0.001% Series B1 CCPS into Equity shares	(61.07)	-
At the end of the year	-	61.07
0.001% Series B2 compulsorily convertible preference shares ('CCPS') of ₹ 20/- each		
At the beginning of the year	66.62	-
Add: Bonus shares issued during the year	-	66.62
Less: Conversion of 0.001% Series B2 CCPS into Equity shares	(66.62)	-
At the end of the year	-	66.62
0.001% Series C1 compulsorily convertible preference shares ('CCPS') of ₹ 20/- each		
At the beginning of the year	11.22	-
Add: Issued during the year (refer note 51)	-	11.22
Less: Conversion of 0.001% Series C2 CCPS in to equity shares	(11.22)	
At the end of the year	-	11.22
0.001% Series C2 compulsorily convertible preference shares ('CCPS') of ₹ 20/- each		
At the beginning of the year	3.20	-
Add: Issued during the year (refer note 51)	-	3.20
Less: Conversion of 0.001% Series C2 CCPS in to equity shares	(3.20)	
At the end of the year	-	3.20

Notes to consolidated financial statements for the year ended 31st March, 2022 (Contd.)

(All amounts in Indian Rupees in millions except for share data or otherwise stated)

18 OTHER EQUITY (CONTD.)

Equity component of compound financial instruments includes the following:	As at 31st March, 2022	As at 31st March, 2021
(ii) Securities premium on CCPS issued		
Opening balance	3,270.20	2,360.73
Add: Issue of CCPS (refer note 51)	-	985.58
Less: CCPS issue expenses	-	(20.00)
Less: Transfer of CCPS securities premium in to securities premium account	(2,947.23)	-
Less: Utilisation for bonus issue	-	(56.11)
Less: Fair value movement in the value of the CCPS transfer to general reserve	(322.97)	-
Less: Amount classified as borrowing (being the liability component of the CCPS) (Refer Note 51*)	-	-
Closing balance	**-**	**3,270.20**
Amount included in 'Equity component of compound financial instruments' above	**-**	**3,708.06**

* Rounded off to millions.

(iii) Share based payments reserve		
Opening balance	486.55	86.95
Add: Gross compensation for options granted during the year	107.37	-
Add: Impact of modification to ESOP Plan (refer note no.39)	-	399.60
Less: Transfer to Security premium account	(409.05)	-
Less: Stock option lapsed	(3.42)	-
Less: Transfer to Amount Recoverable From ESOP Trust In kind	(67.51)	-
Closing balance	**113.94**	**486.55**
(iv) General reserve		
Balance at the beginning and at the end of the year	28.64	28.64
Add: Stock option lapsed	3.42	-
Add: Fair value movement in the value of the CCPS transfer to general reserve	322.97	-
	355.03	**28.64**
(v) Capital reserve		
Balance at the beginning and at the end of the year	0.92	0.92
(vi) Retained earnings		
Opening balance	661.64	13.71
Profit for the year	958.02	638.58
Other comprehensive income for the year	18.10	9.35
Closing balance	**1,637.76**	**661.64**
Total Other equity ((i)+(ii)+(iii)+(iv)+(v)+(vi))	**13,939.12**	**7,301.06**

Nature and purpose of reserves

a) Securities premium

Securities premium is used to record the premium on issue of shares. The premium will be utilised in accordance with the provisions of the Act.

b) Share based payment reserve

The Group has granted equity settled share based payment plans for certain categories of employees of the Group (Refer note 39).

c) General reserve

General reserve is used from time to time to transfer profit from reserves, for appropriation purposes.

d) Capital reserve

The Group has acquired subsidiary through business combination resulting in bargain purchases.

e) Retained earnings

Retained earnings are profits that the Group has earned till date, less any transfers to general reserve, dividends or other distributions paid to shareholders.

Notes to consolidated financial statements for the year ended 31st March, 2022 (Contd.)

(All amounts in Indian Rupees in millions except for share data or otherwise stated)

19 BORROWINGS

	As at 31st March, 2022	As at 31st March, 2021
a. Non current		
Liability component of compound financial instrument*	-	0.00
	-	**0.00**

* Rounded off to millions.

b. Current		
Cash credit from banks (secured)*	1,426.82	1,352.35
	1,426.82	**1,352.35**

Terms of borrowings:

S. No	Bank Name	As at 31st March, 2022	As at 31st March, 2021	Security
1	HDFC Bank Limited	626.31	696.44	refer the below note
2	Axis Bank Limited	800.51	655.90	refer the below note
3	State Bank of India Limited	-	-	No outstanding at the end of the year.
4	Karur Vysya Bank Limited	-	-	No outstanding at the end of the year
	Total	**1,426.82**	**1,352.35**	

Notes

(a) Cash credit facility availed with Axis bank, HDFC bank, State Bank of India and Karur Vysya Bank.

These cash credit facilities are secured by the following:

(i) Pari Passu charge on the entire present and future inventories.

(ii) Pari Passu charge on the entire present and future immovable fixed assets except the following building:

"Unfinished Shop no: G1 in the ground floor of Karna Nil yam in H No:10-1/6 on plot no:3/c at P&T Colony, Gaddiannarm Village, Saroor nagar revenue Mandal, Ranga Reddy District"

(b) Collateral security by way of fixed deposit to Axis Bank Limited, HDFC bank Limited, State Bank of India and Karur Vysya Bank of ₹ 193.50 millions, (31st March, 2021: Axis Bank Limited and HDFC bank Limited of ₹ 234.00 millions).

(c) Corporate guarantee by MedPlus Health Services Limited (formerly known as MedPlus Health Services Private Limited), the holding company.

(d) Personal guarantees of Dr. G.Madhukar Reddy (Director of the Company), No immovable property of personal guarantor shall be encumbered/disposed off without prior consent of the Bank.

Interest rate on cash credit during the year carries floating interest rate ranges from MCLR + 0.45% to 0.55% per annum, MCLR ranges from 7.20% to 7.30% per annum (31st March, 2021 MCLR + 1.10% to 2.00% per annum, MCLR ranges from 8.50% to 9.95% per annum)

(e) The group has complied with the requirement of filing of quarterly returns/statements of current assets with the banks or financial institutions, wherever applicable, and these returns were in agreement with the books of accounts for the year ended ended 31st March, 2022, except for the following periods

Quarter	Name of bank	Particulars	Amount as per books of account	Amount as reported in the quarterly return/ statement	Amount of difference	Reason for material discrepancies
June 30, 2021	Axis Bank Limited and HDFC Bank Limited	Inventories	8,338.93	8,168.98	169.95	Stock in transit not included in amount reported in the quarterly return.

* The cash credit loan availed from the bank has been utilised for working capital requirements of the Company, no amount has been utilised for long term purpose. There is no default in the repayment during the year.

Note: As the financing activities of the Group comprises only of lease liabilities, refer note 40 for details of movement in the same.

Notes to consolidated financial statements for the year ended 31st March, 2022 (Contd.)

(All amounts in Indian Rupees in millions except for share data or otherwise stated)

20 OTHER FINANCIAL LIABILITIES

	As at 31st March, 2022	As at 31st March, 2021
Non-Current		
Security deposits	9.07	11.58
	9.07	**11.58**
Current		
Payable for capital goods	88.92	39.28
Creditor for expenses	0.03	-
Salary, bonus and other incentives payable	434.69	334.07
	523.64	**373.35**

21 LEASE LIABILITY

	As at 31st March, 2022	As at 31st March, 2021
Non-Current		
Lease liability (refer note no: 40)	5,964.91	4,001.04
	5,964.91	**4,001.04**
Current		
Lease liability (refer note no: 40)	757.62	548.74
	757.62	**548.74**

22 PROVISIONS

	As at 31st March, 2022	As at 31st March, 2021
Non-current		
Provision for gratuity, partly funded (refer note 38)	203.85	183.51
	203.85	**183.51**
Current		
Provision for gratuity, partly funded (refer note: 38)	50.78	42.03
Provision for compensated absences	142.13	127.05
Provision for refund liability (refer note no 2.2h.)	23.97	25.46
	216.88	**194.54**

Refund liability is accounted based on Group's estimation of expected sales returns. Refer note no: 2.2h of these consolidated financial statements for Group's accounting policies on refund liabilities.

Movement in refund liability

Particulars	As at 31st March, 2022	As at 31st March, 2021
Balance as at beginning of the year	25.46	30.38
Add: Provision created during the year	494.58	594.98
Less: Utilised during the year	(496.07)	(599.90)
Balance as at end of the year	23.97	25.46

Notes to consolidated financial statements for the year ended 31st March, 2022 (Contd.)

(All amounts in Indian Rupees in millions except for share data or otherwise stated)

23 TRADE PAYABLES

Particulars	As at 31st March, 2022	As at 31st March, 2021
Trade payables		
- due to micro and small enterprises (refer Note 42)	14.13	2.31
- due to other than micro and small enterprises	2,448.19	1,478.62
	2,462.32	**1,480.93**

Trade payables are non-interest bearing and are normally settled on 01-60 day terms.

For explanations on the Company's credit risk management processes, (refer to note.46)

Ageing of trade payables outstanding as at 31st March, 2022 is as follows:

Particulars	Not Due	Outstanding for following periods from due date of payment				Total
		Less than 1 year	1-2 years	2-3 years	More than 3 years	
(i) MSME	10.51	3.62	-	-	-	14.13
(ii) Others	1,597.49	793.11	8.87	2.42	1.20	2,403.08
(iii) Disputed dues — MSME						-
(iv)Disputed dues - Others						-
Total	**1,608.00**	**796.73**	**8.87**	**2.42**	**1.20**	**2,417.21**
Accrued expenses						**45.11**
						2,462.32

Ageing of trade payables outstanding as at 31st March, 2021 is as follows:

Particulars	Not Due	Outstanding for following periods from due date of payment				Total
		Less than 1 year	1-2 years	2-3 years	More than 3 years	
(i) MSME	2.02	0.29	-	-	-	2.31
(ii) Others	1,176.79	254.63	7.29	4.74	1.40	1,444.85
(iii) Disputed dues — MSME						-
(iv)Disputed dues - Others						-
Total	**1,178.81**	**254.92**	**7.29**	**4.74**	**1.40**	**1,447.16**
Accrued expenses						**33.77**
						1,480.93

24 OTHER CURRENT LIABILITIES

	As at 31st March, 2022	As at 31st March, 2021
Statutory liabilities	90.03	56.92
Payables to others	30.89	31.01
	120.92	**87.93**

25 CONTRACT LIABILITIES

	As at 31st March, 2022	As at 31st March, 2021
Advance from customers	20.16	21.50
Deferred revenue on Valueplus rewards scheme	55.02	82.42
Deferred revenue on Pathology testing services	5.59	-
	80.77	**103.92**
Movement		
Balance as at beginning of the year	82.42	130.24
Deferred during the year	32.74	43.05
Released to the statement of profit and loss	(54.55)	(90.87)
Balances as at end of the year	**60.61**	**82.42**

Notes to consolidated financial statements for the year ended 31st March, 2022 (Contd.)

(All amounts in Indian Rupees in millions except for share data or otherwise stated)

26 CURRENT TAX LIABILITIES (NET)

	As at 31st March, 2022	As at 31st March, 2021
Current tax liabilities (Net of advance tax ₹ 592.20 millions (31st March, 2021: ₹ 299.04 millions))	1.15	7.57
	1.15	**7.57**

27. REVENUE FROM CONTRACT WITH CUSTOMERS

		For the year ended 31st March, 2022	For the year ended 31st March, 2021
a.	**Revenue from operations**		
	Sale of goods	37,478.62	30,484.94
	Sale of services	75.13	22.81
		37,553.75	**30,507.75**
b.	**Other operating revenue**		
	- Display and other business support income	213.88	167.26
	- Others	25.16	17.68
		239.04	**184.94**
	Total	**37,792.79**	**30,692.69**

Disclosures as per Ind AS 115

a. Reconciliation of Revenue from contract with customers

Particulars	For the year ended 31st March, 2022	For the year ended 31st March, 2021
Revenue from contract with customers at contracted price	38,088.44	31,141.47
Less: Discounts offered	(10.50)	(8.68)
Less: Sales returns	(524.19)	(625.04)
Revenue from contract with customers	**37,553.75**	**30,507.75**

b. Disaggregation of revenues

(i) Based on geography: Entire revenue from contract with customers is from India.

(ii) Based on business segment:

Particulars	For the year ended 31st March, 2022	For the year ended 31st March, 2021
Retail trading of medicines and general items,	37,350.09	30,361.05
Wholesale cash and carry, and	128.90	123.93
Pathological testing services	74.76	22.77
Revenue from contract with customers	**37,553.75**	**30,507.75**

c. Revenues from significant customers

There is no transactions with single external customer which amounts to 10% or more of the Group's revenue

d. Contract balances:

Particulars	As at 31st March, 2022	As at 31st March, 2021
Trade receivables	60.36	53.67
Advance from customers(refer note 1 below)	20.16	21.50
Contract assets (refer note 2 below)	20.95	24.95
Deffered revenue (refer note 3 below)	60.61	82.42

Note 1:

Revenue recognised in the current reporting year that was included in the opening balance of advance from customers is ₹ 20.62 millions 31st March, 2021: ₹ 53.55 millions).

The advances from customers is expected to be utilised with in the next 12 months.

Notes to consolidated financial statements for the year ended 31st March, 2022 (Contd.)

(All amounts in Indian Rupees in millions except for share data or otherwise stated)

27. REVENUE FROM CONTRACT WITH CUSTOMERS (CONTD.)

Note 2: Details of Contract Asset

As mentioned in the accounting policies for refund liability, the Group recognises an asset i.e., right to the returned goods (included in inventories) for the products expected to be returned. The Group initially measures this asset at the former carrying amount of the inventory, less any expected costs to recover the goods, including any potential decreases in the value of the returned goods.

Along with remeasuring the refund liability at the end of each reporting period, the Group updates the measurement of the asset recorded for any revisions to its expected level of returns, as well as any additional decreases in the value of the returned products.

As on 31st March, 2022, the Group has ₹ 20.95 millions (31st March, 2021: ₹ 24.95 millions) as contract asset representing the right to the returned goods (included in inventories).

Note 3: Details of deferred revenue

Tabulated below is the reconciliation of deferred revenue for the years ended 31st March, 2022 and 31st March, 2021

	For the year ended 31st March, 2022	For the year ended 31st March, 2021
Balance at the beginning of the year	82.42	130.24
Deferred during the year	32.74	43.05
Released to the statement of profit and loss	(54.55)	(90.87)
Balance at the end of the year	**60.61**	**82.42**

28. OTHER INCOME

	For the year ended 31st March, 2022	For the year ended 31st March, 2021
Interest income		
on bank deposits	88.44	36.08
Others	48.88	41.86
Insurance claims received	0.73	1.96
Rental income (refer note:43(b))	14.06	17.54
Amount recoverable from employees	47.12	49.05
Foreign exchange fluctuation gain (net)	0.06	-
Profit on Sale of Investments	-	0.30
Gain on de-recognition of Right-of-use assets	38.18	23.79
Lease rent concessions	-	12.78
Government grant	33.86	-
Miscellaneous income	42.30	32.09
	313.63	**215.45**

29. COST OF MATERIALS CONSUMED

	For the year ended 31st March, 2022	For the year ended 31st March, 2021
Raw material		
Inventories at the beginning of the year	22.37	20.67
Add: Purchases	205.21	94.60
Less: Inventories at the end of the year	33.18	22.37
Total	**194.40**	**92.90**

Notes to consolidated financial statements for the year ended 31st March, 2022 (Contd.)

(All amounts in Indian Rupees in millions except for share data or otherwise stated)

30. CHANGES IN INVENTORIES OF FINISHED GOODS, WORK-IN-PROGRESS AND STOCK-IN-TRADE

	For the year ended 31st March, 2022	For the year ended 31st March, 2021
Inventories at the beginning of the year		
Finished goods	19.42	18.04
stock-in-trade	7,377.77	6,325.92
Work-in-progress	2.37	1.20
	7,399.56	**6,345.16**
Less : Inventories at the end of the year		
Finished goods	20.26	19.42
stock-in-trade	8,971.07	7,377.77
Work-in-progress	2.61	2.37
	8,993.94	**7,399.56**
Change in inventories	**(1,594.38)**	**(1,054.40)**

31. EMPLOYEE BENEFITS EXPENSE

	For the year ended 31st March, 2022	For the year ended 31st March, 2021
Salaries and wages	3,469.35	2,707.25
Contribution to provident and other funds * (refer note: 38)	228.07	166.58
Gratuity expense (refer note: 38)	74.46	62.66
Staff welfare expenses	59.95	50.42
Employees stock option compensation expenses (refer note: 39)	107.37	399.60
	3,939.20	**3,386.51**

* Contribution with respect to employer share of Employee Pension Scheme included in provident fund for the employees joined between October 2017 to March 2019 and enrolled for Provident Fund for the first time are covered under Prime Minister Rojgar Protsahan Yojana (PMRPY) and employer contribution for such covered employees are contributed directly by government.

Contribution with respect to employee and employer share, employees enrolled in PF for the first time and employees who lost their jobs during the period 1st March, 2020 to 30th September, 2020 and joined from 1st October, 2020 to 30th June, 2021 with salary below ₹ 15,000 and establishment have employees less than 1000 will covered under ABRY Scheme and such contribution will be contributed directly by government.

32. DEPRECIATION AND AMORTISATION EXPENSE

	For the year ended 31st March, 2022	For the year ended 31st March, 2021
Depreciation of property, plant and equipment	240.10	166.82
Amortisation of intangible assets	11.24	8.13
Amortisation of right-of-use assets (refer note:40)	942.26	708.47
Less: Amount transferred to capital work-in-progress	-	(0.72)
	1,193.60	**882.70**

33. FINANCE COSTS

	For the year ended 31st March, 2022	For the year ended 31st March, 2021
Interest expense on financial liabilities measured at amortised cost	52.65	70.83
Interest on lease liability (refer note:40)	611.63	465.34
Bank and other charges	-	12.28
	664.28	**548.45**

Notes to consolidated financial statements for the year ended 31st March, 2022 (Contd.)

(All amounts in Indian Rupees in millions except for share data or otherwise stated)

34. OTHER EXPENSES

	For the year ended 31st March, 2022	For the year ended 31st March, 2021
Lease rent (refer note: 40)	2.53	1.77
Rates and taxes	32.35	33.61
Electricity charges	177.78	132.94
Communication costs	86.25	73.28
Travelling and conveyance	54.25	29.45
Printing and stationary	65.68	42.28
Legal and professional charges (refer note no 35)	67.16	54.30
Insurance	15.39	14.06
Repairs and maintenance		
- Plant and machinery	45.71	26.27
- Others	68.52	35.49
Packing and forwarding charges	334.62	222.40
Commission and brokerage	71.04	53.54
Advertisement and sales promotion	67.82	16.78
Credit/debit card commission charges	165.15	125.53
Provision for doubtful debts	1.57	0.29
Provision for doubtful deposits	2.12	0.07
Provision for doubtful advances	3.34	-
Foreign exchange fluctuation loss (net)	0.14	1.64
Loss on sale of property, plant and equipment	1.82	0.98
Advances/debts written off	0.26	0.70
Corporate social responsibility expenditure (refer note: 48)	9.92	4.18
Miscellaneous expenses	32.74	17.56
	1,306.16	**887.12**

35. PAYMENT TO AUDITOR (EXCLUSIVE OF TAX)

	For the year ended 31st March, 2022	For the year ended 31st March, 2021
As auditors:		
Statutory audit fee*	5.89	5.05
Certification	0.32	0.10
Reimbursement of expenses	0.50	0.28
Others	-	1.90
	6.71	**7.33**

* Auditor's fees of ₹ 18.81 millions towards IPO deliverables is not included.

36. EARNINGS PER EQUITY SHARE (EPES)

The following reflects the earnings and share data used in the basic and diluted EPES computations:

	For the year ended 31st March, 2022	For the year ended 31st March, 2021
Profit attributable to equity holders of the Company for basic and diluted earnings per equity share	958.02	638.58
Earnings per equity share		
Weighted average number of shares for considered for Basic EPES		
(i) Equity shares		
Number of shares at the beginning of the year		
Weighted average number of shares issued during the year	4,36,645	1,94,062
Add: Bonus issue of shares during the year *	20,46,319	-

Notes to consolidated financial statements for the year ended 31st March, 2022 (Contd.)

(All amounts in Indian Rupees in millions except for share data or otherwise stated)

36. EARNINGS PER EQUITY SHARE (EPES) (CONTD.)

	For the year ended 31st March, 2022	For the year ended 31st March, 2021
Add: Conversion of CCPS to equity	-	2,42,583
Add: Exercise of employee stock options during the period	4,77,74,742	-
Add: Increase on account of share split during the year	65,813	-
Weighted average number of shares outstanding during the year	17,46,580	17,46,580
	5,20,70,099	**21,83,225**
(ii) Compulsorily Convertible Preference Shares ('CCPS')		
Number of shares at the beginning of the year		
Weighted average number of shares issued during the year	2,10,23,264	30,747
Add: Bonus issue of shares during the year *	-	1,00,748
Add: Increase on account of share split during the year*	-	2,02,71,474
Add: Exercise of employee stock options during the year	8,40,93,056	8,16,11,878
Less: Conversion of CCPS to equity shares	26,32,517	-
Weighted average number of shares outstanding during the year	(4,77,74,742)	-
Weighted average number of shares for considered for Basic EPES (i)+(ii)	**5,99,74,095**	**10,20,14,847**
Add: Number of dilutive potential equity shares on account of share options granted including bonus shares issued during the year		
Weighted average number of equity shares for diluted EPES	**11,20,44,194**	**10,41,98,072**
	4,31,204	41,33,286
Face value of each equity share (In absolute ₹ terms)	**11,24,75,398**	**10,83,31,358**
Face value of each CCPS considered as equity (In absolute ₹ terms)		
	2	2
Earnings per equity share (EPES) (In absolute ₹ terms)	-	20
- Basic		
- Diluted		
	8.55	6.13
	8.52	5.89

* In line with the requirements of para 28 of Ind AS 33, for the purpose of EPES calculations, bonus shares issued and shares split has been considered as if the event of bonus issue/share split had occurred at the beginning of the earliest year presented.

37. TAXES

(a) The major components of income tax expenses for the year ended 31st March, 2022 and for the year ended 31st March, 2021 are:

(i) Profit or loss section

Particulars	For the year ended 31st March, 2022	For the year ended 31st March, 2021
Current tax :		
Current income tax charge	304.15	303.33
Taxes relating to earlier years	(2.91)	(0.01)
Interest on income tax	-	3.23
Deferred tax (benefit)/ expense		
Relating to origination and reversal of temporary differences	(68.97)	13.32
Total income tax expense recognised in statement of Profit and Loss	**232.27**	**319.87**

(ii) OCI Section

Particulars	For the year ended 31st March, 2022	For the year ended 31st March, 2021
Deferred tax expense		
On remeasurement of defined benefit plans	(5.58)	(2.18)
Income tax charged to Other Comprehensive Income	(5.58)	(2.18)

Notes to consolidated financial statements for the year ended 31st March, 2022 (Contd.)

(All amounts in Indian Rupees in millions except for share data or otherwise stated)

37. TAXES (CONTD.)

(b) Reconciliation of tax expense and the accounting profit multiplied by India's domestic tax rate for 31st March, 2022 and 31st March, 2021:

	For the year ended 31st March, 2022	For the year ended 31st March, 2021
Accounting profit before tax (A)	1,179.43	950.98
Enacted tax rate in India (B)	25.17%	25.17%
Expected tax expenses (C = A*B)	296.84	239.34
Tax effect on non-deductible expenses (net) (D)*	9.07	74.88
Deferred tax not recognised on losses	-	32.90
Tax benefits availed u/s 80JJAA of Income Tax Act (E)	(53.47)	(28.38)
Others (F)	(17.25)	(2.10)
Total Tax expense (C+D+E+F)	**235.18**	**316.65**
Adjustments in respect of current income tax of previous year	(2.91)	-0.01
Adjustments in respect of interest on income tax for current year	-	3.23
Total	**232.27**	**319.87**
Tax expense as per Statement of Profit and Loss Account ((a)(i) above)	**232.27**	**319.87**

* The Finance Act, 2021 has introduced an amendment to Section 32 of the Income Tax Act, 1961, whereby goodwill of a business will not be considered as a depreciable asset and depreciation on goodwill will not be allowed as deductible expenditure effective 1st April, 2020. In accordance with the requirements of Ind AS 12 Income Taxes, the Company has recognised one time tax expense as the outcome on the difference between Goodwill as per the books of account and its updated tax base of Nil resulting from the aforementioned amendment.

(c) The major components of deferred tax (liabilities)/assets (net) arising on account of timing differences are as follows:

As at 31st March, 2022	31st March, 2021	Retained earnings	Profit and Loss 2021-22	OCI 2021-22	31st March, 2022
Deferred tax asset (net)					
Difference between depreciation on fixed assets as per books of accounts and as per Income Tax Act, 1961	66.26	-	4.94	-	71.20
Provision for expenses allowed for tax purpose on payment basis	89.92	-	17.15	(5.58)	101.49
Lease liabilities	196.56		38.52	-	235.08
Expense claimed for tax purpose on payment basis	7.13	-	(0.98)	-	6.15
Deferred tax on intercompany eliminations on consolidation	26.20	-	9.34	-	35.53
Deferred tax benefit/ (expense)		**-**	**68.97**	**(5.58)**	
Deferred tax asset (net)	**386.07**				**449.45**

As at 31st March, 2021	31st March, 2020	Retained earnings	Profit and Loss 2020-21	OCI 2020-21	31st March, 2021
Deferred tax asset (net)					
Difference between depreciation on fixed assets as per books of accounts and as per Income Tax Act, 1961	128.08	-	(61.82)	-	66.26
Provision for expenses allowed for tax purpose on payment basis	75.27	-	16.83	(2.18)	89.92
Lease liabilities	165.92	-	30.64	-	196.56
Expense claimed for tax purpose on payment basis	14.35	-	(7.22)	-	7.13
Deferred tax on intercompany eliminations on consolidation	17.95	-	8.25	-	26.20
Deferred tax expense		**-**	**(13.32)**	**(2.18)**	
Deferred tax asset (net)	**401.57**				**386.07**

(d) As a matter of prudence, the Parent Company has not recorded deferred tax asset (net) on carry forward of business losses of certain components and the carrying amounts of assets as at 31st March, 2022 aggregating to ₹ 134.43 millions (31st March, 2021: ₹ 51.97 millions), since the Parent Company is not probable that taxable profit will be available against which the deferred tax asset can be utilised.

Notes to consolidated financial statements for the year ended 31st March, 2022 (Contd.)

(All amounts in Indian Rupees in millions except for share data or otherwise stated)

38 EMPLOYEE BENEFITS

I. Post Employment Benefits

A. Defined Benefits Plan - Gratuity

Gratuity benefits provided by the Group

Group has a defined benefit plan which provides for gratuity payments for its employees. Under the plan, every employee who has completed at least five years of service gets a gratuity on departure @ 15 days salary (based on last drawn basic salary) for each completed year of service. The scheme is partly funded with an insurance company in the form of a qualifying insurance policy managed by Life Insurance corporation of India.

The components of gratuity cost recognised in the consolidated statement of profit and loss and other comprehensive income for the years ended 31st March, 2022 and 31st March, 2021 consist of the following:

Particulars	For the year ended 31st March, 2022	For the year ended 31st March, 2021
Changes in the present value of defined benefit obligations are as follows:		
Defined benefit obligations at the beginning of the year	303.26	267.47
Current service cost	59.48	49.76
Interest on defined benefit obligations	20.36	17.46
Benefit Payments from Plan Assets		
Benefits paid	(13.55)	(17.41)
Re-measurements due to:		
Remeasurements- due to change in assumptions	(10.16)	14.74
Actuarial loss due to demographic assumptions	2.29	-
Remeasurements- due to experience adjustment	(17.86)	(28.76)
Defined benefit obligations at the end of the year	**343.82**	**303.26**
Changes in the fair value of plan assets are as follows:		
Fair value of plan assets at the beginning of the year	77.72	51.27
Employer contributions	15.27	31.93
Interest on plan assets	5.88	4.64
Benefits paid	(7.34)	(7.52)
Expenses	(0.06)	(0.08)
Remeasurements-return on plan assets	(2.28)	(2.52)
Plan assets at the end of the year	**89.19**	**77.72**
Amount to be recognised in Statement of Profit and Loss:		
Current service cost	59.48	49.76
Past service cost	-	-
Interest on net defined benefit liability, net	20.36	17.46
Reimbursement Service Cost	(0.02)	0.06
Excepted return on plan assets	(5.36)	(4.62)
Net actuarial gain/(loss) to be recognised	-	-
Gratuity cost recognised in statement of profit and loss	**74.46**	**62.66**
Remeasurement on the net defined benefit liability:		
Remeasurements - due to change in assumptions	(10.16)	14.74
Remeasurements - due to experience adjustment	(17.86)	(28.76)
Remeasurements - return on plan assets	4.16	2.51
Defined benefit costs recognised in other comprehensive income	**(23.86)**	**(11.51)**
Details of the employee benefits obligations and plan assets are provided below:		
Present value of funded obligations	343.82	303.26
Fair value of plan assets	(89.19)	(77.72)
Net defined benefit liability recognised	**254.63**	**225.54**

Notes to consolidated financial statements for the year ended 31st March, 2022 (Contd.)

(All amounts in Indian Rupees in millions except for share data or otherwise stated)

38 EMPLOYEE BENEFITS (CONTD.)

Bifurcation of net defined benefit liability

	For the year ended 31st March, 2022	For the year ended 31st March, 2021
Current liabilities	50.78	42.03
Non-current liabilities	203.85	183.51
	254.63	**225.54**

Sensitivity Analysis: ((Increase)/ decrease in obligation)

Particulars	For the year ended 31st March, 2022	For the year ended 31st March, 2021
(a) Effect of 1% change in assumed discount rate		
- 1% increase	(18.31)	(16.77)
- 1% decrease	20.60	18.47
(b) Effect of 1% change in assumed salary escalation rate		
- 1% increase	20.57	18.37
- 1% decrease	(18.80)	(17.17)
(c) Effect of 1% change in assumed attrition rate		
- 1% increase	(3.01)	(3.20)
- 1% decrease	3.27	3.07

Particulars	For the year ended 31st March, 2022	For the year ended 31st March, 2021
Discount rate	7.31% to 7.34%	6.88% to 6.91%
Rate of return of plan assets	7.07% to 7.34%	6.91% to 7.27%
Attrition rate		
below 30 Years	27.18%	30.00%
31-40 years	18.47%	18.47%
41-50 Years	13.40%	13.40%
51 years and above	12.26%	12.26%
Rate of compensation increase	9% to 15%	9% to 15%

The expected future cash flows in respect of gratuity were as follows:

	For the year ended 31st March, 2022	For the year ended 31st March, 2021
Expected future benefit payments		
Less than a year	50.67	43.99
Between 2-5 years	168.02	144.26
More than 5 years	143.14	121.14

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.

Sensitivity analysis: The sensitivity analysis presented above may not be representative of the actual change in the projected benefit obligation as it is unlikely that the change in assumptions would occur in isolation of one another as some of the assumptions may be correlated. Furthermore, in presenting the above sensitivity analysis, the present value of the projected benefit obligation has been calculated using the projected unit credit method at the end of the reporting period, which is the same method as applied in calculating the projected benefit obligation as recognised in the balance sheet.

(All amounts in Indian Rupees in millions except for share data or otherwise stated)

38 EMPLOYEE BENEFITS (CONTD.)

B. Defined Contribution Plan

Provident fund benefits

The Group makes contributions, determined as a specified percentage of employee salaries, in respect of qualifying employees towards provident fund and Employee state insurance, which is defined contribution plan. The Group has no obligations other than to make specified contributions. The contributions are charged to the statement of profit and loss as they accrue.

The amount recognised as an expense for the year aggregated to ₹ 228.07 millions (31st March, 2021: ₹ 166.58 millions) and is included in "contribution to provident fund and other funds.

II. Other benefits

Leave compensated absences

The employees of the Group are entitled to compensated absences which are both accumulating and non-accumulating in nature. The expected cost of accumulating compensated absences is determined by actuarial valuation based on the additional amount expected to be paid as a result of the unused entitlement that has accumulated at the balance sheet date. Expense on non-accumulating compensated absences is recognised in the period in which the absences occur.

The amount recognised as an expense towards leave encashment for the year aggregated to ₹ 42.50 millions (31st March,2021: ₹ 48.24 millions).

39. EMPLOYEE STOCK OPTION PLAN

(i) MedPlus Employees Stock Option and Shares Plan 2009 (ESOP 2009)

(a) The Company instituted MedPlus Employees Stock Option and Shares Plan 2009 (ESOP 2009). The Board of directors approved the plan on 16th November, 2009. The plan is effective from 1st November, 2009 which provided for issue of 9,673 stock options (21,764 equity shares and 870,570 CCPS options, including bonus issue) to eligible employees. The options vest over a period of four years or as approved by remuneration committee and would be settled by issue of fully paid equity shares. During the year ended 31st March, 2022, the following scheme is under operation:

Pursuant to a resolution passed by the Board of Directors on 17th February, 2011, the Company had formed a trust (MedPlus Employee Benefit Trust) to implement and administer ESOP 2009 and had allotted 9,673 equity shares 870,570 CCPS options, including bonus issue) of ₹ 10 each to the Trust.

The Company has allotted (before giving impact of bonus & split) 4,110 equity shares against 4,110 granted options and 5,563 shares (against 5,563 non- granted option) to the trust at premium of ₹ 11,016.12 per share and ₹ 5,781 per share respectively, aggregating total securities premium of ₹ 77.44 million.

Amount receivable from the trust for options granted aggregating to ₹ 77.54 million (Face value – ₹ 0.10 million and Premium of ₹ 77.44 million) has been accounted as 'Amount recoverable from Trust in kind' and has been deducted from share capital and securities premium respectively as these are in the nature of own shares held. The same will be adjusted at the time of exercise of options by the employees.

During the year ended 31st March, 2022, 8,760 options were exercised by employees which resulted in

(i) increase in paid up capital by ₹ 0.09 million &

(ii) increase of securities premium by ₹ 67.51 million

Further, recovery of ₹ 5.86 million from ESOP trust was done on account of exercised options.

Notes to consolidated financial statements for the year ended 31st March, 2022 (Contd.)

(All amounts in Indian Rupees in millions except for share data or otherwise stated)

39. EMPLOYEE STOCK OPTION PLAN (CONTD.)

Employees stock option and share plan 2009

Particulars	31st March, 2022	31st March, 2021
Number of options granted	905	9173
Method of settlement (Cash/Equity)	Equity	Equity
Vesting period	300 options have vested 266 options vest over the finanical year 2022-23 174 options vest over the finanical year 2023-24 153 options vest over the finanical year 2024-25 12 options vest over the finanical year 2025-26	2,310 options vested immediately on the grant date. 1,055 options equally on completion of every quarter, over the period of next two years from the grant date. 5,744 options vest over the period of one year from the grant date. 64 options vest 25% each year over the period of 4 years from the grant date.
Exercise period	4 years for 905 options Committee may extend the Exercise period on case to case basis.	6 years for 9,173 options Committee may extend the Exercise period on case to case basis.
Vesting conditions	None	None

(b) The details of the activity have been summarised below

Particulars	As at 31st March, 2022 (No. of equity shares)	As at 31st March, 2021 (No. of equity shares)
Outstanding at the beginning of the year	9,173	8770
Exercisable at the beginning of the year	8,770	8770
Granted during the year	562	403
Forfeited during the year	-	-
Exercised during the year	8,760	-
Vested during the year	355	-
Expired during the year	70	-
Outstanding at the end of the year*	905	9173
Exercisable at the end of the year	300	8770
Weighted average remaining contractual life (in years)	-	-

* One option equals to 461.25 equity shares

(c) Stock options granted during the year

The Black Scholes valuation model has been used for computing the weighted average fair value considering the following inputs:

	31st March, 2022	31st March, 2021 Scheme 4	31st March, 2021 Scheme 5
Weighted average share price/ market value	244.2	76842.5	76842.5
Exercise price (₹ per share)	10	10	76765
Options granted	62	339	64
Date of grant	5th August, 2021	1st June, 2020	1st July, 2020
Expected volatility	29.1% - 30.1%	27.07%	27.1% - 28.4%
Life of the options granted (vesting and exercise period) in years	Vesting period + 3 years	Vesting period + 3 years	Vesting period + 3 years
Expected dividends	0.00%	0.00%	0.00%
Average risk-free interest rate	6.17%	5.00%	5.00%
Expected term based on vesting period	1 year - 4 years	1 year	1 year - 4 years
Weighted average fair value of the option granted	237.33	76834.30	22,911.8 - 33,556.70

(All amounts in Indian Rupees in millions except for share data or otherwise stated)

39. EMPLOYEE STOCK OPTION PLAN (CONTD.)

(d) Modification of terms of options granted in earlier years

The Company had during the previous year modified the exercise price in relation 5,405 options granted and vested in earlier years, the details of which are as mentioned below:

	31st March, 2021		
	Scheme 2	**Scheme 2**	**Scheme 3**
Options granted	175	5,195	35
Grant date	01st March 2018	01st March 2018	01st February 2019
Modification date	01st July 2020	01st July 2020	01st July 2020
Original Exercise price (₹ per share)	43,562.00	43,562.00	43,562.00
Revised Exercise price (₹ per share)	37,099.00	10.00	10.00
Weighted average share price/ market value on the date of modification	76,842.50	76,842.50	76,842.50
Expected Life of the options in years	2.30	2.30	2.80
Expected volatility	30.27%	30.27%	28.73%
Expected dividends	0%	0%	0%
Average risk-free interest rate	4.21%	4.21%	4.40%
Weighted average fair value of the option granted	43,551.10	76,833.40	76,833.70

Owing to the change in exercise price, the additional cost accounted for share based payments amounted to ₹ 379.78 million.

(ii) MedPlus Employees Stock Option and Shares Plan 2021 (ESOP 2021)

(a) The Company instituted MedPlus Employees Stock Option and Shares Plan 2021 (ESOP 2021). The Board of directors approved the plan on 9th August, 2021. The plan is effective from 9th August, 2021 which provided for issue of 11,17,612 stock options to eligible employees. The options vest over a period of four years from the grant date at 10%, 25%, 25% and 40% respectively, as a % of options granted. Vesting period may be accelerated on deserving cases, subject to applicable law and minimum vesting period of atleast one year. During the year ended 31st March, 2022 the Company has granted 70,317 ESOPs to its employees and 8,65,587 ESOP's to the employees of its subsidiaries under Employee stock option and Share plan 2021 after taking necessary approval at an exercise price of ₹ 232 per option on 22nd November 2021.

Employees stock option and share plan 2021

Particulars	31st March, 2022
Number of options granted	9,35,904
Method of settlement (Cash/Equity)	Equity
Vesting period	1,06,316 options vest in 12 months from the grant date. 2,39,574 options vest in 24 months from the grant date. 5,095 options vest in 30 months from the grant date. 2,24,289 options vest in 36 months from the grant date. 5,095 options vest in 42 months from the grant date. 3,55,535 options vest in 48 months from the grant date.
Exercise period	3 years
Vesting conditions	None

Notes to consolidated financial statements for the year ended 31st March, 2022 (Contd.)

(All amounts in Indian Rupees in millions except for share data or otherwise stated)

39. EMPLOYEE STOCK OPTION PLAN (CONTD.)

(b) The details of the activity have been summarised below

Particulars	31st March, 2022 (No. of options)
Outstanding at the beginning of the year	-
Exercisable at the beginning of the year	-
Granted during the year	935,904
Forfeited during the year	-
Exercised during the year	-
Vested during the year	-
Expired during the year	-
Outstanding at the end of the year	9,35,904
Exercisable at the end of the year	-
Weighted average remaining contractual life (in years)	-

(c) Stock options granted during the year

The Black Scholes valuation model has been used for computing the weighted average fair value considering the following inputs:

Particulars	31st March, 2022
Weighted average share price/ market value	795.80
Exercise price (₹ per share)	232.00
Options granted	935,904
Date of grant	22nd November, 2021
Expected volatility	28.8% to 30.04%
Life of the options granted (vesting and exercise period) in years	Vesting period + 3 years
Expected dividend	0%
Average risk-free interest rate	5.4% to 6.2%
Expected term based on vesting period	1 year - 4 years
Weighted average fair value of the option granted	634.37

Effect of the employee option plan on the Statement of Profit and Loss and on its financial position

	For the year ended 31st March, 2022	For the year ended 31st March, 2021
Total employee compensation cost pertaining to stock option plan	107.37	399.60
Reserves - employee stock option plan outstanding as at the year end	113.94	486.55

40. LEASE

A The Company recognises right-of-use asset representing its right to use the underlying asset for the lease term at the lease commencement date. The cost of the rightof-use asset measured at inception shall comprise of the amount of the initial measurement of the lease liability adjusted for any lease payments made at or before the commencement date less any lease incentives received, plus any initial direct costs incurred and an estimate of costs to be incurred by the lessee in dismantling and removing the underlying asset or restoring the underlying asset or site on which it is located. The right-of-use assets is subsequently measured at cost less any accumulated depreciation, accumulated impairment losses, if any and adjusted for any remeasurement of the lease liability. The right-of-use assets is depreciated using the straight-line method from the commencement date over the shorter of lease term or useful life of right-of-use asset.

(All amounts in Indian Rupees in millions except for share data or otherwise stated)

40. LEASE (CONTD.)

B Movement of right of use asset for the year ended 31st March, 2022 and 31st March, 2021:

Particulars	Category of Right-to-use asset (Buildings)
Balance as at 1st April, 2020	**3,753.58**
Additions	1,488.31
Deletions	159.32
Balance as at 31st March, 2021	**5,082.57**
Additions	3,163.43
Deletions	414.41
Balance as at 31st March, 2022	**7,831.59**
Accumulated amortisation	
Balance as at 1st April, 2020	**(589.34)**
Amortisation charge for the year	(708.47)
Deletions	(63.97)
Balance as at 31st March, 2021	**(1,233.84)**
Amortisation charge for the year	(942.26)
Deletions	(236.07)
Balance as at 31st March, 2022	**(1,940.03)**
Carrying amounts	
Balance as at 31st March, 2021	**3,848.73**
Balance as at 31st March, 2022	**5,891.57**

* The aggregate amortisation expenses for the year on Right-of-use assets is included under depreciation and amortisation expense in the statement of Profit and Loss.

C The Following is the rental expenses recorded for short term leases, variable leases and low value leases for the year ended 31st March,2022 & 31st March,2021

	For the year ended 31st March, 2022	For the year ended 31st March, 2021
Short -term lease expense	2.53	1.77
Rental income from sub-lease	14.06	17.54
Total		

D Following are the changes in the lease liabilities for the year ended 31st March, 2022 and 31st March, 2021:

Particulars	Lease liabilities
Balance as at 1st April, 2020	**3,722.36**
Additions	1,434.90
Finance cost accrued during the year	465.34
Deletions	119.67
Payment of lease liabilities	953.15
Balance as at 31st March, 2021	**4,549.78**
Additions	3,046.32
Finance cost accrued during the year	611.63
Deletions	217.19
Payment of lease liabilities	1,268.01
Balance as at 31st March, 2022	**6,722.53**

Bifurcation of lease liabilities	As at 31st March, 2022	As at 31st March, 2021
Non-current lease liabilities	5,964.91	4,001.04
Current lease liabilities	757.62	548.74

Notes to consolidated financial statements for the year ended 31st March, 2022 (Contd.)

(All amounts in Indian Rupees in millions except for share data or otherwise stated)

40. LEASE (CONTD.)

E The following is the cash outflow on leases during the year ended 31st March, 2022 and 31st March, 2021:

Particulars	For the year ended 31st March, 2022	For the year ended 31st March, 2021
Payment of lease liabilities	1,268.01	953.15
Short-term lease expense	2.53	1.77
Total cash outflow on leases	**1,270.54**	**954.92**

F The table below provides details regarding the contractual maturities of lease liabilities on an undiscounted basis :

Particulars	As at 31st March, 2022	As at 31st March, 2021
Less than 1 year	1,496.34	1,048.34
1 to 5 years	5,350.18	3,601.04
Over 5 years	3,366.93	2,059.09

a. The Group does not face a significant liquidity risk with regards to its lease liabilities as the current assets are sufficient to meet the obligations related to lease liabilities as and when fall due.

b. Lease payments during the year have been disclosed under financing activities in the Consolidated Statement of Cash flows.

c During the period March, 2020 to June 2020, on account of the impact of Covid-19, the Company has received lease concessions of ₹ 28 million in the form of waiver of portion of rent for the said period and it doesn't qualifies as a modification of a lease agreement. Hence, this concession has been accounted as income during the year ended 31st March, 2021.

41. CAPITAL COMMITMENTS AND CONTINGENT LIABILITIES

(A) Capital Commitments

(i) As at 31st March, 2022 the Group has commitments of ₹ 209.54 millions (31st March, 2021: ₹17.90 millions) relating to contracts remaining to be executed on capital account after considering the capital advances paid.

(B) Contingent Liabilities

Bifurcation of lease liabilities	As at 31st March, 2022	As at 31st March, 2021
i) Claims against the Group not acknowledged as debt		
Income tax	111.78	111.78
Value added tax	7.08	8.26
	118.86	**120.04**

ii) During the year ended 31st March, 2015, Ritemed Pharma Retail Private Limited (merged entity) had received an assessment order for the assessment year 2012 -13 proposing an adjustment of ₹ 18.37 millions to the returned loss. Ritemed Pharma Retail Private Limited (merged entity) had filed an appeal before Commissioner of Income Tax (Appeals), Company received the appeal order revising the adjustment to ₹ 8.2 millions on which tax ₹ 2.66 millions. Group filled an appeal in Income-tax Appellate Tribunal, based on its internal assessment is confident that the matter will be decided in its favour and no adjustment to the financial statement is required.

iii) The Payment of Bonus (Amendment) Act, 2015 had been notified in the financial year 2015-16. Among other amendments, it has increased, with retrospective effect from 1st April, 2014, the scope of coverage by revising the salary ceiling for eligible employees and also increasing the salary limit capped for the purpose of calculating bonus. Based on the legal advice and the interim stay granted by various high courts on retrospective application of the aforesaid amendment, the Company has not accrued for bonus for the financial year 2014-15 amounting to ₹ 8.61 millions and merged entity Ritemed Pharma Retail Private Limited amounting to ₹ 4.5 millions.

(All amounts in Indian Rupees in millions except for share data or otherwise stated)

41. CAPITAL COMMITMENTS AND CONTINGENT LIABILITIES (CONTD.)

iv) On 28th February, 2019, the Hon'ble Supreme Court of India has delivered a judgment clarifying the principles that need to be applied in determining the components of salaries and wages on which Provident Fund (PF) contributions need to be made by establishments. However, considering that there are numerous interpretative issues relating to retrospective application of this judgement, the Group has assessed the impact of the matter and concluded that there is no material impact on the financial statements. The Group will evaluate its position and update its provision, if required, on receiving further clarity on the subject.

v) Ritemed Pharma Retail Private Limited (merged with Optival Health Solutions Private Limited w.e.f. 1st April, 2016), subsidiary company, had entered into the following transactions during the year ended 31st March, 2011:

i) Purchase of goods aggregating to ₹ 312.25 millions for the period 7th May, 2010 to 3rd March, 2011 from the Optival Health Solutions Private Limited; and

ii) Purchase of goods and services aggregating to ₹ 21.80 millions and sale of goods and services aggregating to ₹ 15.15 millions for the period 1st April, 2010 to 3rd March, 2011 from one of the covered entities - Optival Health Solutions Private Limited."

The above transactions require prior approval of the Central Government under the provisions of Section 297 of the Companies Act, 1956. The above transactions are part of normal business transactions at prevailing market prices. Ritemed Pharma Retail Private Limited, subsidiary company, has applied to the appropriate regulatory authorities for regularisation on 10th June, 2011. Management is confident that the penalties, if any, that may arise on account of such non-compliance will not be material.

vi) During the previous year, the Group has received Assessment order u/s.143(3) of Income tax Act, 1961 dated 29th November, 2019 for the assessment year 2017-18 with an addition of ₹ 420.37 millions to the returned Income and a tax demand of ₹ 192.54 millions on such addition. The addition made to returned Income is the difference between turnover reported in VAT returns and Sales as per financial statements.

As per the VAT laws of Karnataka, Turnover to be reported in the VAT returns is at maximum retail price (MRP) and whereas financials turnover will be at actual sale value. The above difference is due to reporting of Turnover in VAT Returns as per Local Laws and does not require addition to Income. Accordingly, the Group filed an appeal with CIT(Appeals) - Bengaluru on 13th December, 2019, based on its internal assessment it is confident that the matter will be decided in its favor and no adjustment to the consolidated financial statement is required."

vii) The Group is subject to legal proceedings and claims before various tax authorities, which have arisen in the ordinary course of business. The uncertainties and possible reimbursements are dependent on the outcome of the different legal processes which have been invoked by the claimants or the Company, as the case may be and therefore timing of cash flows cannot be predicted. The Group engages reputed professional advisors wherever required to protect its interests and has been advised that it has strong legal positions against such disputes. The Management believes that it has a reasonable case in its defense of the proceedings and accordingly no further provision is required.

vii) On 31st March, 2020, Gangadi Investments Private Limited ("GIPL") transferred 1,199 equity shares of the Company to Shore Pharma LLC, a non-resident entity ("GIPL Transfer"), for which GIPL filed a form FC-TRS. GIPL received an email from the RBI dated 2nd June, 2020 approving the said transfer and advising the Company to pay a late submission fee of ₹ 34,515 for contravention under Regulation 4 (3) of the RBI notification no. FEMA 395/2019-RB dated 17th October, 2019, and to apply for compounding of the contravention. The Company had filed an application for compounding on 5th July, 2021, which was returned by RBI due to certain discrepancies. The Company is in the process of re-filing the application for compounding with RBI. The Company believe that penalty if any to be levied by RBI will not be material.

Notes to consolidated financial statements for the year ended 31st March, 2022 (Contd.)

(All amounts in Indian Rupees in millions except for share data or otherwise stated)

42. DETAILS OF DUES TO MICRO AND SMALL ENTERPRISES AS DEFINED UNDER THE MSMED ACT, 2006

The Ministry of Micro, Small and Medium Enterprises has issued an Office Memorandum dated August 26, 2008 which recommends that the Micro and Small Enterprises should mention in their correspondance with its customers the Entreprenuers Memorandum Number as allocated after filling the Memorandum. Accordingly, the disclosure in respect of the amounts payable to such enterprises as at 31st March, 2022 and 31st March, 2021 has been made in the consolidated financial statements based on information received and available with the Group. Further in the view of the Management, the impact of interest, if any, that may be payable in accordance with the provisions of the Act is not expected to be material. The Group has not received any claim for interest from any supplier under the said Act.

Particulars	As at 31st March, 2022	As at 31st March, 2021
The amounts remaining unpaid to micro and small suppliers as at the end of the year		
- Principal	14.13	2.31
- Interest	-	-
The amount of interest paid by the buyer as per the MSMED Act, 2006	-	-
The amounts of the payments made to micro and small suppliers beyond the appointed day during each accounting year.	-	-
The amount of interest accrued and remaining unpaid at the end of each accounting year	-	-
The amount of interest due and payable for the period of delay in making payment (which have been paid but beyond the appointed day during the year) but without adding the interest specified under MSMED Act;	-	-
The amount of further interest remaining due and payable even in the succeeding years, until such date when the interest dues as above are actually paid to the small enterprises for the purposes of disallowances as a deductible expenditure under the MSMED Act, 2006	-	-

Note : This information is required to be disclosed under the MSMED Act and has been determined to the extent such parties have been identified on the basis of information available with the Group and has been relied upon by the auditors.

43. RELATED PARTY DISCLOSURE

(a) Nature of relationship and names of related parties

(i) Parent

1. Gangadi Investments Private Limited (untill 5th February, 2021) (refer note a)

(ii) Key management personnel

1. G. Madhukar Reddy – Managing Director (refer note a and b)
2. C. Bhaskar Reddy – Executive Director (untill 5th July, 2021) (refer note a and b)
3. Hemanth Kundavaram - Chief Financial Officer (from 2nd January, 2021)
4. Parag Jain- Company Secretary (upto 14th January, 2022)
5. Shilpi Keswani- Company Secretary (w.e.f 15th January, 2022)

(iii) Directors

1. Murali Sivaraman - Independent Director (from 11th June, 2021)
2. Madhavan Ganesan - Independent Director (from 11th June, 2021)
3. Hiroo Mirchandani - Independent Director (from 5th July, 2021)
4. Atul Gupta - Non Executive Director (w.e.f 6th February, 2021)
5. Anish Kumar Saraf- Director (w.e.f 6th February, 2021)

(All amounts in Indian Rupees in millions except for share data or otherwise stated)

43. RELATED PARTY DISCLOSURE (CONTD.)

(iv) Entities over which shareholders, key management personnel exercise control or significant influence

1. Hinshitsu Manufacturing Private Limited
2. Agilemed Investments Private Limited (formerly known as Agilemed Investment Private Limited) (from 4th December, 2020)(refer note b)
3. Lone furrow investment private limited (refer note b)
   a) The Company has issued 1.25 equity shares and 40 bonus preference shares for each equity share held for the year ended 31st March, 2021.
   b) Conversion of preference shares to equity was done for the year ended 31st March, 2022

(b) Related party transactions during the year ended

		31st March, 2022	31st March, 2021
(i)	**Enterprises over which shareholders, key management personnel exercise control or significant influence**		
1.	**Hinshitsu Manufacturing Private Limited**		
	Purchase of fixed assets	100.65	101.36
	Purchase of intangible asset	11.19	-
	Sale of Assets	36.05	-
	Rental income	0.65	1.01
	Purchase of traded goods	-	28.74
	Rental expense	0.68	-
	Reimbursement of expenses received	0.30	0.35
2.	**Agilemed Investments Private Limited**		
	Rental income	0.03	0.02
	Investment in subsidiary	-	0.82
	Unsecured loan given (refer note)	-	5.00
	Interest on unsecured loan	-	0.09
	Issue of bonus shares (series B1 CCPS)	-	61.07
(ii)	**Key Management Personnel**		
1.	**G. Madhukar Reddy**		
	a. Managerial remuneration		
	Short-term employee benefits	4.00	4.00
	b. Rent	3.06	2.84
2.	**C. Bhaskar Reddy**		
	a. Managerial remuneration		
	Short-term employee benefits	1.53	7.78
	Share based payments	5.14	91.01
3.	**K.S.Murali Krishna**		
	a. Managerial remuneration		
	Short-term employee benefits	1.63	1.80
	Share based payments	0.30	21.44
4.	**Hemanth Kundavaram**		
	a. Remuneration		
	Short-term employee benefits	9.79	2.12
	Share based payments	1.85	-
5.	**Parag Jain**		
	a. Remuneration		
	Short-term employee benefits	1.01	1.24
6.	**Shilpi Keswani**		
	a. Remuneration		
	Short-term employee benefits	0.21	-
7.	**Sitting fee paid to directors**	4.45	-

Notes to consolidated financial statements for the year ended 31st March, 2022 (Contd.)

(All amounts in Indian Rupees in millions except for share data or otherwise stated)

43. RELATED PARTY DISCLOSURE (CONTD.)

(c) Balances outstanding as at debit/(credit)

	31st March, 2022	31st March, 2021
(i) Key Management Personnel		
1. G. Madhukar Reddy	0.48	0.49
2. C. Bhaskar Reddy	-	-
(ii) Entities over which shareholders, key management personnel exercise control or significant influence		
1. Hinshitsu Manufacturing Private Limited	(2.11)	(0.87)
Guarantee outstanding on behalf of Optival Health Solutions Private Limited (refer note no.41 (a)(ii))	1,850.00	1,850.00

Refer note 19 for the details of the guarantees given by related parties to the lenders of the Group.

44. FAIR VALUES

Refer Note 2.2(s) for accounting policy on Financial Instruments.

Set out below, is a comparison by class of the carrying amounts and fair value of the Group's financial instruments:

	Carrying value		Fair value	
	31st March, 2022	31st March, 2021	31st March, 2022	31st March, 2021
Financial assets				
Financial assets at amortised cost:				
a) Trade receivables	60.36	53.67	60.36	53.67
b) Loans	-	-	-	-
c) Cash and cash equivalents	214.55	1,068.16	214.55	1,068.16
d) Bank balances other than above	129.50	117.79	129.50	117.79
e) Others	7,242.74	910.23	7,242.74	910.23
Total Financial assets	**7,647.15**	**2,149.85**	**7,647.15**	**2,149.85**
Financial liabilities				
Financial liabilities at amortised cost:				
a) Borrowings	1,426.82	1,352.35	1,426.82	1,352.35
b) Trade payables	2,462.32	1,480.93	2,462.32	1,480.93
c) Lease liability	6,722.53	4,549.78	6,722.53	4,549.78
d) Others	532.71	384.93	532.71	384.93
Total Financial Liabilities	**11,144.38**	**7,767.99**	**11,144.38**	**7,767.99**

The fair value of the financial assets and liabilities is included at the amount at which the instrument could be exchanged in a current transaction between willing parties, other than in a forced or liquidation sale.

45. FAIR VALUE HIERARCHY

The carrying amount of financial assets and financial liabilities measured at amortised cost in the consolidated financial statements are a reasonable approximation of their fair values since the Group does not anticipate that the carrying amounts would be significantly different from the values that would eventually be received or settled.

46. FINANCIAL RISK MANAGEMENT

The Group's principal financial liabilities comprise loans and borrowings, trade and other payables. The main purpose of these financial liabilities is to finance the Group's operations and to provide guarantees to support its operations. The Group's principal financial assets include lease rental deposits, loans, trade receivables, cash and cash equivalents and other bank balances that derive directly from its operations.

The Group's activities expose it to a variety of financial risks, including market risk, credit risk and liquidity risk. The Group's primary risk management focus is to minimise potential adverse effects of market risk on its financial performance. The

(All amounts in Indian Rupees in millions except for share data or otherwise stated)

46. FINANCIAL RISK MANAGEMENT (CONTD.)

Group's risk management assessment and policies and processes are established to identify and analyse the risks faced by the Group, to set appropriate risk limits and controls, and to monitor such risks and compliance with the same.

Risk assessment and management policies and processes are reviewed regularly to reflect changes in market conditions and the Group's activities. The Board of Directors is responsible for overseeing the Group's risk assessment and management policies and processes.

Market risk

Market risk is the risk that the fair value or future cash flows of a financial instrument will fluctuate because of changes in market prices. Such changes in the values of financial instruments may result from changes in the credit, interest rate, liquidity and other market changes.

Interest rate risk

Interest rate risk is the risk that the fair value or future cash flows of a financial instrument will fluctuate because of change in market interest rates. The Group has floating rate of borrowings. The exposure to risk of changes in market interest rates in minimal. The Group has not used any interest rate derivatives.

The following table demonstrates the sensitivity to a reasonably possible change in interest rates on that portion of loans and borrowings affected. With all other variables held constant, the Group's profit before tax is affected through the impact on floating rate borrowings, as follows:

Particulars	Increase/ (decrease) in profit before tax	
	31st March, 2022	31st March, 2021
Change in interest rate		
- Increase by 50 basis points	(3.69)	(3.71)
- Decrease by 50 basis points	3.74	3.71

Credit risk

Credit risk is the risk that counterparty will not meet its obligations under a financial instrument or customer contract, leading to a financial loss. Credit risk encompasses of both, the direct risk of default and the risk of deterioration of creditworthiness as well as concentration of risks. Credit risk is controlled by analysing credit limits and creditworthiness of customers on a continuous basis to whom the credit has been granted after obtaining necessary approvals for credit. Financial instruments that are subject to concentrations of credit risk principally consist of trade receivables, loans, cash and cash equivalents, bank deposits and other financial assets. None of the financial instruments of the Company result in material concentration of credit risk, except for trade receivables.

Trade and other receivables

The customer credit risk is managed by the Company's established policy, procedures and control relating to customer credit risk management. Credit quality of a customer is assessed based on the individual credit limits as defined in accordance with this assessment and outstanding customer receivables are regularly monitored. The Group's receivables turnover is quick and historically, there was no significant defaults on account of those customer in the past. Ind AS requires an entity to recognise in profit or loss, the amount of expected credit losses (or reversal) that is required to adjust the loss allowance at the reporting date to the amount that is required to be recognised in accordance with Ind AS 109.

The Group assesses at each date of statements of financial position whether a financial asset or a group of financial assets is impaired. Expected credit losses are measured at an amount equal to the 12 month expected credit losses or at an amount equal to the life time expected credit losses if the credit risk on the financial asset has increased significantly since initial recognition. The Group has used a practical expedient by computing the expected credit loss allowance for trade receivables based on a provision matrix. The provision matrix takes into account historical credit loss experience and adjusted for forward-looking information.

Before accepting any new customer, the Group uses an internal credit scoring system to assess the potential customer's credit quality and defines credit limits by customer. Limits and scoring attributed to customers are reviewed on periodic basis. The expected credit loss allowance is based on the ageing of the days the receivables are due and the rates as given in the provision matrix.

Notes to consolidated financial statements for the year ended 31st March, 2022 (Contd.)

(All amounts in Indian Rupees in millions except for share data or otherwise stated)

46. FINANCIAL RISK MANAGEMENT (CONTD.)

Exposure to credit risk:

The carrying amount of financial assets represents the maximum credit exposure. The maximum exposure to credit risk was ₹ 68.05 millions and ₹ 74.40 millions as of 31st March, 2022 and 31st March, 2021 respectively, being the total of the carrying amount of balances with trade receivables.

The ageing analysis of trade receivables as of the reporting date is as follows:

Particulars	Less than 180 days	More than 180 days	Total
As at 31st March, 2022	54.61	13.44	68.05
As at 31st March, 2021	47.65	26.75	74.40

The following table summarises the changes in the allowances for doubtful accounts for trade receivables :

Particulars	31st March, 2022	31st March, 2021
At the beginning of the year	20.73	27.47
Provision for Impairment	1.57	0.29
Receivables written off during the year as uncollectible	(0.20)	(0.56)
Unused amounts reversed	(14.41)	(6.47)
At the end of the year	**7.69**	**20.73**

Other financial instruments including cash deposits

Credit risk from balances with banks is managed by the Group's treasury department in accordance with the Group's policy. Investments of surplus funds are made only with approved counterparties and within credit limits assigned to each counterparty. Counterparty credit limits are reviewed by the Group's Board of Directors on an annual basis, and may be updated throughout the year subject to approval of the authorised person. The limits are set to minimise the concentration of risks and therefore mitigate financial loss through counterparty's potential failure to make payments.

Liquidity risk

Liquidity risk refers to the risk that the Group cannot meet its financial obligations. The objective of liquidity risk management is to maintain sufficient liquidity and ensure that funds are available for use as per requirements. The Group manages liquidity risk by maintaining adequate reserves, banking facilities and reserve borrowing facilities, by continuously monitoring forecast and actual cash flows, and by matching the maturity profiles of financial assets and liabilities.

The table below summarises the maturity profile of the Group's financial liabilities based on contractual undiscounted payments:

Particulars	Less than 1 year	1 to 5 years	> 5 years	Total
31st March, 2022:				
Borrowings	1,426.82	-	-	1,426.82
Trade payables	2,462.32	-	-	2,462.32
Other financial liabilities	523.64	9.07	-	532.71
Lease liability	1,496.34	5,350.18	3,366.93	10,213.45
	5,909.12	**5,359.25**	**3,366.93**	**14,635.30**

Particulars	Less than 1 year	1 to 5 years	> 5 years	Total
31st March, 2021:				
Borrowings	1,352.35	-	-	1,352.35
Trade payables	1,480.93	-	-	1,480.93
Other financial liabilities	373.35	11.58	-	384.93
Lease liability	1,048.34	3,601.04	2,059.09	6,708.47
	4,254.97	**3,612.62**	**2,059.09**	**9,926.68**

Notes to consolidated financial statements for the year ended 31st March, 2022 (Contd.)

(All amounts in Indian Rupees in millions except for share data or otherwise stated)

47. CAPITAL MANAGEMENT

For the purpose of the Group's capital management, capital includes issued equity capital and all other equity reserves attributable to the equity holders. The primary objective of the Group's capital management is to maximise the shareholder value.

The Group manages its capital structure in consideration to the changes in economic conditions and the requirements of the financial covenants. The Group's monitors capital using a gearing ratio, which is net debt divided by total capital plus net debt. The Group includes within net debt, borrowings including interest accrued on borrowings less cash and short-term deposits.

Particulars	31st March, 2022	31st March, 2021
Borrowings including interest accrued on borrowings	1,426.82	1,352.35
Less: cash and cash equivalents	(214.55)	(1,068.16)
Less: margin deposits with bank	(193.50)	(234.00)
Net debt	**1,018.77**	**50.19**
Equity	238.60	4.48
Other Equity	13,939.12	7,301.06
Total Equity	**14,177.72**	**7,305.54**
Gearing ratio (Net Debt/ (Net Debt+Total Equity))	0.07	0.01

In order to achieve this overall objective, the Group's capital management, amongst other things, aims to ensure that it meets financial covenants attached to the interest-bearing loans and borrowings that define capital structure requirements. There have been no breaches in the financial covenants of any interest-bearing loans and borrowing in the current year.

No changes were made in the objectives, policies or processes for managing capital during the year ended 31st March, 2022.

48. DETAILS OF CSR EXPENDITURE

Particulars	31st March, 2022	31st March, 2021
(a) Gross amount required to be spent by the Group during the year	9.92	4.18
(b) Amount approved by the Board to be spent during the year	9.92	4.18
(c) Amount spent during the year (in cash)		
(i) Construction/acquisition of any asset	-	-
(ii) On purposes other than (i) above	9.92	4.18
(d) (Shortfall) / Excess at the end of the year	-	-
(e) Total of previous years shortfall	-	-
(f) Details of related party transactions	-	-
(g) Where a provision is made with respect to a liability incurred by entering into a contractual obligation, the movements in the provision during the year.	-	-
(h) Reason for shortfall:	NA	NA

For the year ending 31st March, 2022 and 31st March, 2021 : No shortfall

Nature of CSR activities:

i) Payment to Prime minister national relief fund

ii) Education

iii) Hunger management

iv) Covid activies"

Notes to consolidated financial statements for the year ended 31st March, 2022 (Contd.)

(All amounts in Indian Rupees in millions except for share data or otherwise stated)

49. SEGMENT INFORMATION

Segments are identified in line with Indian Accounting Standard (Ind AS) 108 "Segment Reporting", taking into consideration the internal organisation and management structure as well as the differential risk and returns of the segment. Operating segments are reported in a manner consistent with the internal reporting provided to chief operating decision maker (CODM).The Managing Director is the Group CODM within the meaning of Ind AS 108.During the year, the group had three primary segments i.e. (i) retail trading of medicines and general items, (ii) wholesale cash and carry, and (iii) pathological testing services.

Particulars	31st March, 2022					31st March, 2021				
	Wholesale	Retail	Pathology testing services	Unallocated	Total	Wholesale	Retail	Pathology testing services	Unallocated	Total
REVENUE										
External sales	128.90	37,350.09	74.76	-	37,553.75	123.93	30,361.05	22.77	-	30,507.75
Inter-segment sales	-	-	-	-	-	-	-	-	-	-
Total revenue	**128.90**	**37,350.09**	**74.76**	**-**	**37,553.75**	**123.93**	**30,361.05**	**22.77**	**-**	**30,507.75**
Less: Eliminations	-	-	-	-	-	-	-	-	-	-
Other operating revenue	-	239.04	-	-	239.04	-	184.94	-	-	184.94
Total Revenue from operations	**128.90**	**37,589.13**	**74.76**	**-**	**37,792.79**	**123.93**	**30,545.99**	**22.77**	**-**	**30,692.69**
Segment results	2.89	1,820.45	(116.82)		1,706.52	2.88	1,455.11	(10.46)		1,447.53
Unallocated expeses	-	-	-	-	-				(26.05)	(26.05)
Interest expense	-	(643.52)	(20.76)	-	(664.28)		(544.14)	(4.31)		(548.45)
Interest income	-	64.58	0.35	72.26	137.19		69.73	0.86	7.35	77.94
Profit before tax					**1,179.43**					**950.98**
Tax expenses					(232.27)					(319.87)
Minority interest					10.68					7.49
Other Comprehensive Income					18.28					9.33
Profit for the year					**976.12**					**647.93**
OTHER INFORMATION										
Segment assets	3.27	18,855.45	816.36	6,265.40	25,940.48	38.93	13,749.18	75.80	1,792.57	15,656.49
Total assets					**25,940.48**					**15,656.49**
Segment liabilities	-	11,313.72	454.23	-	**11,767.95**	-	8,278.82	53.59	13.06	**8,345.46**
Total liabilities					**11,767.95**					**8,345.46**
Capital expenditure	-	770.93	406.28	-	**1,177.21**	-	388.51	10.77	143.30	**542.58**
Depreciation and amortisation expense	7.37	1,186.23	-	-	**1,193.60**	-	878.39	4.31	-	**882.70**
Non-cash expenses other than depreciation	-	231.27	2.17	-	**233.44**	-	1,020.50	3.07	-	**1,023.56**

(A) Analysis of revenue by geography

The group operates within india and does not have operations in economic environments with different risks and returns. Hence, no separate financial disclosures are provided in respect of its geographical segment.

(B) Information about revenue from major customers which is included in revenue

There is no transactions with single external customer which amounts to 10% or more of the Group's revenue.

(All amounts in Indian Rupees in millions except for share data or otherwise stated)

50. ADDITIONAL INFORMATION PURSUANT TO PARAGRAPH 2 OF DIVISION II OF SCHEDULE III TO THE COMPANIES ACT 2013 - GENERAL INSTRUCTIONS FOR THE PREPARATION OF CONSOLIDATED FINANCIAL STATEMENTS

Name of the Entity	Net Assets i.e., Total Assets minus total liabilities		Share in profit and loss		Share in Other Comrehensive Income		Share in Total Comrehensive Income	
	% of Net of Consolidated Net Assets	₹ millions	% of Net of Consolidated profit & Loss	₹ millions	% of Other Comprehensive Income	₹ millions	% of Total Comprehensive Income	₹ millions
Parent								
MedPlus Health Services Private Limited								
Balance as at 31st March, 2022	78.49%	11,127.84	5.89%	55.78	6.40%	1.17	5.90%	56.95
Balance as at 31st March, 2021	70.83%	5,174.80	(20.90%)	(131.89)	31.19%	2.91	(20.14%)	(128.98)
Subsidiaries in India								
Optival Health Solutions Private Limited ('OHSPL')								
Balance as at 31st March, 2022	43.61%	6,183.14	86.58%	820.08	91.52%	16.73	86.68%	836.81
Balance as at 31st March, 2021	73.02%	5,334.76	94.88%	598.81	67.31%	6.28	94.48%	605.09
MHS Pharmaceuticals Private Limited ('MHS')								
Balance as at 31st March, 2022	1.56%	220.70	(0.14%)	(1.31)	0.00%	0.00	(0.14%)	(1.31)
Balance as at 31st March, 2021	3.04%	222.01	6.97%	44.01	(4.39%)	(0.41)	6.81%	43.60
Agilemed Investment Private Limited (formerly known as Ritecure Pharma Private Limited) ('APPL')								
Balance as at 31st March, 2022	0.00%	-	0.00%	-	0.00%	-	0.00%	-
Balance as at 31st March, 2021	0.00%	0.01	0.02%	0.13	0.00%	-	0.02%	0.13
Wynclark Pharmaceuticals Private Limited (formerly known as Medsupply Distributors Private Limited) ('WPPL')								
Balance as at 31st March, 2022	0.64%	90.71	4.72%	44.73	0.00%	-	4.63%	44.73
Balance as at 31st March, 2021	0.63%	45.95	4.72%	29.80	0.00%	-	4.65%	29.80
Nova Sud Pharmaceuticals Private Limited (formerly known as PanIndia Pharma Distributors Private Limited)('NPPL')								
Balance as at 31st March, 2022	0.45%	64.46	0.18%	1.71	0.00%	-	0.18%	1.71
Balance as at 31st March, 2021	0.86%	62.75	(0.16%)	(0.99)	0.00%	-	(0.15%)	(0.99)
Sai Sridhar Pharma Private Limited ('SSPPL')								
Balance as at 31st March, 2022	0.79%	112.50	2.58%	24.42	0.66%	0.12	2.54%	24.54
Balance as at 31st March, 2021	1.20%	87.94	3.47%	21.91	1.07%	0.10	3.44%	22.01
Venkata Krishna Enterprises Private Limited ('VKEPL')								
Balance as at 31st March, 2022	1.25%	177.40	4.25%	40.29	(0.22%)	(0.04)	4.17%	40.25
Balance as at 31st March, 2021	1.87%	136.69	5.21%	32.88	0.86%	0.08	5.15%	32.96

Notes to consolidated financial statements for the year ended 31st March, 2022 (Contd.)

(All amounts in Indian Rupees in millions except for share data or otherwise stated)

50. ADDITIONAL INFORMATION PURSUANT TO PARAGRAPH 2 OF DIVISION II OF SCHEDULE III TO THE COMPANIES ACT 2013 - GENERAL INSTRUCTIONS FOR THE PREPARATION OF CONSOLIDATED FINANCIAL STATEMENTS (CONTD.)

Name of the Entity	Net Assets i.e., Total Assets minus total liabilities		Share in profit and loss		Share in Other Comrehensive Income		Share in Total Comrehensive Income	
	% of Net of Consolidated Net Assets	₹ millions	% of Net of Consolidated profit & Loss	₹ millions	% of Other Comprehensive Income	₹ millions	% of Total Comprehensive Income	₹ millions
Deccan Medisales Private Limited ('DMPL')								
Balance as at 31st March, 2022	0.43%	60.86	0.82%	7.78	(1.15%)	(0.21)	0.78%	7.57
Balance as at 31st March, 2021	0.73%	53.29	1.10%	6.92	2.57%	0.24	1.12%	7.16
Shri Banashankari Pharma Private Limited ('SBPPL')								
Balance as at 31st March, 2022	0.01%	0.97	(0.09%)	(0.87)	0.00%	0.00	(0.09%)	(0.87)
Balance as at 31st March, 2021	0.02%	1.82	(0.17%)	(1.08)	0.00%	0.00	(0.17%)	(1.08)
Sidson Pharma Distributors Private Limited ('SPDPL')								
Balance as at 31st March, 2022	0.40%	56.33	1.39%	13.17	(0.11%)	(0.02)	1.36%	13.15
Balance as at 31st March, 2021	0.59%	43.07	1.72%	10.88	2.14%	0.20	1.73%	11.08
Kalyani Meditimes Private Limited ('KMT')								
Balance as at 31st March, 2022	(0.10%)	(13.69)	(3.33%)	(31.52)	2.90%	0.53	(3.21%)	(30.99)
Balance as at 31st March, 2021	0.24%	17.29	(3.44%)	(21.69)	(0.64%)	(0.06)	(3.40%)	(21.75)
ClearanceKart Private Limited*								
Balance as at 31st March, 2022	0.00%	0.01	0.00%	(0.09)	0.00%	0.00	0.00%	-
Balance as at 31st March, 2021	0.00%	-	0.00%	-	0.00%	-	0.00%	-
Minority interests in all subsidiaries								
Balance as at 31st March, 2022	(0.04%)	(5.19)	(1.15%)	(10.86)	0.98%	0.18	(1.11%)	(10.68)
Balance as at 31st March, 2021	0.08%	5.49	(1.18%)	(7.47)	(0.21%)	(0.02)	(1.17%)	(7.49)
Consolidation adjustments								
Balance as at 31st March, 2022	(27.50%)	(3,898.31)	(1.71%)	(16.24)	(0.98%)	(0.18)	(1.70%)	(16.42)
Balance as at 31st March, 2021	(53.11%)	(3,880.33)	7.75%	48.92	(0.11%)	(0.01)	7.64%	48.91
Total								
Balance as at 31st March, 2022	100.00%	14,177.72	100.00%	947.16	100.00%	18.28	100.00%	965.44
Balance as at 31st March, 2021	100.00%	7,305.54	100.00%	631.11	100.00%	9.33	100.00%	640.41

Notes

1) Net assets means total assets minus total liabilities excluding shareholders funds. Net assets and share in profit or loss for the parent company and subsidiaries are as per the standalone financials of the respective entities.

2) The disclosure as above represents separate information for each of the consolidated entities before elimination of inter–company transactions. The net impacts on elimination of inter–company transactions/profits/consolidation adjustments have been disclosed separately.

*The Holding Company subscribed to 10,000 shares of 10 each of ClearanceKart Private Limited, which was incorporated on 9th March, 2021 under the Compnies Act, 2013. The transfer of shares and consideration happened during the year ended 31st March, 2022.

Notes to consolidated financial statements for the year ended 31st March, 2022 (Contd.)

(All amounts in Indian Rupees in millions except for share data or otherwise stated)

51. AGREEMENT WITH SHAREHOLDERS

a. Shareholder agreement (SHA) and Share Subscription Agreements (SSA)

Pursuant to a Shareholders Agreement (SHA) dated 24th December, 2020 entered into with Agilemed Investments Private Limited, Lone Furrow Investments Private Limited, PI Opportunities Fund - I (PI), S.S. Pharma LLC, Shore Pharma LLC, Natco Pharma Limited, Time Cap Pharma Labs Private Limited, Lavender Rose Investments Limited, the Promoters and the Existing Share holders and the Share Subscription Agreement (SSA) dated 24th December, 2020 entered into with Lavender Rose Investments Limited ('Investor'), Gangadi Investments Private Limited (Promoter 2), G Madhukar Reddy (Promoter 1), Agilemed Investments Private Limited and Lone Furrow Investments Private Limited and the Share Subscription Agreement (SSA) dated 24th December, 2020 entered into with PI Opportunities Fund - I (PI) ('Investor'), Gangadi Investments Private Limited (Promoter 2), G Madhukar Reddy (Promoter 1), Agilemed Investments Private Limited and Lone Furrow Investments Private Limited, the Company issued 560,896 0.001% Series C1 Compulsorily Convertible Preference Shares (CCPS) to Lavender Rose Investments Limited on 9th February, 2021 and 1,60,147 0.001% Series C2 Compulsorily Convertible Preference Shares (CCPS) to PI on 9th February, 2021 on a private placement basis as per the provisions of Section 42 of the Companies Act, 2013. Consequent to such issue of shares, the Company received ₹ 777.90 million and ₹ 222.10 million, respectively, the details of which are included in the table below:

S. No	Type of share	Face value per share	Issue price per share	Premium on issue per share	No of Shares	Total amount (₹ in million)
1	CCPS Series C1	20.00	1,386.88	1,366.88	5,60,896	777.90
2	CCPS Series C2	20.00	1,386.88	1,366.88	1,60,147	222.10
						1,000.00

Pursuant to a Shareholders Agreement (SHA) dated 24th December, 2020 entered into with Agilemed Investments Private Limited, Lone Furrow Investments Private Limited, PI Opportunities Fund - I (PI), S.S. Pharma LLC, Shore Pharma LLC, Natco Pharma Limited, Time Cap Pharma Labs Private Limited, Lavender Rose Investments Limited, the Promoters and the Existing Share holders, the conversion ratio of all the different series of CCPS i.e., Series A, Series B, Series B1, Series B2, Series C1 and Series C2 has been effectively determined on an overall basis at 1 equity share for each CCPS held with different coversion ratio's within different series basis the conversion events. Accordingly, the Series B, B1, B2 CCPS issued as bonus shares during the year and the CCPS issued under Series C1 and C2 and covered under the SHA were classified as equity at their transaction values as at the transaction date.

Of the above proceeds, the Company has utilised ₹ 60.00 million towards repayment of loan, ₹ 30.14 million towards expenses incurred for issuance of the CCPS, ₹ 7.00 million towards investment in subsidiaries and ₹ 624.78 million towards general business purposes. As at 31st March, 2022, the unutilised amount of ₹ 278.08 million has been placed in fixed deposits with banks.

During the year ended 31st March, 2022, the Company has approved and converted the Series A,B,B1,B2,C1 and C2 Compulsory convertible preference shares (CCPS) into its equity shares in the ratio of 5 equity shares for one CCPS held.

52. IMPACT OF COVID-19:

The management believes that the outbreak of COVID pandemic does not have any significant impact on the future operations of the Group since it provides essential services i.e., trading of medicines and general items. Accordingly, the Group continues to prepare the consolidated financial statements on a going concern basis. Basis management's current assessment, it does not expect any adjustments to the carrying amounts of inventories, tangible assets, intangible assets, goodwill, trade receivables and other financial assets on account of the current economic situation. The eventual outcome of the impact of this global health pandemic may be different from those estimated as on the date of approval of these consolidated financial statements.

53. The Group does not have any has long term contracts or derivative contracts on which material foreseeable losses were noted.

54. The Group has granted loans and made investment in some of its subsidiaries and other parties. Loans has been given for general corporate purpose. In some of the cases, the subsidiary has utilised borrowings for further investment as per their business requirement. However, none of those borrowings have been utillised for further advancement of loans/ investment for the year ended 31st March, 2022 and 31st March, 2021.

Notes to consolidated financial statements for the year ended 31st March, 2022 (Contd.)

(All amounts in Indian Rupees in millions except for share data or otherwise stated)

55. OTHER STATUTORY INFORMATION

(i) Details of transactions entered into by the Group with Companies struck off under section 248 of the Companies Act, 2013 or section 560 of Companies Act, 1956 are as follows:

Name of the Struck off Company	Nature of transactions with struck off Company	As at 31st March, 2022	As at 31st March, 2021	Relationship with the struck off Company, if any, to be disclosed
Sapthagirisrinilaya Chit Fund Private Limited	Trade Payable	-	0.02	None
Sapthagirisrinilaya Chit Fund Private Limited	Refundable Deposit	-	0.10	None

(ii) The Indian Parliament has approved the Code on Social Security, 2020 which would impact the contributions by the Group towards Provident Fund and Gratuity. The Ministry of Labour and Employment has released draft rules for the Code on Social Security, 2020 on 13th November, 2020, and has invited suggestions from stakeholders which are under active consideration by the Ministry. The Group will assess the impact and its evaluation once the subject rules are notified and will give appropriate impact in its financial statements in the period in which, the Code becomes effective and the related rules to determine the financial impact are published.

(iii) The Group do not have any Benami property, where any proceeding has been initiated or pending against the Company for holding any Benami property.

(iv) The Group have not traded or invested in Crypto currency or Virtual Currency during the financial year.

(v) The Group does not have any such transaction which is not recorded in the books of accounts that has been surrendered or disclosed as income during the year in the tax assessments under the Income Tax Act, 1961 (such as, search or survey or any other relevant provisions of the Income Tax Act, 1961.

(vi) The Group have not advanced or loaned or invested funds other than disclosed in note 54 to any other person(s) or entity(ies), including foreign entities (Intermediaries) with the understanding that the Intermediary shall:

(a) directly or indirectly lend or invest in other persons or entities identified in any manner whatsoever by or on behalf of the Company (Ultimate Beneficiaries) or

(b) provide any guarantee, security or the like to or on behalf of the Ultimate Beneficiaries.

(vii) The Group have not received any fund from any person(s) or entity(ies), including foreign entities (Funding Party) with the understanding (whether recorded in writing or otherwise) that the Comapany shall:

(a) directly or indirectly lend or invest in other persons or entities identified in any manner whatsoever by or on behalf of the Funding Party (Ultimate Beneficiaries) or

(b) provide any guarantee, security or the like on behalf of the Ultimate Beneficiaries.

56. INITIAL PUBLIC OFFER AND UTILISATION OF PROCEEDS

The holding Company has completed an Initial Public Offer ('IPO') of 17,573,342 equity shares of face value of ₹ 2 each during the year ended 31st March, 2022 along with a consequent listing of its equity shares on the Bombay Stock Exchange Limited ('BSE') and National Stock Exchange of India Limited ('NSE'). The IPO involved a Fresh Issue of 7,544,511 equity shares by the Company for an amount of ₹ 6,000 million and an offer for sale of 1,00,28,831 equity shares by certain shareholders for an amount of ₹ 7,982.95 million. Further, an amount of ₹ 536.83 million has been incurred towards the IPO related expenses which are proportionately allocated between the Company and the Selling Shareholders as per respective offer sise, with the Company' share of expenses aggregating to ₹ 217.27 million being adjusted against the balance of Securities Premium in accordance with the provisions of the Companies Act, 2013. The net proceeds received from the aforesaid IPO would be utilised towards investment in a subsidiary for meeting its working capital requirements and towards general corporate purposes.

Notes to consolidated financial statements for the year ended 31st March, 2022 (Contd.)

(All amounts in Indian Rupees in millions except for share data or otherwise stated)

56. INITIAL PUBLIC OFFER AND UTILISATION OF PROCEEDS (CONTD.)

The utilisation of IPO proceeds received by the holding Company (Net of IPO related expense) is summarised below:

Objects as per Prospectus	Planned utilisation as per Prospectus	Utilisation up to 31st March, 2022	Unutilised amount as on 31st March, 2022*
i) Investment in Subsidiary, Optival Health Solutions Private Limited towards their working capital requirements	4,671.70	-	4,671.70
ii) General Corporate Purposes	1,111.03	9.09	1,101.94
Total	**5,782.73**	**9.09**	**5,773.64**

* Out of the aforesaid unutilised proceeds, amount of ₹ 5,710 millions have been placed as fixed deposits with bank and the balance amount of ₹ 63.64 millions is yet to be receivable by the holding company from the IPO public issue account.

57. GOVERNMENT GRANT

Other operating revenue includes incentives against skill development under National Apprenticeship Promotion Scheme of ₹ 33.86 millions (31st March, 2021, ₹ Nil).

58. EVENTS AFTER BALANCE SHEET DATE

Pursuant to an approval received from the Board of Directors of the Company at their meetings held on 12th April, 2022 and 20th April, 2022, the Company has made investments aggregating to ₹ 2,826.06 million towards subscription of 6,224,801 equity shares of ₹ 10 each in its subsidiary Optival Health Solutions Private Limited.

59. The Ministry of Corporate Affairs (MCA) vide notification dated 24th March, 2021 has amended Schedule III to the Companies Act, 2013 in respect of certain disclosures. These amendments are applicable from 1st April, 2021. The Company has given effect to these amendments while preparation of the these financial results, including comparative information.

As per our report of even date attached

For **B S R & Associates LLP**
Chartered Accountants
ICAI Firm Registration Number 116231W/W-100024

Arpan Jain
Partner
Membership Number: 125710

Hyderabad, 30th May, 2022

For and on behalf of the Board of Directors of
MedPlus Health Services Limited
(formerly known as MedPlus Health Services Private Limited)

G. Madhukar Reddy
Chairman and Managing Director
DIN: 00098097

Shilpi Keswani
Company Secretary

Hemanth Kundavaram
Chief Financial Officer

Hyderabad, 30th May, 2022

MedPlus

MEDPLUS HEALTH SERVICES LIMITED

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